



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

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY (TIEZA)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 per approved Board of Director's Resolution Nos. R-12-01-18-H, dated January 12, 2018, submitted pursuant to Section 6 of Executive Order (EO) 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 amount of **TWO BILLION EIGHT HUNDRED FIFTY TWO MILLION NINE HUNDRED FOUR THOUSAND PESOS ONLY (P2,852,904,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 3,090,352,000	P 3,090,352,000	P -
Corporate Funds	2,921,352,000	2,921,352,000	-
National Government Subsidy	169,000,000	169,000,000	-
TOTAL USES:	P 3,090,352,000	P 2,852,904,000	P (237,448,000)
Personnel Services (PS)	479,984,000	411,709,000	(68,275,000) a/
Maintenance and Other Operating Expenses (MOOE)	863,318,000	694,145,000	(169,173,000) b/
Capital Outlays (CO)	1,714,113,000	1,714,113,000 c/	-
Debt Service (JICA Loan)	32,937,000	32,937,000	-
Excess/(Shortfall)	P -	P 237,448,000	P 237,448,000

Footnotes:

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

• Salaries	P 32,734,000
• Personnel Economic Relief Allowance	1,872,000
• Retirement & Life Insurance Premium	3,928,000
• Employees Compensation Insurance Premium	93,000
• Pag-Ibig Contributions	93,000
• Philhealth Contributions	3,085,000
• Uniform/Clothing Allowance	384,000
• Year-end Bonus	2,088,000
• Cash Gift	320,000
• Midyear Bonus	3,368,000
• Performance Enhancement Incentive	320,000
• Overtime Pay	3,342,000
• Rice Allowance	1,000
• Anniversary Bonus	110,000
• 13th Month Pay	110,000
• Welfare Fund Premium	15,743,000
• Honoraria	684,000

Recommendation is based on actual PS expenditures for 487 filled positions as of July 2018 plus PS requirement of 28 positions to be filled up in FY 2018.

P5,000 x 515 positions
 Based on actual expenses as of June 30, 2018
 Excess provision
 One month gross of 515 positions per OP approval dated May 19, 1998 and September 23, 1998
 Computed at 10% basic salary
 Honoraria of Bids and Awards Committee members chargeable against specific collections and savings per Budget Circular Nos. 2004-5A and 2007-3

TOTAL P 68,275,000

The payment of Performance-Based Bonus in the amount of P11.950 Million shall be subject to 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 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 by GCG.

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

<u>Particulars</u>	<u>Amount</u>
Travelling Expenses	P 45,855,000
Advertising Expenses	38,840,000
Training & Scholarship Expenses	4,334,000
Communication Services	2,247,000
Utility Expenses	4,045,000
Representation Expenses	1,928,000
Transportation and Delivery Expenses	162,000
Subscription Expenses	457,000
Other Professional Services	24,045,000
Security Services	11,683,000
Land Improvements	1,535,000
Office Buildings, Other Structures	791,000
Office Equipment/Furniture and Fixtures/Machineries Expenses	3,896,000
Taxes, Insurance Premiums and Other Fess	23,682,000
Transportation Equipment	1,055,000
Directors and Committee Member's Fee	1,728,000
Others	2,890,000
TOTAL	P 169,173,000

- c/ The proposed Co level is broken down as follows:

<u>Particulars</u>	<u>Amount</u>
Furnitures & Fixtures, Machineries and Equipment Outlay	P 23,607,000
Information Technology (IT) Equipment	21,006,000
Infrastructure Projects	1,663,000,000
Transportation Equipment	6,500,000
TOTAL	P 1,714,113,000

This includes the procurement of IT systems, software, equipment in the total amount of P21,006,000 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 - Medium-Term Information and Communications Technology Harmonization Initiative (DICT-MITHI). Likewise, the purchase of motor vehicles amounting to P6,500,000 shall be subject to prior approval from the Department of Tourism (as its supervising body).

Notwithstanding the above indicated variances in 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 case of those funded out of National Government budgetary support, Section 72 of the General Provisions of RA No. 10964 on the rules on the modification in the allotment shall apply.

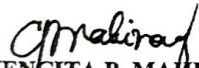
The following conditions shall be observed and complied with:

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 requires 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.

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4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to the relevant provision 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 for information technology equipment 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, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and Administrative Order (AO) No. 15 (amending AO No. 233, s. 2008), dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
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 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:


CARMENCITA P. MAHINAY
Director, BMB-C

Date: 9/26/18 SEP 28 2018

Approved:

By Authority of the Secretary


TINA ROSE MARIE L. CANDA
Undersecretary

COB-C2-18-0050

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

Department of Budget and Management
BTS



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