



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 GEN. SOLANO ST., SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET			
Calendar Year 2015			
TO: SMALL BUSINESS CORPORATION (SBC)			
<p>Your Corporate Operating Budget (COB) for Calendar Year 2015 per Board Resolution No. 2165, series of 2015 dated April 15, 2015 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total of TWO BILLION SEVEN HUNDRED EIGHTEEN MILLION FIVE HUNDRED SIXTEEN THOUSAND PESOS ONLY (P2,718,516,000) details are shown below:</p>			
PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 2,866,420,000	P 2,866,420,000	-
Corporate Funds	2,766,420,000	2,766,420,000	-
National Government (NG) Subsidy	100,000,000	100,000,000	-
TOTAL USES:	P 2,866,420,000	P 2,718,516,000	P (147,904,000)
Personal Services (PS)	130,674,000	a/ 106,021,000	(24,653,000) a/
Maintenance & Other Operating Expenditure (MOOE)	194,746,000	b/ 71,495,000	(123,251,000) c/
Capital Outlays (CO)	2,541,000,000	d/ 2,541,000,000	e/ -
EXCESS/SHORTFALL	P -	P 147,904,000	P 147,904,000
Footnotes:			
<p>a/ Includes the amount of P9,298,670 realigned from MOOE representing per diem for committee meetings, gift cheques for regular employees and non-core personnel, and various employee awards, the grant of which are subject to the guidelines issued by Civil Service Commission. The variance of P24.653 Million refers to the following:</p>			
		Remarks	
Excess provision:			
Salaries of permanent positions	9,439,000	Excess provision of salary requirement for 153 positions [138 filled, 15 for hiring (computed at 4 months)] and 7 separated employees (computed based on the months in service) based on SBC's proposed salary rates for Job Grade 5 below and DBM recommendation, dated March 22, 2010 for Job Grade 6 to 9 which are comparable to the salary rates of PhilExim.	
Personnel Economic Relief Allowance (PERA)	110,000	Pegged at P2,000/month per employee for 153 positions [138 filled, 15 for hiring (computed at 4 months)] and 7 separated employees (computed based on the months in service)	
Uniform/Clothing Allowance	68,000	Pegged at P5,000 x 138 filled positions	
Year-end Bonus (YEB)	776,000	Equivalent to one month salary. See remarks on salaries.	
Cash Gift	14,000	Rates based on the guideline prescribed under Budget Circular No. 2010-1 dated April 28, 2010	
Per Diem	144,000	Subject to the provisions of Sec. 47 General Provisions of Republic Act (R.A.) No. 9970, FY 2010 GAA. Transportation allowance shall not be granted to officials who are assigned or presently use government motor transportation.	

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Meal Allowance	13,000	Pegged at P550 x 12 mos. x 138 positions; per B.R. 395 s. 1997 and Letter of Implementation (LOI) No. 104; With DBM endorsement to GCG dated July 25, 2015, subject to OP approval.
Rice Subsidy	218,000	Pegged at P2,000 x 12 mos x 138 positions; per B.R. 395 s. 1997. With DBM endorsement to GCG dated July 25, 2015, subject to OP approval.
Financial Assistance	1,365,000	Computed at one month gross pay per B.R. No. 395, s. 1997; With DBM endorsement to GCG dated July 25, 2015, subject to OP approval.
Economic Assistance	1,560,000	-do-
Provident Fund	<u>918,000</u>	Excess provision over the authorized 15% of total basic salary.
Sub-total	<u>14,625,000</u>	
Disallowance of:		
Birthday Gift Cheque	785,000	} The grant of these allowances needs OP approval.
Year-End Gift Cheque	<u>7,950,000</u>	
Sub-total	<u>8,735,000</u>	
Fixed Expenditures:		
Retirement and Life Insurance Premium	1,133,000	Excess provision over the authorized 12% of basic salary
Employee Compensation Insurance Premium	6,000	} Pegged at P100/mo./filled position {138 filled, [15 for hiring (computed at 4 months)] and 7 separated employees (computed based on the months in service)}
Pag-Ibig Premium	6,000	
Philhealth Contribution	<u>148,000</u>	Computed using rates under PhilHealth Circular No. 01, s. 2005, per National Budget Memorandum No. 120 dated January 6, 2014.
Sub-total	<u>1,293,000</u>	
TOTAL	P <u>24,653,000</u>	

