

TITLE: CORPORATE OPERATING BUDGET (C.O.B.) FOR FY 2017

1.0 OBJECTIVE:

To seek Board confirmation of CITEM's C.O.B. for FY 2017.

2.0 FACTS:

2.1 NG Subsidy to CITEM for FY 2017 amounts to P 220.000M.

2.2 Based on the Proposed Work Program, hereunder is the C.O.B. for FY 2017:

Particulars	2016 DBM Approved C.O.B. (In Million Php)	2017 C.O.B. based on DBM approved subsidy (In Million Php)	% Increase (Decrease) over 2016
I. Funding Sources			
GAA Subsidy	195.000	220.000	13%
Corporate Income	55.100	65.500	19%
Prior Year Savings	42.212*	9.465	(78%)
Total Sources	292.312	294.965	.91%
II. Budgetary Requirements			
Personal Services (PS)	57.293	64.965	13%
Maintenance & Other Operating Expenses (MOOE)	215.219	220.000	2%
Capital Outlay(CO)	19.800	10.000	(49%)
Total Budget	292.312	294.965	.91%

2.3 Part of the funding source will be Corporate Income (that is, Participation Fees from companies participating in export promotion programs), and Cash Drawdown from Prior Year Savings (that is, to cover capital expenditures which are not subsidized by the government.)

2.4 Budget for PS in 2017 covers 112 plantilla positions based on SSL-3 (as instructed by DBM in the absence of basis to compute PS at SSL-4 rates).PS is not subsidized by the government; hence paid from Corporate Income.

2.5 MOOE consist of direct costs of export promotion activities as well as support services and administrative overhead .

*Original Approval- Supplemental- Reduction by DBM:	P 35.892M <u>13.000M</u>	P 48.892M	* Actual utilization of prior year savings is P 20.334M
PS	3.199M		
MOOE	2.281M		
CAPEX	<u>1.200M</u>	6.680M	
Adjusted Prior Year Savings		<u>P 42.212M</u>	

<u>Description</u>	<u>Budget</u> <u>(in Million Pesos)</u>
I. Signature Events	P 94.503
II. Overseas Trade Fairs	54.981
III. Design for Exports Programs	8.298
IV. Support to Operations	15.000
V. General & Administrative Services	<u>47.218</u>
TOTAL	<u>P 220.000</u>

2.6 Provision of P10.0 million for CO is allotted for the purchase of various office and IT equipment.

3.0 RECOMMENDATION:

For the Board to approve the Proposed Corporate Operating Budget for FY 2017 in the total amount of **P 294.965M** to be funded by GAA subsidy of **P220.000M**, augmented by Corporate Income of **P 65.500M** and Cash Drawdown from prior year savings of **P 9.465M**.

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