



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year 2019

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 19-04-1185 dated April 25, 2019 submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total of **FOUR BILLION FIVE HUNDRED FIFTY MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND PESOS ONLY (P4,550,845,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 8,031,108,000	P 8,031,108,000	-
Corporate Funds	7,037,500,000	7,037,500,000	-
National Government (NG) Budgetary Support	993,608,000	993,608,000	-
TOTAL USES:	P 5,728,102,000	P 4,550,845,000	P (1,177,257,000)
Personnel Services (PS)	1,267,617,000	950,145,000	(317,472,000) a/
Maintenance and Other Operating Expenses (MOOE)	2,633,825,000	2,276,060,000	(357,765,000)
Operating Expenses	1,198,288,000	840,523,000	(357,765,000) b/
Other MOOE	1,435,537,000	1,435,537,000	-
Debt Service	565,465,000	565,465,000	-
Dividends to National Government	842,476,000	842,476,000	-
Power Subsidy to Hanjin Heavy Industries and Construction - Philippines, Inc.	27,596,000	27,596,000	-
Capital Outlays (CO)	1,826,660,000	1,324,640,000	c/ (502,020,000)
Excess/(Shortfall)	P 2,303,006,000	P 3,480,263,000	P 1,177,257,000

Footnotes:

a/ The variance in PS refers to overprovision of the following PS items, as shown below:

• Salaries	P 3,679,000	Represents PS requirement of eighteen (18) unfilled positions.
• Wages of Contractuals and Casuals	5,933,000	
• Personnel Economic Relief Allowance	272,000	
• Uniform/Clothing Allowance	72,000	
• Cash Gift	60,000	
• Midyear Bonus	22,000	
• Employees Compensation Insurance Premium	14,000	
• Pag-IBIG Contributions	14,000	
• Allocation for new hire and restructuring	302,088,000	No provision pending the DBM approval of the proposed restructuring
• Representation & Transportation Allowance	96,000	Excess in the rates pursuant to pertinent General Provisions of the annual GAA
• Per diem of Board of Directors	5,222,000	Excess in the rates based on EO No. 24
Total	P 317,472,000	

b/ MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, details of variance as follows:

Particulars	Amount
Repair & Maintenance of Government Vehicles	41,654,000
Gasoline, Oil and Lubricants	5,976,000
Supplies and Materials	41,116,000
Repair & Maintenance of Government Facilities	33,006,000
Awards and Indemnities	1,398,000
Consultancy Services	54,459,000
Other Services	180,156,000
Total	P 357,765,000

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

c/ The variance in CO pertains to requirements of projects which cannot be implemented in the current year and thus expected to spill over to FY 2020 based on supporting documents provided by the SBMA, broken down as follows:

Land and Land Improvements	P	255,660,000
Transportation Equipment		150,294,000
Furniture and Fixtures		3,438,000
Electronics and Communication Equipment		58,603,000
Information and Technology Outlays		34,025,000
Total	P	502,020,000

Notwithstanding the above-indicated variances in PS, MOOE and CO, the SBMA has the flexibility to modify the DBM-approved budget level, for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 76 of General Provisions of RA No. 11260 on the rules on the modification in allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP) of the Philippines. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for Government-Owned or -Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before the acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of MVs, in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MV shall be consistent with the provisions of BC No. 2019-3, BC No. 2019-2 and Annex B of BC No. 2017-1, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
9. Any and all officials and employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO 292.

Recommending Approval:

for **CARMENCITA P. MAHINAY**
Director, BMB-C

Date: *11/25/2019*

Department of Budget and Management
BTS



2019-S20842L

Approved:

By Authority of the Secretary:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-19-C2-0051

cc: The Chairman
Board of Directors, SBMA

The Resident Auditor
COA-SBMA

Assistant Commissioner Winnie Rose H, Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City