



SUGAR REGULATORY ADMINISTRATION
BUDGET & TREASURY DIVISION

RECEIVED

By: J Date: 10/22/19
Time: _____

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

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2019

TO: SUGAR REGULATORY ADMINISTRATION (SRA)

Your Corporate Operating Budget (COB) for FY 2019 per approved Secretary's Certificate of Board Resolution No. 2019-061 dated March 18, 2019 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 of **THREE BILLION SEVEN HUNDRED TWENTY MILLION THREE HUNDRED THIRTY-SIX THOUSAND PESOS ONLY (P3,720,336,000)**, details of which are shown below:

PARTICULARS	PROPOSAL	APPROVED	VARIANCE
	(a)	(b)	(c=b-a)
TOTAL SOURCES:	P 3,840,334,000	P 3,840,334,000	P -
Corporate Funds	930,000,000	930,000,000	-
National Government subsidy	2,907,993,000	2,907,993,000	-
ASEAN Food Security Information System (AFSIS) Trust Fund	2,341,000	2,341,000	-
TOTAL USES:	P 3,840,334,000	P 3,720,336,000	P (119,998,000)
Personnel Services (PS)	354,538,000	253,976,000	(100,562,000) a/
Maintenance and Other Operating Expenses (MOOE)	1,433,902,000	1,414,466,000	(19,436,000) b/
Capital Outlays (CO)	2,051,894,000	c/ 2,051,894,000	-
Excess/(Shortfall)	P -	P 119,998,000	P 119,998,000

Footnotes:

a/ The variance of P100,937,000 pertains to overprovision of the following:

Particulars	Amount	Remarks
• Salaries	P 61,529,000	For 311 positions at rates pursuant to fourth tranche of EO No. 201
• Personnel Economic Relief Allowance	3,288,000	Excess computation of P2,000 x 12 months x 311 positions
• Uniform/Clothing Allowance	822,000	Excess computation of P6,000 yearly x 311 positions
• Year-end Bonus	5,123,000	} Excess computation, limited to one month salary
• Mid-year Bonus	5,123,000	
• Cash Gift	685,000	Excess computation of P5,000 yearly x 311 positions
• Representation and Transportation Allowance	132,000	Based on the rates provided in Section 59 of the General Provision (GP) of Republic Act (RA) No. 11260 (FY 2019 GAA)
• Per diem	1,920,000	Per OP approval dated July 1, 2011 per EO No. 24
• Food Subsidy	2,138,000	Per approved rates in OP approval dated April 14, 1992, Board approval (Resolution Nos. 124-87 and 133-89 dated July 24, 1987 and July 4, 1989, respectively.
• Social Amelioration Benefits (SAB)	10,244,000	Per approved rates in OP approval dated July 1, 2011
• Productivity Enhancement Incentive	685,000	Excess computation of P5,000 x 311 positions
• Life and Retirement Insurance Premium	7,384,000	Limited to 12% of annual basic salaries
• Employees Compensation Insurance Premium	165,000	Excess computation of P100 per month x 12 months x 311 positions
• PAG-I.B.I.G Contributions	165,000	Excess computation of P100 per month x 12 months x 311 positions
• PhilHealth Contributions	1,159,000	Excess computation of PhilHealth rates per Circular Letter No. 2019-9 dated July 3, 2019 x 311 positions
Total	P 100,562,000	

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

Particulars	Amount
Water Expenses	437,000
Communication Expenses	769,000
Membership Dues and Contributions to Organizations	548,000
Advertising Expense	226,000

TO: SUGAR REGULATORY ADMINISTRATION (SRA)

<u>Particulars</u>	<u>Amount</u>
Printing and Binding Expenses	797,000
Representation Expenses	106,000
Transportation & Delivery Expenses	572,000
Repair and Maintenance Buildings	4,930,000
Repair and Maintenance - Government Facilities	5,739,000
Repair and Maintenance-Government Vehicles	159,000
Repair and Maintenance-Equipment	4,523,000
Extraordinary and Miscellaneous Expenses	120,000
Fidelity Bonds Premium	213,000
Insurance Expense	297,000
TOTAL	P 19,436,000

c/ The proposed CO level is broken down as follows:

<u>Particulars</u>	<u>Amount</u>
Buildings and Structures Outlay	P 967,382,000
Office Equipment, Furniture and Fixtures	28,996,000
Machineries and Equipment Outlays*	1,007,691,000
Transportation Equipment*	47,825,000
TOTAL	P 2,051,894,000

* The purchase of Machineries and Transportation Equipment Outlay shall be consistent with the following guidelines:

1. Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicle is approved by the Department of Budget and Management through an Authority to Purchase Motor Vehicle per attached **APMV No. C-19-0030**.
2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured through the Procurement Service.

Notwithstanding the above-indicated variances in PS and MOOE, the SRA still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 76 of the GPs of RA No. 11260 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 for CO, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG 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 OP. Disbursements 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 Government-Owned and Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the Governance Commission for GOCCs, 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.
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 - Information and Communications Technology Office for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan) shall be secured prior to the acquisition thereof. On the other hand, the conditions on the acquisition of MVs are indicated on the attached **APMV No. C-19-0030**.
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.

TO: SUGAR REGULATORY ADMINISTRATION (SRA)

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 Acting Secretary:


CARMENCITA P. MAHINAY
Director, BMB-G


TINA ROSE MARIE L. CANDA
Undersecretary

Date: 10-15-19 9

COB No. C1-19-0033

cc: **The Chairman**
Board of Directors, SRA

Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA-SRA