



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

**CORPORATE OPERATING BUDGET**

Fiscal Year 2019

**TO: BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)**

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved Board Resolution Nos. 2019-03-018 dated March 6, 2019 (original); 2019-09-103, 2019-09-105, and 2019-09-107 all dated September 11, 2019 (supplemental), 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 **FORTY-TWO BILLION NINETY MILLION NINE HUNDRED NINETEEN THOUSAND PESOS ONLY (P42,090,919,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 50,033,498,000</b>	<b>P 50,033,498,000</b>	<b>P -</b>
Corporate Funds	29,382,155,000	29,382,155,000	-
National Government (NG) Budgetary Support	20,651,343,000	20,651,343,000	a/ -
<b>TOTAL USES:</b>	<b>P 42,138,601,000</b>	<b>P 42,090,919,000</b>	<b>P (47,682,000)</b>
Personnel Services (PS)	375,083,000	342,401,000	(32,682,000) b/
Maintenance and Other Operating Expenses (MOOE)	10,666,847,000	10,651,847,000	(15,000,000)
Operating Expenses - BCDA	806,137,000	791,137,000	(15,000,000) c/
Share of Beneficiary Agencies in the Military Camps Sales Proceeds Fund	7,282,531,000	7,282,531,000	-
Subic - Clark - Tarlac Expressway Project	1,380,344,000	1,380,344,000	-
Outstanding Obligation	670,432,000	670,432,000	-
Operating Expenses - Subsidiaries	259,510,000	259,510,000	-
NG Power Subsidy to SFA Semicon Philippines Corp.	149,759,000	149,759,000	-
Clark International Airport Expansion Project	30,100,000	30,100,000	-
New Clark City Project	87,934,000	87,934,000	-
Subic-Clark Railway Project	100,000	100,000	-
Capital Outlays (CO)	31,096,671,000	31,096,671,000	d/ -
<b>Excess/(Shortfall)</b>	<b>P 7,894,897,000</b>	<b>P 7,942,579,000</b>	<b>P 47,682,000</b>

**Footnotes:**

a/ Includes prior year's unfunded allotment of P5.472 Billion for the implementation of various infrastructure projects.

b/ The variance refers to overprovision of the following PS items, as shown below:

• Salaries	P 14,731,000
• Additional Compensation Allowance	396,000
• Uniform Allowance	198,000
• Year-end Bonus	1,228,000
• Midyear Bonus	1,228,000
• Cash Gift	165,000
• Per Diems of Board Members	240,000
• Anniversary Bonus	99,000
• Meal Allowance	198,000
• Rice Allowance	1,188,000
• Educational Subsidy	1,228,000
• Christmas Package/Gift	2,432,000
• Amelioration Allowance	2,432,000
• Provident Fund	2,352,000
• Housing Fund	2,352,000
• Term and Accident Insurance	39,000
• Productivity Enhancement Incentive	165,000
• Life & Retirement Insurance Premium	1,768,000
• Employees Compensation Insurance Premiur	40,000
• Pag-IBIG Contributions	40,000
• Philhealth Contributions	163,000
<b>TOTAL</b>	<b>P 32,682,000</b>

Represents the requirement of thirty three (33) positions which are not expected to be filled-up in FY 2019.

## TO: BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)

The BCDA is exempt from the Salary Standardization Law (SSL) by virtue of Republic Act (RA) No. 7227 (Bases Conversion and Development Act of 1992), as amended. However, the Authority shall strictly adhere to the following provisions of laws, specifically in the grant/payment of PS.

Section 9 of Joint Resolution No. 4, s. 2009 provided that exempt entities shall observe the policies, parameters and guidelines governing position classification, salary rates, categories and rates of allowances, benefits and incentives, prescribed by the President. Any increase in the existing salary rates, as well as, the grant of new allowances, benefits and incentives, or an increase in the rates thereof shall be subject to the approval by the President, upon recommendation of the DBM. Section 10 thereof, required exempt entities to submit their existing compensation and position classification systems and their implementation status to the DBM.

