



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
 BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Calendar Year 2017

TO: NATIONAL FOOD AUTHORITY (NFA)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per Board Resolution No. 850-2017-B dated February 8, 2017, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount of **NINETY BILLION FOUR HUNDRED EIGHTY THREE MILLION SIX HUNDRED SIXTY FIVE THOUSAND PESOS ONLY (P90,483,665,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 91,280,220,000	P 91,280,220,000	P -
Corporate Funds	34,375,755,000	34,375,755,000	-
National Government Subsidy	5,100,000,000	5,100,000,000	-
Borrowings	34,929,545,000	34,929,545,000	-
Net Lending	8,000,000,000	8,000,000,000	-
Tax Subsidy	8,874,920,000	8,874,920,000	-
TOTAL USES	P 91,280,220,000	P 90,483,665,000	P (796,555,000)
Personnel Services (PS)	3,212,407,000	2,590,442,000	(621,965,000) a/
Maintenance & Other Operating Expenses (MOOE)	4,252,509,000	4,077,919,000	(174,590,000) b/
Capital Outlays (CO)	2,546,046,000	2,546,046,000	-
Procurement	29,642,464,000	29,642,464,000	-
Payment of Obligations	34,508,029,000	34,508,029,000	-
Bond Sinking Fund	2,500,000,000	2,500,000,000	-
Customs Duties	8,874,920,000	8,874,920,000	-
Interest Expense	5,743,845,000	5,743,845,000	-
Excess / Shortfall	P -	P 796,555,000	P 796,555,000

Footnote:

a/ The variance of P621,965,000 represents overprovision for the following accounts:

Salaries	P 18,453,000
Year-end Bonus	1,538,000
Mid-year Bonus	1,538,000
RATA	3,060,000
PhilHealth Contributions	2,215,000
	P 26,804,000

Disallowance of Early Retirement Package due to lack of legal basis:

Early Retirement Package	P 590,576,000
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Chargeable against savings:

Loyalty Pay

P 4,585,000

TOTAL

P 621,965,000

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

c/ Capital Outlays shall be for the following:

Land and Land Improvements Outlay	P	786,853,000
Buildings and Structures Outlay		1,327,540,000
Office Equipment, Furniture & Fixtures, and Books Outlay		101,800,000
Machineries and Equipment Outlay		277,853,000
Transportation Equipment		52,000,000

TOTAL

P 2,546,046,000

The purchase of 30 units transportation equipment needs prior approval from the DBM/OP as the case maybe. This shall be acted upon separately.

This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed and complied with:

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. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. Disbursements for Personnel Services (PS) shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO 201 for GOCCs not covered by RA 10149 and EO 36 (suspending EO 203) for GOCCs covered by RA 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the GCG, as the case maybe.
4. Disbursements for extraordinary and miscellaneous expenses (EME) and other MOOE expenditures shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (ex. Information and Communications Technology Office (DICT-ICTO) for information technology equipment and Office of the President/Department of Budget and Management/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2017-1 dated April 26, 2017, amending Budget Circular No. 2016-5 dated August 22, 2016, Administrative Order (A.O.) No. 15 dated May 25, 2011, amending AO No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with existing payment scheme.
7. 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.

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Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions, which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO 292.

Recommending Approval:

Lorenzo C. Drapete
LORENZO C. DRAPETE
Director, BMB - C

Approved:

By Authority of the Secretary:

Luiz M. Cantor
LUZ M. CANTOR
Undersecretary

Date:

SEP 26 2017

COB No. C1-17-0043

cc: The Chairman
Board of Council, NFA

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

The Resident Auditor
COA - NFA

Department of Budget and Management
BTS



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