The SBC shall strictly adhere to the following provisions of laws and/or directives from the President, as follows:

Under Section 6 of Presidential Decree No. 1597, GOCCs/GFIs exempted from the standardized/unified compensation scheme of the government shall observe such guidelines and policies as may be issued by the President governing position classification, salary levels of allowances, and other forms of compensation and fringe benefits. Such government corporations shall report to the through the DBM, on their position classification and compensation plans, policies, rates and other related details following such specifications as may be prescribed by the President. Also, Section 5 thereof provides that allowances, honoraria and other fringe benefits shall be subject to the approval of the President upon recommendation of the DBM.

Further, Section 9 of Joint Resolution No. 4, s. 2009 provides that exempt entities shall observe the policies, parameters and governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the Any increase in the existing salary rates, as well as, the grant of new allowances, benefits and incentives, or an increase in the thereof shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

Sections 8 and 9 of Executive Order (E.O.) No. 7 s. 2010 mandated that:

1. GOCCs/GFIs shall submit information of all salaries, allowances, incentives and other benefits.
2. Except salary adjustments pursuant to E.O. Nos. 811 s. 2009 and 900 s. 2010, a moratorium on the increases in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

Republic Act No. 10149, s. 2011 on the issuance of Compensation and Position Classification System which shall apply to all officers employees of the GOCCs whether under the Salary Standardization or exempt there from and shall consist of classes of positions grouped into categories as the Governance Commission for GOCCs may determine, subject to approval of the President.

Executive Order No. 24, s. 2011 provided for the reasonable per diems and reimbursable expenses to members of the Board of Directors/Trustees.

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b/ Excludes the amount of P9,298,670 realigned to PS representing per diem for committee meetings, gift cheques for regular employe and non-core personnel and various employee awards. The total MOOE level includes depreciation of P116.794 Million which is a non-cash expense.

c/ MOOE level is computed considering actual/audited expenses for the previous years and effects of inflation. The variance also includes depreciation, which is a non-cash expense.

d/ CO level recommended as proposed, broken down as follows:

Loans Outlay	P	2,500,000,000
Furnitures, Fixtures, Equipment & Books Outlays		11,593,000
Information Technology		4,727,000
Other Capital Outlay		24,680,000
Total	P	<u>2,541,000,000</u>

e/ Includes the purchase of motor vehicles amounting to P2.877 Million which needs prior approval from the Office of the President / Department of Budget and Management/ Supervising Department as the case maybe.

The approval of the Corporate Operating Budget shall be subject to the following conditions:

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, loans outlay.
2. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations. Such expenditures shall also be conditioned on the relevant General Provisions R.A. No. 10651, the FY 2015 General Appropriations Act Representation and Transportation Allowance under Section 56, General Provisions), or any specific law or approval of the President the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 41, General Provisions of R.A. No. 10651.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies (ex. Medium-Term Information and Communication Technology Harmonization Initiative Secretariat for information technology and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles) the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996 and National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively; Budget Circular No. 2010-2 dated March 2010 and Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly observed.
6. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the of law.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:

Original signed

LORENZO C. DRAPETE
Director

Approved:

By Authority of the Secretary:

Original signed

LUZ M. CANTOR
Undersecretary

COB No. C2-15-0017

Date: **NOV 03 2015**

Department of Budget and Management
BTS



2015-S09613L

cc: The Chairman
Board of Directors, SBC

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - SBC