



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

CORPORATE OPERATING BUDGET

Fiscal Year 2020

TO: TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY (TIEZA)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per Board of Directors Resolution Nos. R-29-08-19-A and R-16-12-20 dated August 29, 2019 and December 16, 2020 respectively, 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 **FOUR BILLION SEVENTY-FIVE MILLION NINE HUNDRED THIRTY-TWO THOUSAND PESOS ONLY (P4,075,932,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 4,582,029,000	P 4,582,029,000	P -
Corporate Funds	4,172,029,000	4,172,029,000	-
National Government Subsidy	410,000,000	410,000,000	-
TOTAL USES:	P 4,139,092,000	P 4,075,932,000	P (63,160,000)
Personnel Services (PS)*	529,145,000	471,884,000	(57,261,000) a/
Maintenance and Other Operating Expenses (MOOE)**	759,865,000	756,046,000	(3,819,000) b/
Financial Expenses	8,518,000	8,518,000	-
Capital Outlays (CO)	2,841,564,000	2,839,484,000 c/	(2,080,000) d/
Excess/(Shortfall)	P 442,937,000	P 506,097,000	P 63,160,000

* Includes the amount of P2,880,000 pertaining to Directors and Committee Member's Fee which is also classified as Per Diem.

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Footnotes:

a/ The variance refers to overprovision for the following PS items, as shown below:

• Salaries	P 17,416,000
• Personnel Economic Relief	1,620,000
• Retirement & Life Insurance	2,090,000
• Employees Compensation	63,000
• Pag-IBIG Contributions	63,000
• Uniform/Clothing Allowance	318,000
• Year-end Bonus	1,452,000
• Cash Gift	265,000
• Midyear Bonus	1,452,000
• Performance Enhancement Incentive	265,000
• Per Diem	1,728,000
• Subsistence Allowance	6,023,000
• Representation and Transportation Allowance	300,000
• Overtime Pay	2,043,000
• Children's Allowance	1,000
• Food Subsidy	1,000
• Medical Allowance	1,000
• Anniversary Bonus	3,458,000
• 13th Month Pay	3,458,000
• Welfare Fund Premium	15,244,000

TOTAL P **57,261,000**

The payment of Performance-Based Bonus in the amount of P12.940 Million shall be subject to the guidelines and approval by the Governance Commission for Government-Owned or Controlled Corporations (GCG).

Pursuant to Section 2 of EO No. 36 dated July 28, 2017, SSL- covered Government -Owned and Controlled Corporations (GOCCs) shall adopt the Modified Salary Schedule under EO No. 201 dated February 19, 2016 as well as allowances and benefits provided therein, upon approval of the GCG.

The implementation of the compensation adjustments shall be subject to the provisions of EO No. 201, where applicable. GOCCs which do not have adequate or sufficient funds shall partially implement the Modified Salary Schedule and authorized benefits. In case of partial implementation, the same shall be at a uniform percentage across all positions of the GOCC.

- b/ The MOOE level was computed considering the actual/audited expenses for previous years and the effects of inflation, details of variance as follows:

<u>Particulars</u>	<u>Amount</u>
Training & Scholarship Expenses	P 2,458,000
Communication Services	87,000
Membership Dues and Contributions to Organization	877,000
Representation Expenses	397,000
TOTAL	P 3,819,000

- c/ The approved CO level is broken down as follows:

<u>Particulars</u>	<u>Amount</u>
Furnitures & Fixtures, Machineries and Equipment Outlay	P 16,989,000
Information Technology (IT) Equipment	34,075,000
Infrastructure Projects	2,788,420,000
TOTAL	P 2,839,484,000

- d/ The variance of P2.080 Million in CO pertains to the proposed procurement of motor vehicles (MVs) which will no longer be pushed through this year.

The approved level includes the on-going procurement of IT systems, software, equipment in the total amount of P34,075,000 which shall be covered by the Authority's Information Systems Strategic Plan (ISSP) subject to the approval by the Department of Information and Communications Technology (DICT) (Medium-Term Information and Communications Technology Harmonization Initiative).

Notwithstanding the above indicated variances in PS, MOOE, and CO, the TIEZA has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out of corporate funds. In the case of those funded out of National Government budgetary support, the pertinent provision of the General Provisions of RA No. 11465 or the FY 2020 General Appropriations Act (GAA) on the rules on the 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 require prior approval by the Office of the President (OP). Disbursement 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. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System 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 conditions under the General Provisions of the annual GAA or any specific law or approval of the OP 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. The utilization of the Confidential and Intelligence Fund (CIF) shall be covered by a prior approval by the President of the Philippines before disbursement consistent with the provisions of Joint Circular No. 2015-1 dated January 8, 2015.

5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g., Department of Information and Communications Technology, particularly the Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee for information technology equipment).
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 the 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 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:

Approved:

By Authority of the Secretary


CARMENCITA P. MAHINAY
Director, BMB-C


TINA ROSE MARIE L. CANDA
Undersecretary

Date: 12-28-2020

COB-C4-20-0059

cc: The Chairman
TIEZA Board of Directors
Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City
The Resident Auditor
COA-TIEZA