



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 MALACANANG, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year 2018

TO: PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)

Your Corporate Operating Budget (COB) for Fiscal Year 2018 based on Secretary's Certificate dated May 10, 2018, 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 amount of **ONE HUNDRED EIGHTY-FIVE MILLION TWO HUNDRED SIXTY-SIX THOUSAND PESOS ONLY (P185,266,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 252,005,000	P 252,005,000	P -
Corporate Funds	187,559,000	187,559,000	-
Other Income	64,446,000	64,446,000	
TOTAL USES:	P 198,050,000	P 185,266,000	P (12,784,000)
Personnel Services (PS) *	59,670,000	57,840,000	(1,830,000) a/
Maintenance & Other Operating Expenses (MOOE) **	123,057,000	113,053,000	b/ (10,004,000)
Capital Outlays (CO)	15,323,000	14,373,000	c/ (950,000) d/
Excess/(Shortfall)	P 53,955,000	P 66,739,000	P (12,784,000)

* Excludes the amount of P103,500 which was transferred to MOOE for proposed Cultural and Athletic Activities.

** Includes PS items in the total amount of P103,500 for proposed Cultural and Athletic Activities and excludes non-cash items.

Footnotes:

a/ The PS variance refers to overprovision/erroneous computation on the following:

Basic Salary	P 1,307,000.00	} Only 30% of five (5) unfilled positions were approved		
Personnel Economic Relief Allowance	62,000			
Uniform/Clothing Allowance	12,000			
Year-End Bonus	83,000			
Mid-Year Bonus	48,000			
Cash Gift	13,000			
Retirement & Life Insurance Premium	139,000			
Employees Compensation Insurance Premium	3,000			
Pag-IBIG Contributions	3,000			
PhilHealth Contributions	14,000			
Representation and Transportation Allowances	135,000			} Computed in accordance with Section 55, General Provisions, Republic Act No. 10964, FY 2018 General Appropriations Act.
Anniversary Bonus	3,000			} Computed in accordance with National Budget Circular No. 452 dated May 20, 1996
Medical/Dental/Optical	4,000			} Computed in accordance with CSC MC No. 17 s. 1989 & CSC Letter dated 18 July 1994
Group Term Hospital Insurance	4,000			
Total	P 1,830,000			

TO: PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)

b/ The MOOE level computed considering the highest actual/audited amounts from previous years (FYs 2016 - 2017) and the effects of inflation, variances are broken down as follows:

Repairs and Maintenance of Government Vehicles	P 325,000.00	} Computation was based on highest audited + 4.5% inflation rate.
Repairs and Maintenance of Government Vehicles	642,000	
Water, Illumination and Power Services	829,000	
Gasoline, Oil and Lubricants	235,000	
Contributions	198,000	
Training and Seminar Expenses	1,427,000	} Computation was based on highest actual + 4.5% inflation rate.
Representation Expenses	1,345,000	
Advertising expenses	4,098,000	
Printing and binding expenses	840,000	
Cultural/Athletic Activities	5,000	Computation in accordance with Section 44 of FY 2018 GAA.
Brokers Fees	60,000	No provision on previous years.
TOTAL	P 10,004,000	

c/ CO is intended for the following:

Buildings and Structure Outlay	P 4,285,000
Office Equipment, Furniture & Fixture	5,038,000
Transportation Equipment *	5,050,000
TOTAL	P 14,373,000

* The Motor Vehicles shall be evaluated pursuant to the provisions of Administrative Order (AO) No. 233 as amended by AO No. 15 and Budget Circular No. 2017-1 dated April 26, 2017 amending Budget Circular No. 2016-5 dated August 22, 2016, as well as, OP Memorandum Circular No. 9 dated December 14, 2010 and will be acted upon separately.

d/ The variance of P950,000 represents the overprovision in the proposal for the purchase of Motor Vehicle, wherein the recommended amount was based on the DBM updated maximum allowable cost of motor vehicles for FY 2018.

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. 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 items shall be subject to the relevant provision 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 regulations issued by the DBM.

TO: PHILIPPINE INTERNATIONAL TRADING CORPORATION (PITC)

6. Equipment Outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned (e.g. Department of Information and Communications Technology - Information and Communications Technology Office (DICT-ICTO) particularly MITHI Steering Committee) for information and communication technology equipment and Office of the President/Department of Budget and Management/Supervising Department for procurement of motor vehicles). The same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2017-1 (amending BC No. 2016-5) dated April 26, 2017, and AO No. 15 (amending AO 233, s. 2008) dated May 25, 2011, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
7. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the same 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 the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to A.O. 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 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 292.

Recommending Approval:

Approved:

By the Authority of the Secretary:


CARMENCITA P. MAHINAY
Director, Budget and Management Bureau -C


TINA ROSE MARIE L. CANDA
Undersecretary

NOV 19 2018

Department of Budget and Management
BTS

COB-C4-18-0033



2018-S12372L

cc: The Chairman
Board of Directors, PITC

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

The Resident Auditor
COA-PITC