



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

CORPORATE OPERATING BUDGET			
Fiscal Year 2021			
TO: TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY (TIEZA)			
Your Corporate Operating Budget (COB) for Fiscal Year 2021 per Board of Directors Resolution Nos. R-22-02-21-A dated March 25, 2021 and R-14-12-20-C dated December 16, 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 amount of TWO BILLION TWO HUNDRED SIXTY-FOUR MILLION SEVEN HUNDRED SIXTY-FIVE THOUSAND PESOS ONLY (P2,264,765,000) , details of which are shown below:			
PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 2,380,308,000	P 2,380,308,000	P -
Corporate Funds	2,095,308,000	2,095,308,000	-
National Government Subsidy	285,000,000	285,000,000	-
TOTAL USES:	P 2,380,308,000	P 2,264,765,000	P (115,543,000)
Personnel Services (PS)	534,443,000	482,731,000	(51,712,000) a/
Maintenance and Other Operating Expenses (MOOE)	880,002,000	b/ 816,171,000	(63,831,000)
Regular	647,065,000	583,234,000	(63,831,000) c/
Debt Service	32,937,000	32,937,000	-
Special Contingency Fund	200,000,000	200,000,000	-
Capital Outlays (CO)	965,863,000	d/ 965,863,000 e/	-
Excess/(Shortfall)	P -	P 115,543,000	P 115,543,000

Footnotes:

a/ The variance refers to overprovision for the following PS items:

• Personnel Economic Relief Allowance	P 480,000	Limited to P2,000 per month per employee
• Uniform/Clothing Allowance	120,000	Limited to P6,000 per month per employee
• Cash Gift	100,000	} Limited to P5,000 per month per employee
• Performance Enhancement Incentive	100,000	
• Per Diem	1,728,000	Per Executive Order No. 24, s. 2011
• Subsistence Allowance	6,023,000	No legal basis
• Anniversary Bonus	2,018,000	Per OP approval dated May 19, 1999
• 13th Month Pay	24,663,000	Limited only to the grant of Mid-Year Bonus. Double compensation is unauthorized.
• Welfare Fund Premium	13,622,000	Pegged at 10% of basic salaries
• Retirement and Life Insurance Premium	2,430,000	Limited to 12% of basic salaries
• Employees Compensation Insurance	24,000	} Limited to P100 per month per employee
• PAG-IBIG Contributions	368,000	
• PhilHealth Contributions	36,000	Per DBM Circular Letter No. 2019-8
TOTAL	P 51,712,000	

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

Pursuant to Section 2 of Executive Order (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.

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b/ Excludes the amount of P285,000,000 realigned from MOOE to CO intended for the implementation of various tourism infrastructure projects.

c/ 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>
Advertising Expenses	P 13,897,000
Rent Expenses	11,804,000
Subscription Expenses	473,000
Other Professional Expenses	32,882,000
Security Services	3,606,000
Repair and Maintenance	735,000
TOTAL	P 63,397,000

d/ Includes the amount of P285,000,000 realigned from MOOE to CO intended for the implementation of various tourism infrastructure projects.

e/ The approved CO level is broken down as follows:

<u>Particulars</u>	<u>Amount</u>
Investment Outlay	P 16,715,000
Office Equipment Furniture and Fixtures, Books Outlay	2,940,000
Machineries and Equipment Outlay	5,864,000
Information Technology (IT) Equipment	30,719,000
Infrastructure Outlay	885,000,000
Transportation Equipment Outlay	24,625,000 *
TOTAL	P 965,863,000

* Includes the reprogrammed amount of P23.125 Million for the acquisition of motor vehicles previously authorized under APMV No. C-19-0018 dated August 28, 2019, and acquisition of one (1) unit Dump Truck amounting to P1.50 Million authorized under APMV No. C-21-0034 dated July 30, 2021.

Notwithstanding the above indicated variances in PS and MOOE, 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, pertinent provision of the General Provisions of RA No. 11518 or the FY 2021 General Appropriations Act (GAA), on the rules on the modification in allotment shall apply.

The following conditions shall be observed and complied with:

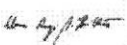
1. All expenditures, whether for current operating expenditures or COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase 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.

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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:


Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
OIC-Director, BMB-C

Date: **SEP 16 2021**




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

COB-C4-21-0032

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