

07 December 2022

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 23 November 2022, the BCDA Board has approved your 2023 operating budget in the amount of Php201,286,753, broken down as follows:

Particulars	BCDA Funded	JHMC Funded	Total
Estate Management Fees	96,342,353		96,342,353
Land Related Cost	97,409,200		97,409,200
Regulatory and Historical Core		4,150,400	4,150,400
CUSA		3,384,800	3,384,800
Total	193,751,553	7,535,200	201,286,753

The approval of the 2023 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 budget and realignment of budget within the same expenditure group maybe allowed subject to the provisions of BCDA Financial Policy No. 503-1 (Request for Realignment and Supplemental Budget);
3. Prior written approval from BCDA and GCG shall be obtained in case of any change in the organizational structure that has present or future financial impact or increase in compensation package pursuant to Section 11 of Financial Policy No. 502-03, Republic Act (RA) No. 10149, Executive Order (EO) No. 150, series of 2022 and its implementing guidelines;
4. The approved budget shall be released based on the provisions of the Amended Performance Agreement dated 17 September 2021 and BCDA Financial Policy No. 504-1 (Budget Releases to Subsidiaries);
5. Payment of Retirement Benefits shall be subject to applicable laws and government accounting/auditing rules and regulations;
6. Procurement of infrastructure projects shall be in accordance with RA 9184 and compliant with the requirements as contained in BCDA letter dated 18 October 2022 (attached);

7. The execution of the contracts and implementation of the following infrastructure projects must be cleared by the Legal Services Department of BCDA and approved by the Office of the Government Corporate Counsel:


Particulars	Amount (Php)
Smart Street Lighting System at the JHSEZ Major Roads	14,000,000
Road Safety Installations in JHSEZ	6,600,000
Fabrication and Installation of Road Signages at the JHSEZ	1,500,000
Total	22,100,000

8. Payment for the outstanding obligations shall be allowed provided that there is an allocated budget for the said obligations, the contracts for the subject infrastructure projects have been executed prior to 2023, and the implementation thereof have been duly approved; and
9. Disbursement of the budget shall be in accordance with the government budgetary, accounting and auditing rules and regulations.

We are enclosing your 2023 approved budget for your reference.

Thank you.

Very truly yours,


AILEEN AN. R. ZOSA 12-15-2022
President and CEO



JOHN HAY MANAGEMENT CORPORATION
SUMMARY
 Budget Year 2023

Particulars	2023 Approved Budget					2022 Approved Budget				
	Estate Management Fee	Land Related Cost	Regulatory and Historical Core	CUSA	Total	Estate Management Fee	Land Related Cost	Regulatory and Historical Core	CUSA	Total
Personnel Services	59,227,653		200,000		59,427,653	59,188,190		200,000		59,388,190
Maintenance & Other Operating Expenses	27,878,700	55,380,200	3,470,400	3,384,800	90,114,100	23,482,000	40,745,000	2,142,000	2,433,000	68,802,000
BOD Expenses	7,876,000				7,876,000	7,326,000				7,326,000
Capital Outlay	1,360,000	42,029,000	480,000		43,869,000	6,205,000	13,025,258			19,230,258
Total	96,342,353	97,409,200	4,150,400	3,384,800	201,286,753	96,201,190	53,770,258	2,342,000	2,433,000	154,746,448

Funded by JHMC Corporate funds

Particulars	Regulatory and Historical Core	CUSA	Total
Personal Services	200,000		200,000
MOOE			
Janitorial Services	1,000,000	1,345,000	2,345,000
Environment/Sanitary Services	110,000	1,350,000	1,460,000
Professional Services	472,400	289,800	762,200
Water & Illumination	552,000		552,000
Advertising, Promotional and Marketing	415,000		415,000
R&M- Building & Facilities	200,000	200,000	400,000
Representation Expenses	350,000		350,000
Supplies & Materials	150,000	200,000	350,000
Rent Expense	120,000		120,000
General Services	60,000		60,000
Insurance Expenses	30,000		30,000
Communication Expenses	11,000		11,000
Capital Outlay			
Welcome Arch with Nutcrackers	200,000		200,000
Outdoor LED Television	180,000		180,000
Parachute Tent	100,000		100,000
Total	4,150,400	3,384,800	7,535,200

Subject to Actual Reimbursement

Particulars	Amount
Personnel Services	
Leave Monetization	2,502,476
Retirement Benefits	1,423,395
BOD Expenses	
Travelling Expenses	1,500,000
Meal Expenses	750,000
Training and Continuing Program	300,000
Total	6,475,871