



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
**MALACAÑANG, MANILA**

**CORPORATE OPERATING BUDGET**

Fiscal Year 2018

**TO: CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)**

Your Corporate Operating Budget (COB) for Fiscal Year (FY) 2018 per approved CITEM Secretary's Certificate dated May 09, 2018, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of (s.) 1979 and Section 19, Chapter 3, Book VI of EO No. 292, s. 1987 and as reiterated in Corporate Budget Circular (CBC) No. 22 dated December 1, 2016, is hereby approved for a total of **THREE HUNDRED TEN MILLION FIVE HUNDRED SEVENTY THOUSAND PESOS ONLY (P310,570,000)**, details of which are shown below:

<b>PARTICULARS</b>	<b>PROPOSAL (a)</b>	<b>APPROVED (b)</b>	<b>VARIANCE (c=a-b)</b>
<b>TOTAL SOURCES:</b>	<b>P 314,737,000</b>	<b>P 314,737,000</b>	<b>P -</b>
Corporate Funds	82,861,000	82,861,000	-
National Government (NG)	231,876,000	231,876,000	-
Subsidy			-
<b>TOTAL USES:</b>	<b>P 314,737,000</b>	<b>P 310,570,000</b>	<b>P (4,167,000)</b>
Personnel Services (PS)	74,965,000	73,672,000	(1,293,000) a/
Maintenance and Other Operating Expenses (MOOE)	231,876,000	b/ 229,002,000	(2,874,000) c/
Capital Outlays (CO)	7,896,000	7,896,000	d/ -
<b>Excess/(Shortfall)</b>	<b>P -</b>	<b>P 4,167,000</b>	<b>P (4,167,000)</b>

a/ The PS variance of P1.293 Million refers to overprovision of the following PS items:

<b>Particulars</b>	<b>Amount</b>	<b>Remarks</b>
Salaries	P 101,000	CITEM's proposed salaries computed based on 3rd tranche of EO No. 201, effective January 1, 2018. The recommendation of P46.484 Million is computed based on the 100 permanent positions as of December 31, 2017.
Mid-year bonus	203,000	Computed based on Budget Circular No. 2017-2 dated May 8, 2017.
PERA	157,000	Pegged at P2,000/month per attached computation.
RATA	275,000	Rates computed based on Section 55 of Republic Act No. 10964, 2018 GAA or proposal whichever is lower.
Terminal Leave/Monetization	329,000	Per submitted list of personnel with terminal leave benefits and who will monetize their leave credits.

Life and Retirement Insurance	12,000	12% of annual salary.
PHILHEALTH Contributions	216,000	Rates pursuant to DBM Circular Letter No. 2018-3 dated January 16, 2018.
<b>Total</b>	<b><u>P 1,293,000</u></b>	

b/ The proposed MOOE is net of non-cash item of P8,067,000.

c/ The MOOE variance of P2.874 Million refers to the excess of computation based on the highest FY 2016 audited/FY 2017 actual and 4.5% inflation rate, except for those covered by contracts which are recommended as proposed, details as follows:

<b>Particulars</b>	<b>Amount</b>
Supplies and Materials	P 961,000
Gasoline, Oil and Lubricants	275,000
Water, Illumination and Power Services	707,000
Taxes, Duties and Fees	28,000
Repair and Maintenance of Government Facilities	264,000
Training and Seminar Expenses	616,000
Repair and Maintenance of Equipment	23,000
<b>Total</b>	<b><u>P 2,874,000</u></b>

d/ The CO is intended for the purchase of various office equipment, furniture and fixtures.

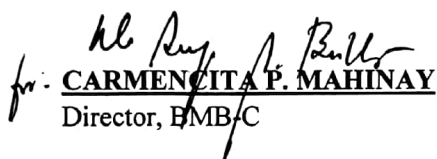
Notwithstanding the above indicated variances in PS and MOOE, the CITEM has the flexibility to modify its utilization within the DBM-approved budget level for each allotment class for items funded out corporate funds. In case of those funded out of National Government (NG) budgetary support, Section 72 of the General Provisions of RA No. 10964 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.
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). Disbursement for Personnel Services shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively. Such expenditures shall be consistent with EO 76, s. 2012 and also be conditioned on the relevant General Provisions of the annual 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.
5. Collective Negotiation Agreement (CNA) Incentive may be granted to qualified personnel subject to relevant provisions of the annual GAA and policies, rules and regulation issues by the DBM.
6. Equipment outlays included in the Annual Equipment Procurement Program that require specific clearance/approval from the agencies concerned (e.g., Department of Information and Communications Technology 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 CBC No. 17 dated February 9, 1996, BC No. 2017-1 dated April 26, 2017, Office of the President Memorandum Circular No. 9 dated December 4, 2010 and Administrative Order (AO) No. 15 dated May 25, 2011, among others.

7. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
8. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating 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.
9. 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.
10. 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:**

*for*   
**CARMENCITA P. MAHINAY**  
Director, BMB/C

**Approved:**

By Authority of the Secretary:

  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

Date: NOV 16 2018

COB No. C4-18-0058

cc: The Chairman  
Board of Governors, CITEM  
  
Assistant Commissioner Lourdes M. Castillo  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City  
  
The Resident Auditor  
COA - CITEM

Department of Budget and Management  
BTS



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