



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

SMALL BUSINESS CORPORATION  
**RECEIVED**  
BY: ELLAH MAYE T. TABALNO  
DATE: 13 MAY 2026  
TIME: 2:00  
OFFICE OF THE PRESIDENT/CBO

**CORPORATE OPERATING BUDGET**  
Fiscal Year 2026

**TO: SMALL BUSINESS CORPORATION (SBCorp)**

Your Corporate Operating Budget (COB) for FY 2026 per Secretary's Certificate of Board Resolution No. 2026-03-3840 dated March 17, 2026, 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 amount of **TWELVE BILLION NINE HUNDRED FIFTY SEVEN MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND PESOS ONLY (P12,957,775,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE	
		(a)		(b)		(c=b-a)
<b>TOTAL SOURCES</b>	<b>P</b>	<b>13,148,887,000</b>	<b>13,148,887,000</b>	<b>P</b>	<b>-</b>	
Corporate Funds		12,148,887,000	12,148,887,000		-	
National Government (NG) Support		1,000,000,000	1,000,000,000		-	
<b>TOTAL USES</b>	<b>P</b>	<b>13,057,587,000</b>	<b>12,957,775,000</b>	<b>P</b>	<b>99,812,000</b>	
Personnel Services (PS)		435,444,000	435,444,000	a/	-	
Maintenance & Other Operating Expenses (MOOE)		555,327,000	455,515,000	b/	(99,812,000)	
Capital Outlays (CO)		12,066,816,000	12,066,816,000	c/	-	
<b>Excess/(Shortfall)</b>	<b>P</b>	<b>91,300,000</b>	<b>191,112,000</b>	<b>P</b>	<b>99,812,000</b>	

**Footnotes:**

a/ The recommended PS level considered the adoption by the SBCorp of the Compensation and Position Classification System (CPCS) II authorized per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated November 19, 2025, pursuant to EO No. 95 dated September 16, 2025, its implementing rules and regulations, and corresponding CPCS circulars for each PS item.

b/ The approved MOOE level is computed considering the absorptive capacity of the SBCorp for the three (3) immediately preceding years, wherein the highest Budget Utilization Rate (BUR) is applied to MOOE items, except those pertaining to the SBCorp's expenses for the implementation of Pondo sa Pagbabago at Pag-asenso (P3) Program.

Notably, the Corporation's mobilization and monitoring or the administrative operating expenses for the implementation of the P3 Program should be limited to three percent (3%) of the FY 2026 NG subsidy of the Corporation. These administrative and operating expenses should be viewed as part of the overall operational cost of the SBC, which may also be funded from internal revenue generation with adjustments subject to the review and assessment of financial performance, changing needs, and priorities of the NG.

c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the Corporation.

The purchase of motor vehicles duly approved by the Department of Budget and Management (DBM) through the attached Authority to Purchase Motor Vehicles (APMV) No. C-26-036 shall be consistent with Budget Circular (BC) No. 2022-01 dated February 11, 2022, as supplemented by BC No. 2022-1A dated March 1, 2023.

**Notwithstanding the above-mentioned variance in MOOE, the SBC still has the flexibility to modify its utilization within the total DBM-approved budget level.**

Further, 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 NG 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). **Disbursements 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. 150 for Government-Owned or -Controlled Corporations (GOCCs) covered by Republic Act 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 GCG, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that requires specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Example: 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 (DBM) / Supervising Department for the purchase of MV, in accordance with BC No. 2022-01 dated February 11, 2022 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Government MVs), existing procurement laws, rules and regulations, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case when the adoption is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Pursuant to Administrative Order No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing law, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
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 existing laws, rules and regulations.
9. Any and all officials or 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 No. 292.

**Recommending Approval:**



Digitally signed by  
Elena Regina S.  
Brillantes

**ELENA REGINA S. BRILLANTES**

Director IV, BMB-C

*for*

**Approved: /**



**ROLANDO U. TOLEDO**

Acting Secretary, DBM



cf: **The Chairman**  
Board of Directors, SBC

**Assistant Commissioner for Corporate Government Audit Sector**  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City

**The Resident Auditor**  
COA - SBC

**COB No. C1-26-0027**

Date: **11 MAY 2026**