



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

**CORPORATE OPERATING BUDGET**  
Fiscal Year 2023

**TO: NATIONAL FOOD AUTHORITY (NFA)**

Your Corporate Operating Budget (COB) for FY 2023 per NFA Council Resolution No. 1038-2022-K dated November 15, 2022, 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 EIGHTY-TWO MILLION NINE HUNDRED THIRTY-ONE THOUSAND PESOS ONLY (P53,982,931,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES</b>	<b>P 61,613,678,000</b>	<b>P 54,113,318,000</b>	<b>P (7,500,360,000)</b>
Corporate Funds	6,925,678,000	6,925,678,000	-
National Government (NG) Support	9,000,000,000	9,000,000,000	-
Net Lending	25,000,000,000	25,000,000,000	-
Conversion of NG Advances into Subsidy	20,688,000,000	13,187,640,000 <i>a/</i>	(7,500,360,000)
<b>TOTAL USES</b>	<b>P 61,613,678,000</b>	<b>P 53,982,931,000</b>	<b>P (7,630,747,000)</b>
Personnel Services (PS)	1,997,514,000	1,997,514,000 <i>b/</i>	-
Maintenance & Other Operating Expenses (MOOE)	58,622,977,000	50,992,230,000	(7,630,747,000)
Regular	3,259,666,000	3,129,279,000 <i>c/</i>	(130,387,000)
Payment of Obligations	45,273,663,000	37,773,303,000 <i>d/</i>	(7,500,360,000)
Procurement Cost	9,617,900,000	9,617,900,000	-
Interest Expenses and Other Financial Charges	471,748,000	471,748,000	-
Capital Outlays (CO)	993,187,000	993,187,000 <i>e/</i>	-
<b>Excess</b>	<b>P -</b>	<b>P 130,387,000</b>	<b>P (130,387,000)</b>

**Footnotes:**

- a/ The recommended amount pertains to the actual amount released per SARO-BMB-C-23-0012787 dated January 30, 2023.
- b/ The PS level covers the requirement of 2,644 plantilla positions based on the authority issued by the Governance Commission for Government Owned or Controlled Corporations (GCG), thru its letter dated March 4, 2022, to implement the Compensation and Position Classification System (CPCS) in accordance with Executive Order No. 150 dated October 1, 2021, and its Implementing Rules and Regulations.
- c/ The approved regular MOOE level is computed considering the NFA's absorptive capacity i.e., historical budget utilization rates (BURs) of at least three (3) years, applying the year with the highest BUR to determine the FY 2023 MOOE level. The variance of **P130,387,000** pertains to the effect of the applied budget utilization rate in FY 2020, i.e., **96%**.
- d/ This amount pertains to the total of the FY 2023 Net Lending, excluding interests, to the NFA and the conversion of NG advances into subsidy which is limited only to the amount released per SARO-BMB-C-23-0012787 dated January 30, 2023.
- e/ The approved CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the NFA.

The purchase of transportation equipment shall be consistent with the following guidelines:

- Per Section 5 of Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicle is delegated to the Department of Budget and Management. The corresponding Authority to Purchase Motor Vehicle **shall be acted upon separately** upon submission of the required supporting documents listed under item 13.0 of Budget Circular No. 2022-1 dated February 11, 2022.
- Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB 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 (PS).

**Notwithstanding the above-indicated variances in MOOE, the NFA still has the flexibility to modify its utilization within the total DBM-approved budget level.**

Further, the following conditions shall be observed and complied with:

- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG 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 requires 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. 150 for GOCCs covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions (GPs) of the annual GAA or any specific law or approval of the President of the Philippines and/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 expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Example: OP/Department of Budget and Management/Supervising Department for the purchase of MV, if any, in accordance with the provisions of the Budget Circular No. 2022-01 dated February 11, 2022 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, 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. Pursuant to AO No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions existing laws, rules and regulations.
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:**

*Elena Regina S. Brillantes*  
Digitally signed by  
Elena Regina S.  
Brillantes

**ELENA REGINA S. BRILLANTES**  
Director, BMB-C

**Approved by:**

By Authority of the Secretary:

*Clasara*  
**CRISTINA B. CLASARA**  
Acting Undersecretary, DBM

Date: April 28, 2023

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

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

**The Resident Auditor**  
COA - NFA

**COB No. C2-23-0041**

