

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

CORPORATE OPERATING BUDGET
Fiscal Year 2023

TO: CIVIL AVIATION AUTHORITY OF THE PHILIPPINES (CAAP)

Your Corporate Operating Budget (COB) for FY 2023 per Secretary's Certificate on Board Resolution No. 2022-09 dated December 28, 2022, 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 **EIGHT BILLION ONE HUNDRED TWENTY-FIVE MILLION EIGHT HUNDRED SIXTY THOUSAND PESOS ONLY (P8,125,860,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 9,218,080,000	P 9,218,080,000	P -
Corporate Funds	9,118,080,000	9,118,080,000	-
National Government (NG) Subsidy	100,000,000	100,000,000	-
TOTAL USES	P 9,143,466,000	P 8,125,860,000	P (1,017,606,000)
Personnel Services (PS)	3,175,205,000	3,175,205,000 a/	-
Maintenance & Other Operating Expenses (MOOE)	4,524,375,000	3,506,769,000 b/	(1,017,606,000)
Capital Outlays (CO)	1,443,886,000	1,443,886,000 c/	-
Excess	P 74,614,000	P 1,092,220,000	P 1,017,606,000

Footnotes:

a/ The recommended PS level considered the CAAP's adoption of the Compensation and Position Classification System (CPCS) authority per Governance Commission for Government-Owned or -Controlled Corporations (GCG) approval dated November 8, 2022. The said CPCS approval expressly authorizes the Authority to implement the authorized CPCS Job Grade equivalent positions, pursuant to Executive Order No. 150 dated October 1, 2021, its Implementing Rules and Regulations, and the corresponding CPCS Circular for each PS item.

b/ The recommended MOOE level is computed considering the CAAP's absorptive capacity for the three (3) immediately preceding years, applying the year with the highest BUR to determine FY 2023 MOOE level. The variance amounting P1,017,606,000.00 pertains to the effect of the preceding year's BUR.

c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the CAAP.

Transportation Equipment amounting to P130,200,000.00 is recommended as proposed for budgetary purposes. The corresponding Authority to Purchase Motor Vehicle (APMV) shall be acted separately upon submission by the CAAP to the DBM of a request letter supported with pertinent data, i.e. proposed MV type, specifications, comparative costing, updated inventory of existing MVs, among others, in accordance with Budget Circular (BC) Nos. 2022-1 and 2022-1A (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Government Motor Vehicles).

Notwithstanding the aforementioned variance in MOOE, the CAAP still has the flexibility to modify its utilization within the total DBM-approved budget level.


Further, the following conditions shall be observed and complied with:

- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.
- 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.

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3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. **Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations**, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 150 for Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs 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 Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses 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 acquisition thereof. Example: OP/Department of Budget and Management/Supervising Department for the purchase of MV, if any, in accordance with the provisions of the BC Nos. 2022-01 dated February 11, 2022 and 2022-1A dated March 1, 2023 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, 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. Pursuant to AO No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
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 existing laws, rules and regulations.
9. 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:

Digitally signed by

Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
Director, BMB-C

Approved by:

By Authority of the Secretary:


CRISTINA B. CLASARA
Acting Undersecretary, DBM

cc: The Chairman
Board of Directors, CAAP

Assistant Commissioner Winnie Rose H. Encalado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - CAAP

COB No. C3-23-0045

Date: April 28, 2023