

24 November 2017

**MR. ALLAN R. GARCIA**

President and CEO  
John Hay Management Corporation  
John Hay Special Economic Zone  
Baguio City

Dear **President Garcia**:

We are pleased to inform you that on 22 November 2017, the BCDA Board of Directors approved your 2018 budget in the amount of **ONE HUNDRED THIRTY-NINE MILLION THREE HUNDRED NINETY-SEVEN THOUSAND NINE HUNDRED NINETY-NINE AND 79/100 PESOS (Php139,397,999.79)** broken down as follows:

Particulars	BCDA Funded	JHMC Funded	Total
Estate Management Fee	69,915,150.00	9,005,849.79	78,920,999.79
Land Related Cost	55,640,000.00		55,640,000.00
Regulatory and Historical Core		3,223,000.00	3,223,000.00
CUSA		1,614,000.00	1,614,000.00
<b>Total</b>	<b>125,555,150.00</b>	<b>13,842,849.79</b>	<b>139,397,999.79</b>

The approval of the 2018 budget is subject to the following conditions:

1. The BCDA-approved budget should be approved by the JHMC Board prior to its implementation;
2. All expenditures should be disbursed within the approved budget. Supplemental and realignments of budgets within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1;
3. Budget for Personal Services should not be realigned to any expense items, and vice-versa. Any change in the organizational structure that has present or future financial impact or increase in compensation package shall require BCDA and GCG's written approval prior to its implementation pursuant to Section 7 of Financial Policy No. 103-2 and RA 10149;
4. Implementation of Performance Based Bonus for the employees and Performance Based Incentives for the board of directors shall be subject to GCG approval;
5. The approved budget shall be released based on the provisions of the Performance Agreement dated 13 February 2017 and BCDA Financial Policy No. 504-1;



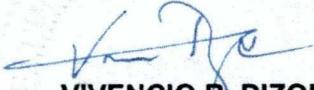
6. Authority to Purchase should first be secured from the Office of the President thru the Department of Budget and Management prior to the acquisition of motor vehicles;
7. Payment for outstanding obligations shall be allowed provided the obligations had been previously budgeted, approved for implementation and contracted prior to 2018; and
8. Disbursement of the budget should be in accordance with the government budgetary, accounting and auditing rules and regulations.

Please take note that the budget for the construction of JHMC Office Building in the amount of Php34.7 million has been deferred pending BCDA's approval of the alternative location site, conceptual design and detailed project cost.

We are enclosing your 2018 approved budget for your reference.

Thank you.

Very truly yours,



**VIVENCIO B. DIZON**  
President and CEO



**JOHN HAY MANAGEMENT CORPORATION**  
**SUMMARY**  
 Budget Year 2018

Particulars	2018 Approved Budget					2017
	Estate Management Fee	Land Related Cost	Regulatory and Historical Core	CUSA	Total	Approved Budget
Personal Services	32,690,839		250,000		32,940,839	32,205,696
Maintenance & Other Operating Expenses	37,020,661	45,347,000	2,558,000	1,614,000	86,539,661	78,354,453
BOD Expenses	7,362,000				7,362,000	7,362,000
Capital Outlay	1,847,500	10,293,000	415,000		12,555,500	44,860,000
<b>Total</b>	<b>78,921,000</b>	<b>55,640,000</b>	<b>3,223,000</b>	<b>1,614,000</b>	<b>139,398,000</b>	<b>162,782,149</b>

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