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BR-10-83

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

CORPORATE OPERATING BUDGET  
Calendar Year 2016

TO: SUGAR REGULATORY ADMINISTRATION (SRA)

Your Corporate Operating Budget (COB) for Calendar Year 2016 per approved SRA Board Resolution Nos. 2016-041 dated March 22, 2016; 2016-142 and 2016-085 dated June 16, 2016, 2016-154 dated June 21, 2016, 2016-192 dated September 7, 2016, 2016-227 dated September 14, 2016, submitted pursuant to Section 6 of Executive Order (E.O.) 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 of TWO BILLION THREE HUNDRED THIRTY SEVEN MILLION TWO HUNDRED NINETEEN THOUSAND PESOS ONLY (P2,337,219,000), details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P 2,461,611,000	P 2,461,611,000	P -
Corporate Funds	663,306,000	663,306,000	-
National Government subsidy	1,798,305,000	1,798,305,000	-
<b>TOTAL USES:</b>	P 2,456,279,000	P 2,337,219,000	P (119,060,000)
Personnel Services (PS)	363,639,000	253,405,000	(110,234,000)
Maintenance and Other Operating Expenses (MOOE)	712,269,000	703,443,000	(8,826,000)
Capital Outlays (CO)	1,380,371,000	1,380,371,000	-
<b>Excess/(Shortfall)</b>	<u>P 5,332,000</u>	<u>P 124,392,000</u>	<u>P 119,060,000</u>

Footnotes:

a/ Includes provision for separation and incentive benefits of P101,050 Million and retirement and terminal leave benefits of P41,590 Million to implement the GCG-approved SRA Rationalization Plan and Early Retirement Incentive Package (ERIP) dated April 12, 2016.

b/ The variance of P110,234,000 refers to overprovision of the following:

Particulars	Amount	Remarks
• Salaries	P 66,000	- Excess in computation
• Personnel Economic Relief Allowance	880,000	- Excess in computation
• Year-End Bonus	2,479,000	- Excess in computation
• Cash Gift	440,000	- Excess in computation
• Per diem	66,000	- Per approved rates in OP approval dated July 1, 2011
• Separation/Incentive Benefits	101,050,000	- No legal basis to date, pending GCG issuance of CPCS implementing circular on Early Retirement Incentive Package
• Social Amelioration Benefits	2,472,000	- Excess in computation, 2 months salaries
• Food Subsidy	905,000	- Excess in computation, P1,000/month per employee
• Life and Retirement Insurance Premium	1,483,000	- Excess in computation, 12% of salaries
• Employees Compensation Insurance Premium	43,000	- Excess in computation, P100/month per employee
• PAG-IBIG Contribution	43,000	- Excess in computation, P100/month per employee
• PhilHealth Contribution	307,000	
<b>Total</b>	<u>P 110,234,000</u>	

c/ Includes the salaries of 88 personnel who availed of the ERIP but hired on a job order basis from August to December, 2016; pending the issuance of CPCS Implementing Circular on ERIP.

d/ MOOE variance of P8,826,000 level was computed considering the actual/audited expenses for the previous years and effects of inflation.

e/ GO is composed of the following:

Building and Structures Outlay	P 28,060,000
Office Equipment, Furnitures and Fixtures	18,977,000
Machineries and Equipment Outlays	412,034,000
Transportation Equipment	6,900,000
Public Infrastructure (Farm-to-Mill Roads)	914,400,000
<b>TOTAL</b>	<u>P 1,380,371,000</u>

The purchase of six (6) motor vehicles and 76 farm tractors need prior approval from the Office of the President (OP) DBM or Supervising Department, as the case maybe. This will be acted upon separately.


TO: SUGAR REGULATORY ADMINISTRATION (SRA)

The approval of the COB shall be subject to the following conditions:

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. Disbursements for personnel amelioration/benefit shall be subject to the pertinent compensation laws, rules and regulations, including E.O. Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall also be conditioned on the relevant General Provisions of R.A. No. 10717, the FY 2016 GAA (ex. Representation and Transportation Allowances under Section 59, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to Section 47, General Provisions of R.A. No. 10717.
4. For equipment items per Annual Equipment Procurement Program that require specific clearance/approval from the Agencies concerned (ex. National Computer Center 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, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, A.O. No. 15 dated May 25, 2011, and Budget Circular No. 2016-5 dated August 22, 2016, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. The pertinent laws, rules and regulations including those on compensation, procurement, budgeting, accounting and auditing shall be strictly followed. Compliance with all existing laws, rules and regulations shall be the responsibility of the implementing government corporation.

Recommending Approval:

Approved:

  
LORENZO C. DRAPETE  
Director, BMB - C

  
BENJAMIN E. DIOKNO

Secretary

Department of Budget and Management  
TS

Date: 007 21 2016

COB No. C1-16-0025

cc: The Chairman  
Board of Directors, SRA

Assistant Commissioner Lourdes M. Castillo  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City

The Resident Auditor  
COA - SRA



2016-S11329

SUGAR REGULATORY ADMINISTRATION  
BUDGET & TREASURY DIVISION

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