



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

CORPORATE OPERATING BUDGET
 Calendar Year 2016

TO: NATIONAL DEVELOPMENT COMPANY (NDC)

Your Corporate Operating Budget (COB) for Calendar Year 2016 per Board Secretary Certificate dated May 16, 2016 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 **TWO BILLION THREE HUNDRED NINETY MILLION EIGHT HUNDRED TWENTY TWO THOUSAND PESOS ONLY (P2,390,822,000)**, details of which are shown below:

PARTICULARS		PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P	<u>2,719,850,000</u>	P <u>2,719,850,000</u>	P <u>-</u>
Corporate Funds		2,719,850,000	2,719,850,000	-
TOTAL USES	P	<u>2,611,070,000</u>	P <u>2,390,822,000</u>	P <u>(220,248,000)</u>
Personnel Services (PS)		28,334,000	21,092,000	(7,242,000) a/
Maint. & Other Operating Exp. (MOOE)		<u>2,314,474,000</u>	<u>2,163,813,000</u>	b/ <u>(150,661,000)</u>
Operating/Other Expenditure		598,874,000	448,213,000	(150,661,000)
Provision of Income Tax/EWT/Final Tax		475,084,000	475,084,000	-
Debt Servicing/Loan Repayment		1,204,787,000	1,204,787,000	-
Dividend Payment to NG		35,729,000	35,729,000	-
Capital Outlays (CO)		<u>268,262,000</u>	<u>205,917,000</u>	c/ <u>(62,345,000)</u>
Excess/Shortfall	P	<u><u>108,780,000</u></u>	P <u><u>329,028,000</u></u>	P <u><u>(220,248,000)</u></u>

Footnotes:

a/ The variance of P 7,242,000 for PS is computed as follows:

I. Overprovision of the items enumerated below:

Salaries, Permanent	P	3,717,000 ✓	} Refers to salaries and allowances/ benefits of seven (7) vacant positions not to be filled up in 2016
Personnel Economic Relief Allowance		238,000 ✓	
Uniform/Clothing Allowance		65,000 ✓	
Year-end Bonus		531,000 ✓	
Cash Gift		57,000 ✓	
Retirement and Life Insurance Premium		530,000 ✓	
Employees Compensation Insurance Premium		14,000 ✓	
Pag-I.B.I.G. Contributions		14,000 ✓	
Philhealth Contributions		83,000 ✓	
Representation and Transportation Allowances		372,000 ✓	
Productivity Enhancement Incentive		1,389,000 ✓	
Per Diem		60,000 ✓	
Productivity Incentive Benefits (PIB)		72,000 ✓	
Special Counsel Allowance		100,000 ✓	
Total	P	<u>7,242,000</u>	} Based on the FY 2016 GAA rates. P5,000/employee Pegged at P15k/meeting@ 6 mtgs/year Starting 2015 PIB was discontinued. Actual plus estimates from July to December 2016.

b/ MOOE level is computed considering actual/audited expenses for the previous years, and the effects of inflation.

c/ The CO consists of the following items:


Investments Outlay	P	196,100,000	
Building and Structures Outlay		7,200,000	
Office Equipment, Furniture and Fixtures		705,000	
Transportation Equipment		1,912,000 1//	
Total	P	<u>205,917,000</u>	

1// The proposed P1.912 Million intended for the acquisition of two (2) units service vehicle shall be evaluated and recommended pursuant to the provisions of Administrative Order (A.O.) No. 233 dated August 1, 2008, as amended by A.O. No. 15 dated May 25, 2011, Budget Circular Nos. 2010-2 and 2016-5 dated March 1, 2010 and August 22, 2016, respectively, and OP Memorandum Circular No. 9 dated December 14, 2010. This shall be acted upon separately.


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. 10717, the FY 2016 General Appropriations Act (ex. Representation and Transportation Allowance under Section 59, 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 47, General Provisions of R.A. No. 10717.
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 Nos. 2010-2 and 2016-5, dated March 1, 2010 and August 22, 2016, respectively, 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-C

Approved by:


BENJAMIN E. DIKNO
Secretary

Date: OCT 04 2016

COB No. C2-16-0050

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



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Department of Budget and Management
BTS



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