



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacanan, Manila

CORPORATE OPERATING BUDGET
Calendar Year 2013

TO: PHILIPPINE SUGAR CORPORATION (PHILSUCOR)

Your Corporate Operating Budget (COB) for Calendar Year 2013 per Board Secretary's Certificate dated December 13, 2012, and April 2 2013, 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 **EIGHTEEN MILLION THREE HUNDRED FORTY THREE THOUSAND PESOS ONLY (P18,343,000)** details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=b-a)
TOTAL SOURCES:	P 329,752,000	P 329,752,000	P -
Corporate Funds	329,752,000	329,752,000	-
TOTAL USES:	P 21,193,000	P 18,343,000	P (2,850,000)
Personal Services (PS)	10,062,000	8,796,000	(1,266,000) a/
Maint. and Other Operating Expenses (MOOE)	10,517,000	8,933,000	(1,584,000) b/
Capital Outlays (CO)	614,000	614,000	-
Excess/Shortfall	<u>P 308,559,000</u>	<u>P 311,409,000</u>	<u>P 2,850,000</u>

Footnotes:

a/ The variance of P1,266,000 pertains to the following:

1. Overprovision

Per Diems	P 384,000	Based on GCG approval
Sugar Subsidy	36,000	12.5 kilos/month x P50 only for incumbents as of June 30, 1989
Rice Subsidy	10,000	P1,500 x 12 mos. X 4 pos.
Medical/Dental/Optical Benefits	396,000	P10,000/yr. only for incumbents as of June 30, 1989 per DBM approval dated Nov. 6, 1991
Philhealth Contributions	3,000	Based on PHIC Circular No. 01 s. 2007

2. Chargeable against savings

Monetization	437,000
P 1,266,000	

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:

- 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.
- 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. 10352, the FY 2013 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. 10352.
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 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly 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-F

By Authority of the Secretary


LUZ M. CANTOR
Assistant Secretary

Date: **OCT 01 2013**

COB No. F1-13-0018

cc: The Chairman
Board of Directors, PHILSUCOR

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

The Resident Auditor
COA - SRA

Department of Budget and Management



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