



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

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2021

TO: SMALL BUSINESS CORPORATION (SBC)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per approved Board Resolution No. 2021-05-3070 dated June 2, 2021, 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 **ELEVEN BILLION THREE HUNDRED SEVENTY-THREE MILLION SIXTY-ONE THOUSAND PESOS ONLY (P11,373,061,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 11,435,765,000	P 11,435,765,000	-
Corporate Funds	2,940,957,000	2,940,957,000	-
National Government (NG) Support	8,494,808,000	8,494,808,000	-
Subsidy	1,000,000,000	1,000,000,000 a/	-
Equity	7,494,808,000	7,494,808,000 b/	-
TOTAL USES:	P 11,435,765,000	P 11,373,061,000	P (62,704,000)
Personnel Services (PS)	303,012,000	257,512,000	(45,500,000) c/
Maintenance and Other Operating Expenses (MOOE)	237,537,000	228,434,000	(9,103,000) d/
Capital Outlays (CO)	10,895,216,000	10,887,115,000 e/	(8,101,000)
Excess/(Shortfall)	P -	P 62,704,000	P (62,704,000)

Footnotes:

a/ For the implementation of the Pondo sa Pagbabago at Pag-asenso (P3) Program.

b/ Pertains to Equity Infusion of the NG pursuant to Republic Act No. 11494, Bayanihan to Recover as One Act enacted on September 11, 2020 for the implementation of the COVID-19 Assistance to Restart Enterprises (CARES) Program.

c/ The variance of P45,500,000 for PS refers to overprovision for the following items:

Salaries, Permanent	P 29,012,000	Computed based on Salary Standardization Law IV (4th tranche) for two hundred sixteen (216) filled positions
Year-End Bonus	1,091,000	} Equivalent to one month basic salary
Mid-Year Bonus	1,237,000	
Representation and Transportation Allowance	650,000	Per GAA rates
Terminal Leave and Monetization of Leave Credits	5,191,000	Subject to submission of list of claimants
Provident Fund	850,000	Based on allowable rates per qualified personnel
Loyalty Award	700,000	Based on computed rates per Civil Service Commission (CSC) Memorandum Circular (MC) No. 06, s. 2012.
Retirement and Life Insurance Premium	2,378,000	Based on 12% of basic salary
Employee Compensation Insurance Premium	11,000	} Based on P100 per month per employee
Pag-IBIG Premium	11,000	
PhilHealth Contributions	119,000	Based on rates per DBM Circular Letter No. 2019-8
PRAISE	4,250,000	Chargeable against savings
	P 45,500,000	

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d/ The variance of P9,103,000 for MOOE refers to excess computation for non-core function items which were computed based on the highest actual/audited expenses for the previous years plus inflation rate, or proposed level whichever is lower:

Repair and Maintenance Expenses	P	495,000
Other Professional Services		4,615,000
Miscellaneous and Other Operating Expenses		3,993,000
Total	P	<u>9,103,000</u>

e/ Recommended CO level is broken down as follows:

Investment/Loans Outlay	P	10,865,215,000
Buildings and Structures Outlay		4,364,000
Office Equipment, Furniture and Fixtures		1,115,000
Machineries and Equipment		1,630,000
Leasehold Improvements		1,232,000
Transportation Equipment		5,700,000
Information and Communication Technology (ICT) Equipment and Software		7,859,000 **
Total	P	<u>10,887,115,000</u>

* Pertains to the procurement of three (3) Motor Vehicles (MVs). The issuance of the corresponding authority to purchase motor vehicle shall be acted separately subject to the submission by the SBC of the request to the DBM in accordance with the pertinent provisions under Office of the President (OP) Memorandum Circular No. 9, s. 2010, and Administrative Order (AO) No. 14, s. 2018.

** Pertains to ICT items supported with an approved Annual Procurement Plan and are included for budgetary purposes. However, all ICT-related activities shall be subject to the approval by the Department of Information and Communications Technology of the Corporation's Information Systems Strategic Plan.

Notwithstanding the indicated variances in PS, MOOE, and CO, the SBC has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 11518 on the rules on 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 of the OP. Disbursements for personnel services shall be subject to the pertinent compensation laws, rules and regulations, including EO Nos. 7 (s. 2010), 24 (s. 2011), 201 (s. 2016) and 36 (s. 2017). Such expenditures shall be consistent with EO No. 76, s. 2012 and also be conditioned on the relevant GP of FY 2021 GAA or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and othe MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Equipment Procurement Program that require specific clearance/approval from the departments/agencies concerned (e.g., Department of Information and Communications Technology (DICT), particularly for Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee, for information technology equipment and OP/DBM/Supervising Department for procurement of motor vehicles), the same shall be secured before acquisition thereof in accordance with CBC No. 17 dated February 9, 1996, BC No. 2017-1 dated April 26, 2017, respectively, OP Memorandum Circular No. 9 dated December 14, 2010, and Administrative Order (AO) 15 dated May 25, 2011, and AO No. 14 dated December 10, 2018, as implemented under BC Nos. 2019-2 and 2019-3 dated March 4 and May 16, 2019, respectively.

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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 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 incurrance 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

OIC - Director, BMB -C

Date: **SEP 14 2021**

Approved:

Original signed
TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM

COB No.: **C4-21-0023**



cc: The Chairman
Board of Directors, SBC

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

The Resident Auditor
COA-SBC