



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

CORPORATE OPERATING BUDGET
Fiscal Year 2020

TO: NATIONAL FOOD AUTHORITY (NFA)

Your Corporate Operating Budget (COB) for Fiscal Year 2020 per NFA Council Resolution No. 956-2020-B dated February 18, 2020, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total amount of **EIGHTY-ONE BILLION THREE HUNDRED SIXTY-FOUR MILLION ONE HUNDRED EIGHTY-FOUR THOUSAND PESOS ONLY (P81,364,184,000)**, details of which are shown below:

PARTICULARS	PROPOSAL		APPROVED		VARIANCE	
	(a)		(b)		(c=b-a)	
TOTAL SOURCES:	P	91,398,172,000	P	79,996,196,000	P	(11,401,976,000)
Corporate Receipts		17,102,447,000	a/	17,102,447,000		-
National Government (NG) Subsidy		7,000,000,000		5,600,000,000		(1,400,000,000) b/
Net Lending		26,643,749,000		26,643,749,000		-
Conversion of NG Advances into Subsidy		40,651,976,000		30,650,000,000	c/	(10,001,976,000)
TOTAL USES	P	91,398,172,000	P	81,364,184,000	P	(10,033,988,000)
Personnel Services (PS)		5,533,594,000		5,531,830,000		(1,764,000) d/
Maintenance & Other Operating Expenses (MOOE)		84,941,255,000		74,910,121,000		(10,031,174,000)
Regular		2,750,295,000		2,721,097,000	e/	(29,198,000)
Procurement Cost		14,678,000,000		14,678,000,000		-
Payment of Obligations		61,575,000,000		51,573,024,000	f/	(10,001,976,000)
Capital Gains Tax & Documentary Stamps		69,000,000		69,000,000		-
Interest Expenses and Other Financial Charges		5,869,000,000		5,869,000,000		-
Capital Outlays (CO)		923,283,000		922,233,000	g/	(1,050,000)
Excess / Shortfall	P	-	P	(1,367,988,000)	P	(1,367,988,000)

Footnote:

- a/ Includes the source for the P2,625,357,000 NFA Service Incentive Package pursuant to the Office of the President (OP) approval dated September 4, 2020.
- b/ The variance pertains to the P1.4 billion offered by the Authority for use by the NG in implementing emergency measures to respond to crisis brought about by the Coronavirus Disease 2019, per negative SARO-BMB-C-20-0012332 Issued on June 24, 2020, pursuant to the National Budget Circular (NBC) No. 580.
- c/ The recommended level of P30.65 billion pertains to the actual releases to the Authority per SARO-BMB-C-20-0011670 dated June 15, 2020 based on the available balance of the Unprogrammed Appropriations, Republic Act No. 11465, FY 2020 General Appropriations Act for the purpose.
- d/ The variance of PS represents overprovision for Representation and Transportation Allowances (RATA).
- e/ Includes the P3 million CO item realigned to MOOE intended for the rehabilitation/overhauling of delivery trucks. The MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation, details of variance as follows:

Particulars	Amount
Travelling Expenses	2,076,000
Supplies and Materials	18,403,000
Water, Illumination, and Power Services	7,650,000
Training and Seminar Expenses	262,000
Other Services	787,000
TOTAL	P 29,198,000

- f/ The recommended level excludes the P10.002 billion variance between the programmed vis-à-vis the actual releases to the Authority for the conversion of NG advances of the NFA to subsidy.

CORPORATE OPERATING BUDGET

Fiscal Year 2020

TO: NATIONAL FOOD AUTHORITY (NFA)

g/ Total CO level is composed of the following :

Land and Land Improvement Outlay	P	122,396,000
Buildings and Structures Outlay		399,603,000
Office Equipment, Furniture, and Fixtures		65,169,000
Machineries and Equipment Outlay		246,115,000
Transportation Equipment		88,950,000
TOTAL	P	922,233,000

CO level includes the adjusted costing for the acquisition cost of forty-two (42) units of motor vehicles which is computed in accordance with existing DBM guidelines and the vehicle classification as provided under the Budget Circular (BC) No. 2019-2 dated March 4, 2019 and Annex B of the DBM BC No. 2017-1 dated April 26, 2017. Attached with this COB Approval is **APMV No. C-20-0048**, authorizing NFA to procure the motor vehicles within the current year.

