



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET
 Calendar Year 2013

TO: NATIONAL DEVELOPMENT COMPANY (NDC)

Your Corporate Operating Budget (COB) for Calendar Year 2013 per Board Secretary Certificate dated April 22, 2013, submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI, E.O. No. 292, series of 1987, is hereby approved for a total amount not exceeding **ONE BILLION FIVE HUNDRED SIXTY NINE MILLION THREE HUNDRED THIRTY FOUR THOUSAND NINE HUNDRED PESOS ONLY (P1,569,334,900)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 1,577,623,900	P 1,577,623,900	P -
Corporate Funds	1,577,623,900	1,577,623,900	-
TOTAL USES	P 1,577,623,900	P 1,569,334,900	P (8,289,000)
Personnel Services (PS)	27,569,000	a/ 27,273,000	b/ (296,000)
Maint. & Other Operating Exp. (MOOE)	979,409,000	971,416,000	(7,993,000)
Operating	520,027,000	512,034,000	c/ (7,993,000)
Debt Servicing	165,690,000	d/ 165,690,000	
Dividend Payment to National Government	100,000,000	100,000,000	
Interest Expense and Financial Charges	193,692,000	193,692,000	-
Capital Outlays (CO)	570,645,900	e/ 570,645,900	f/ -
Excess/Shortfall	P -	P 8,289,000	P (8,289,000)

Footnotes:

a/ Includes realignment of P1.890 Million from MOOE intended for payment of FY 2012 Performance Based Bonus which was paid in FY 2013.

b/ Refers to the following:

Transportation Allowance of the General Manager (GM) and 1 Assistant GM who are provided with motor vehicles	P (252,000)
Overprovision in Philhealth contributions	(40,000)
Rounding off in the computation of basic salaries year-end bonus, and GSIS contributions	(4,000)
Total, PS variance	P (296,000)

c/ MOOE level is computed considering actual/audited expenses for the previous years and the effects of inflation. Similarly considered were the actual expenses already incurred by NDC as of September 30, 2013 and projection for the remaining quarter of the year.

d/ For payment of NDC loans (principal) for the purchase of land for the One DTI Building Project, National Steel Corporation related loans, and DOLE Philippines.

e/ The proposed level for CO consists of the following items:

Investments Outlay	P 436,980,000
Loans Outlay	115,606,000
Building and Structures Outlay	11,445,600
Furniture, fixtures, Equipment and Books Outlay	4,814,300
Motor Vehicles	1,800,000
Total, CO	P 570,645,900

f/ Includes the amount of P1.8 Million proposed for the purchase of one (1) motor vehicle which has the approval from the Secretary of the Department of Trade and Industry in a handwritten note dated May 17, 2012.


CORPORATE OPERATING BUDGET
Calendar Year 2013

TO: NATIONAL DEVELOPMENT COMPANY (NDC)


The approval of the COB shall be subject to the following conditions:

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. 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. 10352, the FY 2013 General Appropriations Act (ex. Representation and Transportation Allowance under Section 45, 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. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 23, General Provisions of R.A. No. 10352
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 for motor vehicles), the same shall be secured before acquisition thereof in accordance with Corporate Budget Circular No. 17 dated February 9, 1996 and 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, and Office of the President Memorandum Circular dated December 14, 2010, among others.
5. The fiscal discipline measures prescribed under A. O. No. 103 dated August 31, 2004 shall be 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:


LORENZO C. DRAPETE
Director, BMB-F

By Authority of the Secretary:


LUZ M. CANTOR
Assistant Secretary

Date: **DEC 17 2013**

COB No. F3-13-0046

cc: The Chairman
Board of Directors, NDC

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

The Resident Auditor
COA - NDC

Department of Budget and Management
BTS



2013-S14918L