



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
 BONCODIN HALL, GEN. SOLANO ST., SAN MIGUEL, MANILA

**CORPORATE OPERATING BUDGET**  
 Calendar Year 2017

**TO: PHILIPPINE SUGAR CORPORATION (PhilSuCor)**

Your Corporate Operating Budget (COB) for Calendar Year 2017 approved per PhilSuCor Board Resolution No. 28-2016 dated January 4, 2017 and 41-2016 dated October 4, 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 **FIVE HUNDRED TWENTY FIVE MILLION TWO HUNDRED NINETY SEVEN THOUSAND PESOS ONLY (P525,297,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P <b>532,930,000</b>	P <b>532,930,000</b>	P <b>-</b>
Corporate Funds	532,930,000	532,930,000	-
<b>TOTAL USES:</b>	P <b>526,319,000</b>	P <b>525,297,000</b>	P <b>(1,022,000)</b>
Personnel Services (PS)	14,625,000	13,895,000	(730,000) a/
Maintenance and Other Operating Expenses (MOOE)	10,994,000	10,702,000	(292,000) b/
Capital Outlays (CO)	500,700,000	500,700,000	c/ -
<b>Excess/(Shortfall)</b>	P <b>6,611,000</b>	P <b>7,633,000</b>	P <b>1,022,000</b>

**Footnotes:**

a/ The variance of P730,000 pertains to overprovision of the following:

Particulars	Amount	Remarks
Overprovision of:		
• Salaries	P 7,000	- Excess computation for 8 filled positions
• Per diem	384,000	- Rates based on OP approval dated October 21, 2011 per Executive Order (EO) No. 24
• Sugar subsidy	2,000	- Excess computation (50 kilos/bag x 6 bags x P57/kilo x 4 pos. incumbent as of 06/30/89)
• Medical/Dental/Optical Benefits	330,000	- Based on DBM approval dated Nov. 6, 1991
• Philhealth Contributions	7,000	- Pursuant to DBM Circular Letter No. 2012-12 dated June 29, 2012
<b>Total</b>	<b>P 730,000</b>	

b/ MOOE variance of P292,000 level was computed considering audited expenses for the previous year, and the effects of inflation.

c/ CO is intended for the following:

Loans Outlay	P 500,000,000
Building and Structures Outlay	600,000
Office Equipment, Furniture and Fixtures	100,000
<b>TOTAL</b>	<b>P 500,700,000</b>

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 services 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. 10924, the FY 2017 GAA (ex. Representation and Transportation Allowances under Section 54, 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 42, General Provisions of R.A. No. 10924.
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, 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.