



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

CORPORATE OPERATING BUDGET
Fiscal Year 2021

TO: NATIONAL FOOD AUTHORITY (NFA)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per NFA Council Resolution No. 966-2020-G dated July 28, 2021, 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 **FIFTY-THREE BILLION NINE HUNDRED NINETY-FOUR MILLION SEVEN HUNDRED THREE THOUSAND PESOS ONLY (P53,994,703,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 72,493,000,000	P 54,115,815,000	P (18,377,185,000)
Corporate Receipts	15,196,000,000	15,196,000,000	-
National Government (NG) Subsidy	7,000,000,000	7,000,000,000	-
Net Lending	24,455,000,000	24,455,000,000	-
Conversion of NG Advances into Subsidy	25,842,000,000	7,464,815,000	a/ (18,377,185,000)
TOTAL USES	P 72,493,000,000	P 53,994,703,000	P (18,498,297,000)
Personnel Services (PS)	1,852,000,000	1,826,824,000	(25,176,000) b/
Maintenance & Other Operating Expenses (MOOE)	69,681,000,000	51,211,479,000	(18,469,521,000) c/
Regular	3,058,000,000	2,965,664,000	(92,336,000)
Procurement Cost	15,210,000,000	15,210,000,000	-
Payment of Obligations	47,080,000,000	28,702,815,000	(18,377,185,000)
Interest Expenses and Other Financial Charges	4,333,000,000	4,333,000,000	-
Capital Outlays (CO)	960,000,000	956,400,000	d/ (3,600,000)
Excess / Shortfall	P -	P 121,112,000	P 121,112,000

Footnote:

a/ Limited to the amount appropriated under the FY 2021 Unprogrammed Appropriations-Budgetary Support to Government Corporations

b/ The variance of P25,176,000 pertains to overprovision of the following:

Particulars	Amount	Remarks
Mid-year Bonus	P 22,796,000	Based on the actual expenses as of September 30, 2021. Excess computation of PhilHealth rates per Circular Letter No. 2020-4 dated February 28, 2020 for 2,644 positions
Philhealth Contributions	2,380,000	
	P 25,176,000	

c/ The MOOE level was computed considering audited/actual expenses for the previous years and the effects of inflation, except for

Particulars	Amount
Travelling Expenses	P 4,100,000
Communication Expenses	6,666,000
Supplies and Materials	33,351,000
Awards and Indemnities	6,923,000
Water, Illumination, and Power Services	24,774,000
Training and Seminar Expenses	4,533,000
Advertising and Publication Expenses	1,232,000
Representation Expense	1,967,000
Subscription Expense	930,000
Sports, Cultural, Major Events & Conventions	7,860,000
Payment of Obligations (NG Advances into Subsidy)	18,377,185,000
TOTAL	P 18,469,521,000

d/ Total CO level is composed of the following :

Land and Land Improvement Outlay	P 76,650,000
Buildings and Structures Outlay	467,423,000
Office Equipment, Furniture, and Fixtures	50,000,000
Machineries and Equipment Outlay	227,559,000
Intangible Assets Outlay	45,368,000
Transportation Equipment Outlay*	89,400,000
TOTAL	P 956,400,000

TO: NATIONAL FOOD AUTHORITY (NFA)

* The procurement of forty-two (42) units motor vehicles is recommended consistent with the existing DBM guidelines and the vehicle classification as provided under Budget Circular No. 2019-2 dated March 4, 2019 and Annex B of the DBM Budget Circular No. 2017-1 dated April 26, 2017. Attached is Authority to Purchase Motor Vehicle No. C-21-0082, authorizing the NFA to procure the motor vehicle within the current year. The same is a carry-over of the procurement processed in 2020 and for delivery in 2021.

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 72 of the General Provisions of Republic Act No. 11518 on the rules on the modification in allotment shall apply.

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. 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 unconsionable 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.
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:

Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
OIC-Director, BMB - C

Date: 11-8-2021

Approved:


TINA ROSE MARIE L. CANDA
Officer-in-Charge, DBM

COB No. C1-21-0046 Date: _____



cc: **The Chairman**
Board of Council, NFA

The Resident Auditor
COA - NFA

Assistant Commissioner Winnie Rose H. Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City