



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

CORPORATE OPERATING BUDGET
Fiscal Year 2019

TO: SMALL BUSINESS CORPORATION (SBC)

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution No. 2018-12-2667 dated December 17, 2018, 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 ONE HUNDRED TWENTY-TWO MILLION NINE HUNDRED NINETY-THREE THOUSAND PESOS ONLY (P4,122,993,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P <u>4,125,884,000</u>	P <u>4,125,884,000</u>	-
Corporate Funds	2,625,884,000	2,625,884,000	-
National Government Subsidy	1,500,000,000	1,500,000,000 a/	-
TOTAL USES:	P <u>4,125,884,000</u>	P <u>4,122,993,000</u>	P <u>(2,891,000)</u>
Personnel Services (PS)	231,457,000	231,457,000	-
Maintenance and Other Operating Expenses (MOOE)	1,563,931,000	1,561,040,000	(2,891,000) b/
Capital Outlays (CO)	2,330,496,000	2,330,496,000 c/	-
Excess/(Shortfall)	P <u>-</u>	P <u>2,891,000</u>	P <u>(2,891,000)</u>

Footnotes:

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

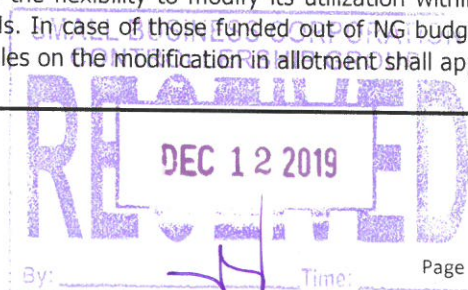
b/ The MOOE variance of P2.891 Million refers to the excess of computation based on the highest FY 2017 audited/FY 2018 actual and inflation rate, except for those covered by contracts which are recommended as proposed, details as follows:

Travelling Expenses	P 148,000
Repair and Maintenance of Government Facilities	849,000
Taxes, Duties and Fees	655,000
Fidelity Bonds and Insurance Premium	10,000
Gasoline, Oil and Lubricants	221,000
Grant, subsidies and contribution	9,000
Board and Committee Expenses	293,000
Membership Dues and Contributions to Organizations	17,000
Management and Other Professional Fees	182,000
Miscellaneous and Other Operating Requirements	507,000
Total	<u><u>P 2,891,000</u></u>

c/ Recommended CO level is broken down as follows:

Loans Outlay	P 2,920,800,000
Buildings and Structures Outlay	4,415,000
Office Equipment, Furniture and Fixtures	2,410,000
Machineries and Equipment	8,175,000
Total	<u><u>P 2,935,800,000</u></u>

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



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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 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. Disbursements for PS shall 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 CPCS under EO No. 203, Providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA No. 10149. Such expenditures shall be subject to relevant 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 and the GCG, as the case may be.
4. The interim measures prescribed under EO 36 dated July 28, 2017 as implemented by GCG Memorandum No. 2017-03 dated August 24, 2017 shall be strictly observed.
5. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and othe MOOE expenditures shall be subject to relevant provisions of the annual GAA, among others.
6. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before 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 motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others.
7. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
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, 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:

Original signed
CARMENCITA P. MAHINAY
Director, BMB/-C
Date: 12-2-19

Approved:

By Authority of the Acting Secretary:

Original signed
TINA ROSE MARIE L. CANDA
Undersecretary
DEC 04 2019
COB No.: **C4-19-0049**

cc: The Chairman
Board of Directors, SBC

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

The Resident Auditor
COA-SBC

Department of Budget and Management
BTS



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