



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

**CORPORATE OPERATING BUDGET**  
 Calendar Year 2015

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

Your Corporate Operating Budget (COB) for Calendar Year 2015 per Board Secretary Certificates dated July 15, 2015 and November 27, 2015 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 2015 submitted 1987, is hereby approved for a total amount not exceeding **FIVE BILLION SIX HUNDRED FIFTEEN MILLION FIVE HUNDRED EIGHTY SEVEN THOUSAND PESOS ONLY (P5,615,587,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES</b>	P <u>7,248,855,000</u>	P <u>7,248,855,000</u>	P <u>-</u>
Corporate Funds	7,248,855,000	7,248,855,000	-
<b>TOTAL USES</b>	P <u>6,890,311,000</u>	P <u>5,615,587,000</u>	P <u>(1,274,724,000)</u>
Personnel Services (PS)	27,848,000	22,003,000 ✓	(5,845,000) a/
Maint. & Other Operating Exp. (MOOE)	6,543,368,000	5,570,628,000 b/	(972,740,000)
Operating/Other Expenditure	493,145,000	156,803,000	(336,342,000)
Provision of Income Tax/EWT/Final Tax	222,390,000	195,568,000 ✓	(26,822,000)
Debt Servicing (Principal)	3,276,084,000	3,276,084,000 ✓	-
Return of Capital	2,551,749,000	1,942,173,000	(609,576,000)
Capital Outlays (CO)	319,095,000	22,956,000 c/	(296,139,000)
<b>Excess/Shortfall</b>	P <u>358,544,000</u>	P <u>1,633,268,000</u>	P <u>(1,274,724,000)</u>

**Footnotes:**

a/ The variance of P 5,845,000 for PS is computed as follows:

I. Overprovision of the items enumerated below based on eleven (11) vacant positions not to be filled up in 2015.

Salaries, Permanent	P 3,110,000
Personnel Economic Relief Allowance	222,000
Uniform/Clothing Allowance	55,000
Year-end Bonus	321,000
Cash Gift	53,000
Life & Retirement Insurance Premium	400,000
Employees Compensation Insurance Premium	11,000
Pag-I.B.I.G. Contributions	11,000
Philhealth Contributions	46,000
Performance-Based Bonus	187,000
Representation and Transportation Allowances	552,000
Productivity Enhancement Incentive	795,000
Per Diem	60,000
Productivity Incentive Benefits	22,000
<b>Total</b>	P <u>5,845,000</u>

Refers to salaries and allowances/  
benefits of eleven (11) vacant positions  
not to be filled up in 2015

Based on the approval of the GCG.  
Based on the FY 2015 GAA rates.  
Equivalent to one (1) month salary.  
Pegged at P15k/meeting@ 6 mtgs/year  
P2,000/employee (for FY 2014)

b/ MOOE level is computed considering the actual expenses as of October 31, 2015 plus estimate (Nov.-Dec. 2015) or proposal whichever is lower.

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

Investments Outlay	P 8,412,000
Loans Outlay	4,600,000
Land and Land Improvements Outlay	3,330,000
Building and Structures Outlay	2,410,000
Furniture, fixtures, Equipment and Books Outlay	2,289,000
Motor Vehicles	1,915,000
<b>Total</b>	P <u>22,956,000</u>

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. 10651, the FY 2015 General Appropriations Act (ex. Representation and Transportation Allowance under Section 56, 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. 10651.
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-Good Governance Sector

By Authority of the Secretary:

  
LUZ M. CANTOR  
Undersecretary

Date: \_\_\_\_\_

DEC 28 2015

COB No. C2-15-0065

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



2015-S11526L