



REPUBLIC OF THE PHILIPPINES

**Department of Budget and Management**

Malacañang, Manila

**CORPORATE OPERATING BUDGET**

Calendar Year 2012

**TO: PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)**

Your Corporate Operating Budget (COB) for Calendar Year 2012 per approved Board of Directors Resolution No 2012-03-02 dated March 14, 2012, 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 **NINETY THREE MILLION FIVE HUNDRED SIX THOUSAND PESOS ONLY (P93,506,000)** details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	P 121,230,000	P 121,230,000	-
Corporate Funds	103,370,000	103,370,000	-
Other Income	17,860,000	17,860,000	-
<b>TOTAL USES:</b>	P 120,730,000	P 93,506,000	P (27,224,000)
Personal Services (PS)	P 59,139,000	P 43,029,000	(16,110,000) a/
Maintenance and Other Operating Expenses (MOOE)	60,091,000	48,977,000	(11,114,000) b/
Capital Outlays (CO)	1,500,000	1,500,000	-
<b>Excess/Shortfall</b>	<u>P 500,000</u>	<u>P 27,724,000</u>	<u>P 27,224,000</u>

**Footnotes:**

a/ The variance of P16,110,000 for PS is computed as follows:

1. Overprovision (based on 79 filled positions)

Salary, Regular	4,000	79 filled regular positions as recommended
Wage, Contractual	8,012,000	Expenses transferred to MOOE
Year-End Bonus	1,000	One month basic salary
Representation and Transportation Allowances	1,000	Based on GAA rates
Vacation Leave and Sick Leave	7,096,000	Chargeable to corp. savings
Loyalty Award	40,000	Chargeable to corp. savings
Group Term Hospital Insurance	1,000	No legal basis
Annual Physical Check-up	1,000	No legal basis
Other Benefits/Incentive	932,000	No legal basis
Life & Retirement Insurance Premium	1,000	12% of total salaries
Philhealth Contributions		Based on DBM Budget Circular Letter No. 2012-12
<b>Total</b>	<u>21,000</u>	
	<u><b>16,110,000</b></u>	

b/ MOOE level computed considering actual/audited expenses for the previous years and the effects of inflation, resulting to the disallowance of P11,114,000.

The approval of the COB shall be subject to the following conditions:

- 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. Disbursement 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. 10155, the FY 2012 General Appropriations Act (ex. Representation Allowances 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 may be.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 23, General Provisions of R.A. No. 10155.
4. Disbursements from the Confidential and Intelligence Fund shall be covered by an approval from the President of the Philippines.
5. 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 4, 2010 and A.O. No. 15 dated May 25, 2011, among others.
6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. 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.
8. 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:**

*Lorenzo C. Drapete*  
**LORENZO C. DRAPETE**  
 Director, BMB-F

Date: October 15, 2012

**Approved:**  
 By Authority of the Secretary:

*Mario L. Relampagos*  
**MARIO L. RELAMPAGOS**  
 Undersecretary

COB-F1-12-0034

cc: ~~Be chairmans~~  
 Board of Directors, PITC

**Assistant Commissioner Lourdes M. Castillo**  
 Commission on Audit (COA) - Central Office  
 COA Building, Quezon City

**The Resident Auditor**  
 COA- PITC