



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

**CORPORATE OPERATING BUDGET**  
 Calendar Year 2015

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

Your Corporate Operating Budget (COB) for Calendar Year 2015 per approved NFA Secretary's Certificate dated January 29, 2015, 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 not exceeding ONE HUNDRED FOUR BILLION SIXTY EIGHT MILLION ONE HUNDRED SIXTY ONE THOUSAND PESOS ONLY (P104,068,161,000) details of which are shown below:

Particulars	Proposal (a)	Approved (b)	Variance (c=b-a)
<b>TOTAL SOURCES:</b>	P 105,224,098,000	P 105,224,098,000	P -
Corporate Funds	53,176,814,000	53,176,814,000	-
NG Subsidy	4,250,000,000	4,250,000,000	-
Net Lending	4,000,000,000	4,000,000,000	-
Tax Subsidy	12,007,284,000	12,007,284,000	-
Borrowings	31,790,000,000	31,790,000,000	-
<b>TOTAL USES:</b>	P 105,224,098,000	P 104,068,161,000	P (1,155,937,000)
Personnel Services (PS)	P 2,644,064,000	P 2,597,359,000	P (46,705,000) a/
Maintenance and Other Operating Expenses (MOOE)	4,919,179,000	3,809,947,000	(1,109,232,000) b/
Capital Outlays (CO)	686,496,000 c/	686,496,000 d/	-
Procurement	41,743,499,000	41,743,499,000	-
Payment of Obligations	34,234,242,000	34,234,242,000	-
Bond Sinking Fund	800,000,000	800,000,000	-
Customs Duties	12,007,284,000	12,007,284,000	-
Interest Expense	8,189,334,000	8,189,334,000	-
<b>Excess/Shortfall</b>	P -	P 1,155,937,000	P 1,155,937,000

a/ The variance of P46,705,000 represents overprovision for the following accounts:

Payment for Salaries	P 24,489,000
PERA	4,320,000
Clothing/Uniform Allowance	900,000
Year-End Bonus	2,040,000
Cash Gift	900,000
RATA	2,940,000
Longevity Pay	735,000
Loyalty Bonus	2,595,000
Productivity Enhancement Incentive	3,424,000
Life and Retirement Insurance Premium	2,939,000
Employee Compensation Insurance	216,000
Pag-Ibig Contributions	216,000
PhilHealth Contributions	1,051,000
<b>TOTAL</b>	<b>P 46,705,000</b>

b/ The MOOE level is computed based on the actual/audited expenses in prior years, and the effects of inflation.

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c/ Capital Outlays is composed of the following:

Land and Land Improvement Outlay	P 54,865,000
Buildings and Structures Outlay	361,982,000
Office Equipment, Furniture & Fixtures	64,518,000
Machineries and Equipment Outlay	162,731,000
Transportation Equipment	42,400,000
<b>TOTAL</b>	<b><u>P 686,496,000</u></b>

d/ The purchase of 25 transportation equipment needs prior approval from the OP/DBM as the case maybe and 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 CO, 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. 10651, the FY 2015 General Appropriations Act (ex. Representation and Transportation Allowances under Section 56, 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. Disbursement for extraordinary and miscellaneous expenses shall be subject to Section 41, General Provisions of R.A. No. 10651
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/Supervising Department for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 8, 1996, National Budget Circular Nos. 446 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order (A.O.) No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010 and A.O. No. 15 dated May 25, 2011, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be strictly 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:

Approved:

By Authority of the Secretary

  
**LORENZO C. DRAPETE**  
Director, BMB-Good Governance Sector

  
**LUZ M. CANTOR**  
Undersecretary

Date: NOV 25 2015

COB No. C1-15-0037

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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