



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: TRADE AND INVESTMENT DEVELOPMENT CORPORATION OF THE PHILIPPINES (TIDCORP)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 based on Secretary's Certificate, dated April 19, 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 amount not exceeding **NINE HUNDRED TEN MILLION FIVE HUNDRED FIFTY-TWO THOUSAND PESOS ONLY (P910,552,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 949,248,000	P 949,248,000	P -
Corporate Funds	449,248,000	449,248,000	-
National Government-Equity	500,000,000	500,000,000	-
TOTAL USES:	P 933,321,000	P 910,552,000	P (22,769,000)
Personnel Services (PS)	163,796,000	159,145,000	a/ (4,651,000) b/
Maintenance & Other	79,478,000	61,550,000	(17,928,000) c/
Operating Expenses (MOOE)			
Capital Outlays (CO)	29,910,000	29,720,000	d/ (190,000) e/
Others (Guarantees, Loan Releases, Investments)	660,137,000	660,137,000	f/ -
Excess/Shortfall	P 15,927,000	P 38,696,000	P (22,769,000)

Footnotes:

a/ The TIDCORP shall strictly adhere to the following provisions of law:

1.0 Section 9 of Joint Circular No. 4, s. 2009 provides that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates, as well as the grant of new allowances, benefits and incentives, or an increase in the rates, shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

2.0 Sections 8 and 9 of Executive Order (EO) No. 7, s. 2010 mandated that:

2.1 GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.

2.2 Except salary adjustments pursuant to EO Nos. 811, s. 2009 and 900, s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

The members of the board shall be compensated in accordance with Executive Order No. 24 dated February 10, 2011.

3.0 This review action shall not be construed as an authorization for specific expenditure items under PS but for budgetary purposes only. The grant of such items is subject to approval from the Office of the President.

b/ The PS variance refers to overprovision/erroneous computation on the following:

Basic Salary	P 18,000.00	Computed in accordance with Board Resolution No. 1879
Provision for Salary Increase	500,000.00	No list of employees to be promoted up to date.
Representation and Transportation Allowance	468,000.00	Computed in accordance with Board Resolution No. 1430
Year-End Bonus	45,000.00	Computed in accordance w/Budget Circular No. 2016-4 dated April 28, 2016
Mid-Year Bonus	155,000.00	Computed in accordance w/Budget Circular No. 2017-2 dated May 8, 2017
Rice Subsidy	49,000.00	P1,200/month x no. of months service rendered/filled positions
Meal Allowance	49,000.00	P700/month x no. of months service rendered/filled position
Medicine Allowance	5,000.00	P5,000 x 82 employees
Amelioration Allowance	12,000.00	
Medical/Dentical/Optical Allowance	1,099,000.00	P20,000/annum/employee
Anniversary Bonus	1,000.00	P 5,000/year x 82 positions, computed in accordance with Board Resolution No. 1879.
Provident Fund	5,000.00	25% of basic salary
Retirement and Life Insurance Premium	2,000.00	12% of basic annual salary
PhilHealth Contributions	27,000.00	Computed in accordance with CL No. 2017-3 dated January 3, 2017.
Chargeable against savings:		
ESIAS	166,000.00	subject to CSC approval of PRAISE Rules
Collective Negotiation Agreement (CNA)	2,050,000.00	Chargeable against savings
Total	<u>P 4,651,000.00</u>	

c/ MOOE level computed considering the highest actual/audited amounts from previous years (FYs 2016 - 2017) and the effects of inflation, variances are broken down as follows:

Repairs and Maintenance of Government Vehicles	P 11,000.00	Computation was based on highest audited + 4.5% inflation rate.
Rents	4,278,000.00	No contract up to date. Recommendation was based on highest audited + 4.5% inflation rate.
Auditing Services	1,815,000.00	Per CY 2018 COA Assessment per its letter dated July 19, 2017 to TIDCORP.
Taxes, Duties and Fees	4,208,000.00	Computation was based on highest actual + 4.5% inflation rate.
Gasoline, Oil and Lubricants	108,000.00	
Meetings and Conferences	986,000.00	
Advertising Expense	97,000.00	
Miscellaneous Expense	316,000.00	
Consultancy Services	3,715,000.00	Per coordination with TIDCORP, no contract to date . Recommendation was based on highest audited + 4.5% inflation rate.
Other Professional Fees	1,777,000.00	Recommendation was based on highest actual + 4.5% inflation rate.
Printing Services	117,000.00	Based on Contract submitted by TIDCORP
Discretionary	500,000.00	No provision for the previous years
TOTAL	<u>P P 17,928,000.00</u>	

d/ CO is intended to the following:

Office Equipment, Furniture	₱	4,320,000.00
Information Technology		9,890,000.00
Intangible Assets		1,700,000.00
Leasehold Improvements		11,500,000.00
Transportation Equipment *		2,310,000.00
TOTAL	₱	<u>29,720,000.00</u>

* The Motor Vehicles shall be evaluated pursuant to the provisions of Administrative Order (AO) No. 233 as amended by AO No. 15 and Budget Circular No. 2017-1 dated April 26, 2017 amending Budget Circular No. 2016-5 dated August 22, 2016, as well as, OP Memorandum Circular No. 9 dated December 14, 2010 and will be acted upon separately.


- e/ The variance of P190,000 represents the overprovision in the proposal for the purchase of Motor Vehicle, wherein the recommended amount was based on the DBM updated maximum allowable cost of motor vehicles for FY 2018.
- f/ Covers loan releases for guarantees, investment income taxes, receivables from subrogated claims and payment of dividends, interest, and financial charges.

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. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO 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 10149. Such expenditures shall be subject to relevant conditions under the 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 or the GCG, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses (EME) and other MOOE items shall be subject to relevant provision of the annual GAA, among others.
5. Collective Negotiation Agreement (CNA) Incentive may be granted to qualified personnel subject to relevant provisions of the annual GAA and policies, rules and regulations issued by the DBM.
6. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g. Information and Communications Technology Office (DICT-ICTO) particularly MITHI Steering Committee) for information and communication technology equipment and Office of the President/Department of Budget and Management/Supervising Department for procurement of 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 AO No. 15 (amending AO 233, s. 2008) dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
7. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases the same adoption is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
8. 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
9. 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.

10. Any and all officials and 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 292.

Recommending Approval:

for 
CARMENCITA P. MAHINAY
Director, BMB - C

Date:

NOV 19 2018

Approved:

By the Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB-C4-18-0032

cc: The Chairman
Board of Directors, TIDCORP

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office

The Resident Auditor
COA - TIDCORP

Department of Budget and Management
BTS



2018-S12375L