Notwithstanding the above-indicated variances in PS, MOOE, and CO, the NFA has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of National Government budgetary support, Section 76 of the General Provision of RA No. 11260 on the rules on the modification in the allotment shall apply.

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. This approval shall not be construed as an authorization for specific expenditure items under PS which require prior approval by the OP. Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36, for Government-Owned and - Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual GAA or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE items shall be subject to the relevant provisions of the annual GAA, among others.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (e.g., Department of Information and Communications Technology - Information and Communications Technology Office for information technology equipment and OP/DBM/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, BC No. 2017-1 dated April 26, 2017, amending BC No. 2016-5 dated August 22, 2016, Administrative Order (AO) No. 15 dated May 25, 2011, amending AO No. 233 dated August 1, 2008, OP 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 case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. 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.

CORPORATE OPERATING BUDGET

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9. 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 No. 292.

Recommending Approval:


CARMENCITA P. MAHINAY
Director, BMB - C

Date: November 11, 2020

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C1-20-0018 Date: NOV 24 2020

cc: The Chairman
Board of Council, NFA

The Assistant Commissioner, Corporate Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - NFA



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

APMV No. C-20-0048

NOV 24 2023

ADMINISTRATOR JUDY CAROL L. DANSAL

National Food Authority (NFA)

Visayas Avenue, Diliman, Quezon City

AUTHORITY TO PURCHASE MOTOR VEHICLES

Qty	Type	Intended Use and/or User, and Specifications	Cost
12	Heavy Cargo Truck	Use and/or User: For cargo transport and delivery of equipment Specifications: Engine displacement not exceeding 9500 cc	P 45,000,000
15	Pick-Up	Use and/or User: For the transport of personnel, equipment, supplies, products and materials Specifications: Engine displacement not exceeding 2500 cc for gasoline or 3000 cc for diesel	22,500,000
3	Asian Utility Utility	Use and/or User: For the exercise of executive functions Specifications: Engine displacement not exceeding 1500 cc for gasoline or diesel	4,050,000
12	Multi-Purpose Vehicle	Use and/or User: For the transport of personnel, equipment, supplies, products and materials Specifications: Engine displacement not exceeding 2500 cc for gasoline or 2800 cc for diesel	17,400,000
42	TOTAL		P 88,950,000
AMOUNT IN WORDS		**EIGHTY-EIGHT MILLION NINE HUNDRED FIFTY THOUSAND PESOS ONLY**	
FUNDING SOURCE		FY 2020 NFA CORPORATE OPERATING BUDGET	

CONDITIONS:

1. The motor vehicle/s shall be used only for official purpose, the intended use and/or by the intended user, for which the motor vehicle/s was requested as herein authorized. The acquisition/purchase of subject motor vehicle/s shall be in accordance with the provisions of, among others, Administrative Order No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-3 dated May 16, 2019, BC No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1.
2. Moreover, it is understood that the acquisition of said motor vehicle/s shall be in accordance with the Government Procurement Reform Act (Republic Act No. 9184) and its Implementing Rules and Regulations, as well as the usual budgeting, accounting, auditing rules and regulations.
3. The NFA may undertake its own procurement of motor vehicles pursuant to Government Procurement Policy Board Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured through the Procurement Service.
4. The purchase of motor vehicle/s shall in no case be used as justification to request for additional driver positions.
5. The agency shall submit **within 30 days from the date of acquisition**, a written report on the purchased motor vehicle/s to the DBM through Budget and Management Bureau-C, pursuant to National Budget Circular No. 438 dated January 11, 1995.
6. The agency shall also submit, **within six (6) months, a report on the disposal of the motor vehicle/s being replaced by the unit/s (if any)** under this authority, pursuant to AO No. 15 dated May 25, 2011.

APPROVED:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDIA
Undersecretary

cc: Secretary William D. Dar
Department of Agriculture



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By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
Undersecretary

COB No. C1-20-0018 Date: NOV 24 2020

cc: The Chairman

Board of Council, NFA

The Assistant Commissioner, Corporate Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - NFA