Sections 8 and 9 of EO No. 7, s. 2010 mandated that:

1. GOCCs/GFIs shall submit information on all salaries, allowances, incentives and other benefits.
2. Except salary adjustments pursuant to EO Nos. 811 s. 2009 and 900 s. 2010, a moratorium on the increase in the rates of salaries, and the grant of new or increase in the rates of allowances, incentives and other benefits is imposed until specifically authorized by the President.

Section 2 of EO No. 36 dated July 28, 2017 provides that all SSL-exempt GOCCs shall have the option to either maintain their current compensation framework or, subject to approval of the Governance Commission for Government-Owned and/or Controlled Corporations (GCG), adopt the Modified Salary Schedule under EO No. 201. For GOCCs adopting the Modified Salary Schedule under EO No. 201, the following shall apply.

1. They shall be limited to the benefits, allowances, incentives, provided under JR No. 4;
2. The GCG shall have the authority to convert/revise the compensation framework of such GOCCs (i.e., convert from Job Grade to Salary
3. A Mid-Year Bonus equivalent to one (1) month basic salary shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in service as of same date, to be given not earlier than May 15 of every year. The existing Year-End Bonus equivalent to one (1) month basic salary and Cash Gift at prescribed rates shall be given in November of every year. The grant of Mid-Year and Year-End bonuses as well as the cash gift shall be subject to the guidelines issued by the GCG.

The Mid-Year and Year-End bonuses provided herein, shall be in lieu of the bonuses, allowances or incentives of similar nature that the GOCCs receive under their current compensation framework.

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

<u>Particulars</u>	<u>Amount</u>	
Gender and development	1,000,000	Attribution only of 5% total DBM-approved COB level pursuant to Section 32 of RA No. 11260
Financial Assistance	14,000,000	
Total	<b><u>P 15,000,000</u></b>	

The approved amount of P75.75 million shall be exclusively used for legal services.

d/ The approved CO level is broken down as follows:

Land and Land Improvements Outlay	P	14,785,497,000
Buildings and Structures Outlay		15,917,998,000
Office Equipment, Furniture & Fixtures		106,277,000
Investments Outlay		229,369,000
Transportation Equipment		57,530,000
	<b><u>P</u></b>	<b><u>31,096,671,000</u></b>

The recommended level for transportation equipment is intended for the payment of twenty-seven (27) motor vehicles (MVs) of the BCDA which are already covered with previous approval from the OP. It also include funds to be provided by the BCDA in FY 2019 to the John Hay Management Corporation representing management fee which will cover procurement of one (1) unit of pick-up for the latter. The DBM endorsement to the OP for the pick-up unit shall be acted upon separately subject to the submission of necessary supporting documents (i.e. specification/description of MVs, cost, deployment, justification and inventory of existing MVs).

Notwithstanding the above-indicated variances in PS and MOOE, the BCDA 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 General Provisions of RA No. 11260 on the rules on the modification in the allotment shall apply.

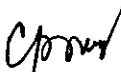
The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or 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. 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.

**TO: BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA)**

3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP) of the Philippines. Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO 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 GOCCs covered by RA 10149. Such expenditures shall be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the GCG, as the case may be.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before the acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of MVs, in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject MV shall be consistent with the provisions of BC No. 2019-3, BC No. 2019-2 and Annex B of BC No. 2017-1, among others.
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.
9. Any and all officials and 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:



**CARMENCITA P. MAHINAY**  
Director, BMB-C

Date: 11-20-19

Approved:

By Authority of the Secretary



**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB-C2-19-0008

cc: The Chairman  
Board of Directors, BCDA  
  
Assistant Commissioner Winnie Rose H. Encallado  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City  
  
The Resident Auditor  
COA-BCDA

Department of Budget and Management

BTS



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