



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
 GEN. SOLANO ST., SAN MIGUEL, MANILA

**CORPORATE OPERATING BUDGET**

Calendar Year 2014

**TO: NATIONAL DEVELOPMENT COMPANY (NDC)**

Your Corporate Operating Budget (COB) for Calendar Year 2014 per Board Secretary Certificate dated August 6, 2013, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI, E.O. No. 292, series of 1987, is hereby approved for a total amount not exceeding **FOUR BILLION FIVE HUNDRED SEVENTY FIVE MILLION TWO HUNDRED FIFTY EIGHT THOUSAND PESOS ONLY (P4,575,258,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES</b>	P 4,581,474,000	P 4,581,474,000	P -
Corporate Funds	4,581,474,000 a/	4,581,474,000 ✓	-
<b>TOTAL USES</b>	P 4,581,474,000	P 4,575,258,000	P (6,216,000)
Personnel Services (PS)	26,367,000 b/	25,021,000 c/	(1,346,000) d/
Maint. & Other Operating Exp. (MOOE)	4,342,578,000	4,337,708,000	(4,870,000)
Operating/Other Expenditure	422,847,000	417,977,000	(4,870,000) e/
Dividend Payment to National Government	233,070,000	233,070,000	
Retirement of Agri-Agra Bonds	3,500,000,000	3,500,000,000	
Interest Expense and Financial Charges	186,661,000	186,661,000	-
Capital Outlays (CO)	212,529,000 f/	212,529,000 f/	-
<b>Excess/Shortfall</b>	P -	P 6,216,000	P (6,216,000)

**Footnotes:**

- a/ A portion of beginning cash balance in the amount of P430.534 Million will be used since the year's corporate income is not sufficient to cover the projected expenditures.
- b/ Includes P162,000 and P240,000 for PBB of Board Members and Per Diem of one private representative and NDC General Manager respectively, realigned from MOOE
- c/ Includes P2,062,000 for Performance-Based Bonus of Board Members, Officers and employees of NDC, grant of which is subject to the recommendation and approval by the Governance Commission for GOCCs (GCG).
- d/ Refers to the following:

Particulars	Amount	Remarks
Representation and Transportation allowance	P (462,000)	Excess provision for positions not entitled to RATA
Per Diem of Board of Directors	(60,000)	Pegged at P15,000/mtg @ 6 mtgs/year
Loyalty Pay	(89,000)	Chargeable against savings per Memorandum Circular No. 17, s. 1999
Collective Negotiation Agreement (C.N.A)	(700,000)	Chargeable against savings
Overprovision in Philhealth contributions	(35,000)	PhilHealth premiums based on Circular No. 2012-12 dated June 29, 2012.
<b>Total, PS variance</b>	<b>P (1,346,000)</b>	

- e/ MOOE level is computed considering actual/audited expenses for the previous years and the effects of inflation. Extraordinary and Miscellaneous Expenses pegged at P 444,000 computed based on Section 41, General Provisions of R.A. No. 10633, FY 2014 General Appropriations Act (GAA).

- f/ The proposed level for CO consists of the following items:

Investments Outlay	P 59,242,000
Loans Outlay	130,181,000
Land and Land Improvements Outlay	7,000,000
Building and Structures Outlay	10,827,000
Furniture, fixtures, Equipment and Books Outlay	3,279,000
Motor Vehicles	2,000,000
<b>Total, CO</b>	<b>P 212,529,000</b>

The purchase of motor vehicles shall be subject to the approval by the Office of the President/DBM/Supervisory Department, as the case maybe, and shall be acted separately upon submission of documentary requirements.

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Calendar Year 2014

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

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. Disbursements 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. 10633, the FY 2014 General Appropriations Act (ex. Representation and Transportation Allowance under Section 54, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 41, General Provisions of R.A. No. 10633
4. 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 for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996 and 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, and Office of the President Memorandum Circular dated December 14, 2010, among others.
5. The fiscal discipline measures prescribed under A. O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. 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**  
Director, BMB-F

**By Authority of the Secretary:**

  
**LUZ M. CANTOR**  
Undersecretary

Date: NOV 06 2014

COB No. F3-14-0052

cc: The Chairman  
Board of Directors, NDC

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

The Resident Auditor  
COA - NDC

Department of Budget and Management  
BTS



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