



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

CORPORATE OPERATING BUDGET

Fiscal Year 2020

TO: SUBIC BAY METROPOLITAN AUTHORITY (SBMA)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per approved Board Resolution No. 20-07-1724 dated August 11, 2020 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 **SIX BILLION FOUR HUNDRED EIGHTY-SEVEN MILLION THIRTY-ONE THOUSAND PESOS ONLY (P6,487,031,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 7,776,883,000	P 7,776,883,000	-
Corporate Funds	6,983,215,000	6,983,215,000	-
National Government (NG) Budgetary Support	793,668,000	793,668,000	-
TOTAL USES:	P 7,629,614,000	P 6,487,031,000	P (1,142,583,000)
Personnel Services (PS)	1,300,023,000	981,068,000	(318,955,000) a/
Maintenance and Other Operating Expenses (MOOE)	4,464,343,000	4,292,412,000	(171,931,000)
Operating Expenses	1,000,635,000	828,704,000	(171,931,000) b/
Other MOOE	3,463,708,000	3,463,708,000	-
Debt Service	546,518,000	546,518,000	-
Dividends to National Government	2,917,190,000	2,917,190,000	-
Capital Outlays (CO)	1,865,248,000	1,213,551,000	(651,697,000) c/
Excess/(Shortfall)	P 147,269,000	P 1,289,852,000	P 1,142,583,000
Footnotes:			
a/ The variance in PS refers to overprovision of the following PS items, as shown below:			
• Allocation for new hire and restructuring	310,430,000	No provision pending the DBM approval of the proposed restructuring	
• Representation & Transportation Allowance	576,000	Excess in the rates pursuant to pertinent General Provisions of the annual GAA	
• Per diem of Board of Directors	7,949,000	Excess in the rates based on EO No. 24	
Total	P 318,955,000		
b/ MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, as well as actual as of September plus projections for October to December 2020, details of variance as follows:			
Particulars	Amount		
Repair & Maintenance of Government Vehicles	12,006,000		
Gasoline, Oil and Lubricants	17,671,000		
Rents	2,155,000		
Supplies and Materials	28,386,000		
Water, Illumination and Power Services	155,000		
Repairs and Maintenance of Government Facilities	9,489,000		
Traveling Expenses	7,440,000		
Awards and Indemnities	5,515,000		
Training and Seminar Expenses	6,773,000		
Consultancy Services	54,928,000		
Other Professional Services	9,248,000		
Special Events	4,895,000		
Other Services	13,270,000		
	P 171,931,000		

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 2021 based on supporting documents provided by the SBMA, broken down as follows:

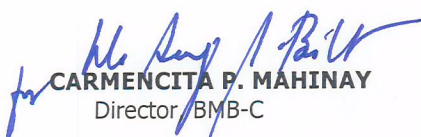
Land and Land Improvements	P	159,980,000
Transportation and Equipment Outlays		410,865,000
Information and Technology Outlays		80,852,000
Total	P	651,697,000

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 the case of those funded out of NG budgetary support, Section 70 of General Provisions of RA No. 11465 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. Moreover, it is understood that the acquisition of motor vehicle/s shall be in accordance with the Government Procurement Reform Act (RA No. 9184) and its Implementing Rules and Regulations, as well as subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
7. 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.
8. 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.
9. 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.
10. 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.

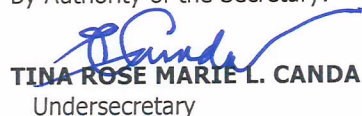
Recommending Approval:


CARMENCITA P. MAHINAY
Director/BMB-C

Date: 12-23-2020

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C2-20-C2-0047

cc: The Chairman
Board of Directors, SBMA

The Resident Auditor
COA-SBMA

Assistant Commissioner Winnie Rose H. Encallado
COA-SBMA