



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET
 Calendar Year 2012

TO: PHILIPPINE SUGAR CORPORATION (PHILSUCOR)

Your Corporate Operating Budget (COB) for Calendar Year 2012 per Unnumbered Resolutions dated February 16, 2012, May 17, 2012, March 14, 2012, and August 22, 2012, 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 amount not exceeding **SEVENTEEN MILLION FOUR HUNDRED FIFTY-NINE THOUSAND PESOS ONLY (P17,459,000)** details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=b-a)
TOTAL SOURCES:	P 447,750,000	P 447,750,000	P -
Corporate Funds	447,750,000	447,750,000	-
TOTAL USES:	P 22,606,000	P 17,459,000	P (5,147,000)
Personal Services (PS)	10,302,000	7,376,000	(2,926,000) a/
Maint. and Other Operating Expenses (MOOE)	11,156,000	8,935,000	(2,221,000) b/
Capital Outlays (CO)	1,148,000	1,148,000	-
Excess/Shortfall	P 425,144,000	P 430,291,000	P 5,147,000

Footnotes:

a/ The variance of P2,926,000 pertains to the following:

1. Overprovision

Salaries	P 496,000	5 filled positions and 2 unfilled positions
PERA	✓ 72,000	P2,000/yr.
Uniform/Clothing Allowance	✓ 15,000	P5,000/yr.
Year-End Bonus	57,000	1 month basic salary
Cash Gift	✓ 15,000	P5,000/yr.
Per Diems	X 1,200,000	Based on E.O. No. 24. Ex-Officio members are not entitled.
Productivity Incentive Benefits	✓ 6,000	P2,000/yr.
Sugar Subsidy	6,000 X 71,000	12.5 kilos/month x P67 only for incumbents as of June 30, 1989
Rice Subsidy	✓ 36,000	P1,800 x 12 mos. X 4 pos.
Medical/Dental/Optical Benefits	✓ 511,000	P10,000/yr. only for incumbents as of June 30, 1989 per DBM approval dated Nov. 6, 1991
Meal Subsidy	✓ 5,000	P20/day x 22 days x 12 mos. X 4 pos.
Life and Retirement Insurance Premium	69,000	12% of basic salary
Employees Compensation Insurance Premium	✓ 4,000	P100/mo. x 12 mos.
Pag-I.B.I.G. Contributions	✓ 4,000	P100/mo. x 12 mos.
Philhealth Contributions	10,000	Based on PHIC Circular No. 01 s. 2007

2. Chargeable against savings


Monetization	✓ 355,000
	<u>P 2,926,000</u>

b/ MOOE level was computed considering actual/audited expenses for the previous years, and effects of inflation.

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

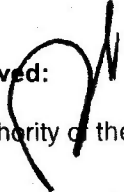
1. All expenditures, whether for current operating expenditures or CO, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Disbursements 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 Republic Act (R.A.) No. 10155, the FY 2012 General Appropriations Act (ex. Representation and Transportation Allowances under Section 45, 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 23, General Provisions of R.A. No. 10155.
4. Disbursements from the Confidential and Intelligence Fund shall be covered by an approval from the President of the Philippines.
5. 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 and A.O. No. 15 dated May 25, 2011, among others.
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly observed.
7. 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.
8. 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:


LORENZO C. DRAPETE
Director, BMB-F

Date: October 12, 2012

Approved:


By Authority of the Secretary

MARIO L. RELAMPAGOS
Undersecretary 

COB No. F1-12-0038

cc: The Chairman
Board of Directors, PHILSUCOR

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

The Resident Auditor
COA - SRA