



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

CORPORATE OPERATING BUDGET
Fiscal Year 2020

TO: SMALL BUSINESS CORPORATION (SBC)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per approved Board Resolution No. 2020-05-2921 dated June 2, 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 **THREE BILLION SEVEN HUNDRED THIRTY-NINE MILLION SEVEN HUNDRED SIXTY-TWO THOUSAND PESOS ONLY (P3,739,762,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 3,751,332,000	P 3,751,332,000	-
Corporate Funds	2,251,332,000	2,251,332,000	-
National Government Subsidy	1,500,000,000	1,500,000,000	a/
TOTAL USES:	P 3,751,332,000	P 3,739,762,000	P (11,570,000)
Personnel Services (PS)	235,313,000	230,669,000	(4,644,000) b/
Maintenance and Other Operating Expenses (MOOE)	1,574,680,000	1,569,624,000	(5,056,000) c/
Capital Outlays (CO)	1,941,339,000	1,939,469,000	d/ (1,870,000) e/
Excess/(Shortfall)	P -	P 11,570,000	P (11,570,000)

Footnotes:

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

b/ The variance of P4,644,000 for PS represents overprovision of the following:

Salaries, Permanent	P 3,032,000
Personnel Economic Relief Allowance	62,000
Year-End Bonus	574,000
Mid-Year Bonus	529,000
Cash Gift	33,000
Productivity Enhancement Incentive	25,000
Retirement and Life Insurance Premium	364,000
Employee Compensation Insurance Premium	3,000
Pag-IBIG Premium	3,000
PhilHealth Contributions	19,000
	P 4,644,000

c/ The variance of P5,056,000 for MOOE refers to excess computation for non-core function items which were computed based on the highest actual/audited expenses in FYs 2018 and 2019 plus inflation rate, or proposed level whichever is lower:

Travelling Expenses	P 198,000
Repair and Maintenance Expenses	1,503,000
Library Books and Materials	209,000
Miscellaneous and Other Operating Expenses	1,591,000
Litigation Expense	1,555,000
Total	P 5,056,000

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d/ Recommended CO level is broken down as follows:

Loans Outlay	P	1,926,339,000
Buildings and Structures Outlay		3,928,000
Office Equipment, Furniture and Fixtures		622,000
Machineries and Equipment		685,000
Transportation Equipment		4,500,000
Information and Communication Technology Equipment and Software		3,395,000
Total	P	<u>1,939,469,000</u>

e/ Variance refers to projects whose implementation will spill over to 2021 (P1.570M) and difference in the proposed cost for motor vehicles and approved cost (P300,000)

Notwithstanding, the above-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 the corporate funds. In the case of those funded out of NG budgetary support, Section 70 of the General Provisions of RA No. 11465 on the rules on the modification in allotment shall apply.

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.

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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: _____ Dec. 01, 2020

Approved:

By Authority of the Secretary:

Original signed
TINA ROSE MARIE L. CANDA
Undersecretary

COB No.: **C4-20-0024**

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

