



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

**CORPORATE OPERATING BUDGET**

Fiscal Year 2019

**TO: NATIONAL DEVELOPMENT COMPANY (NDC)**

Your Corporate Operating Budget (COB) for Fiscal Year 2019 per approved NDC Corporate Secretary's Certificate and Board Resolution No. 19-04-07 dated May 28, 2019 and April 12, 2019, respectively, 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 of **TWO BILLION THIRTY-FIVE MILLION FOUR HUNDRED SEVENTY-SIX THOUSAND PESOS ONLY (P2,035,476,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES</b>	<b>P 4,590,445,000</b>	<b>P 4,590,445,000</b>	<b>P -</b>
Corporate Funds	4,590,445,000	4,590,445,000	-
<b>TOTAL USES</b>	<b>P 2,582,620,000</b>	<b>P 2,035,476,000</b>	<b>P (547,144,000)</b>
Personnel Services (PS)	50,788,000	a/ 43,073,000	b/ (7,715,000) c/
Maintenance and Other Operating Expenses (MOOE)	2,061,408,000	1,702,728,000	(358,680,000) e/
Operating/Other Expenditures	502,343,000	d/ 143,663,000	(358,680,000)
Provision of Income Tax/Value-Added Tax/ Withholding Tax/Capital Gains Tax	260,292,000	260,292,000	-
Debt Servicing/Loan Repayment	1,199,601,000	1,199,601,000	-
Dividend Payment to National Government (NG)	99,172,000	99,172,000	-
Capital Outlays (CO)	470,424,000	289,675,000	f/ (180,749,000) g/
<b>Excess/Shortfall</b>	<b>P 2,007,825,000</b>	<b>P 2,554,969,000</b>	<b>P 547,144,000</b>

**Footnotes:**

- a/ Inclusive of P4,500,000 realigned from MOOE - car loan/plan for NDC officers.  
b/ Recommendation is inclusive of P4,500,000 (car loan/plan). For budgetary purposes only, subject to the approval by the Governance Commission for Government Owned or-Controlled Corporations.  
c/ The variance of P7,715,000 for PS represents the following:

1. Overprovision of the following PS items:

Salaries, Permanent	P 5,419,000	} EXCESS PROVISION OF SALARIES AND benefits/allowances of four (4) positions to be filled in December 2019 and 4 vacant positions not to be filled up for the year
Personnel Economic Relief Allowance	110,000	
Uniform/Clothing Allowance	72,000	
Mid-year Bonus	13,000	
Year-end Bonus	683,000	
Cash Gift	42,000	
Retirement and Life Insurance Premium	650,000	
Representation and Transportation Allowances (RATA)	512,000	
Productivity Enhancement Incentive	37,000	} 12% of basic salary Excess provision of the authorized RATA rates per FY 2019 General Excess, limited to P5,000/employee Excess, based on actual payout Excess, based on actual payout Excess, P2,500 per court appearance but not to exceed P10,000/month
Program Awards and Incentives for Service Excellence	96,000	
Anniversary Bonus	21,000	
Special Counsel Allowance	60,000	
<b>Total</b>	<b>P 7,715,000</b>	

- d/ Exclusive of P4,500,000 realigned to PS - car loan/plan for NDC officers.

- e/ The variance of P358,680,000 in MOOE pertains to the following:

Excess computation for core/non-core function items which were computed based on the highest actual/audited expenses in FYs 2017 and 2018 plus inflation rate, or proposed level whichever is lower:

Supplies and Materials Expenses	P 313,000
Water, Illumination and Power Service	364,000
Settlement of Legal Case	355,647,000
Travelling Expenses	819,000
Membership Dues and Contributions to Organizations	508,000
Advertising/Publications/Promotional	78,000
Board of Directors Expenses	111,000
Christmas Celebration and Anniversary Expenses	300,000
Training and Personnel Development Expenses	274,000
Extraordinary and Miscellaneous Expenses	77,000
Meeting and Planning Conferences	189,000
<b>Total</b>	<b>P 358,680,000</b>

**CORPORATE OPERATING BUDGET**

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**TO: NATIONAL DEVELOPMENT COMPANY (NDC)**

f/ The CO consists of the following items:

Investments Outlay	P	250,375,000
Building and Structures Outlay		33,500,000
Office Equipment, Furniture and Fixtures		2,500,000
Transportation Equipment		3,300,000 *
<b>Total</b>	<b>P</b>	<b>289,675,000</b>

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

1) Per Administrative Order (AO) No. 14 dated December 10, 2018, the proposed acquisition of motor vehicles is approved by the Department of Budget and Management through an Authority to Purchase Motor Vehicle (APMV) per attached APMV No. C-19-0045, and shall be subject to prior approval from the Department of Trade and Industry, as the supervising body of the NDC.

2) Procuring entities may undertake their 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 thru the Procurement Service.

g/ The variance of P180,749,000 in CO is comprised of requirements for various projects/activities, that will not be implemented this year per coordination with the Corporation.

Notwithstanding the above-indicated variances in PS, MOOE and CO, the NDC has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

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 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 Office of the President (OP). Disbursement for PS shall strictly observe pertinent compensation laws, rules and regulations, including Executive Order (EO) Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for Government-Owned or-Controlled Corporations (GOCCs) covered by Republic Act (RA) No. 10149. Such expenditures shall be subject to relevant conditions under the General Provisions 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 relevant provision 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 for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan shall be secured prior to the acquisition thereof. On the other hand, the conditions on the acquisition of MVs are indicated on the attached APMV No. C-19-0045.
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.
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 292.

Recommending Approval:

*[Signature]*  
f/ **CARMENCITA P. MAHINAY**  
Director, BMB-C

Date:

*11/25/2019*

Approved:

By Authority of the Secretary

*[Signature]*  
**TINA ROSE MARIE L. CANDA**  
Undersecretary

COB No. C2-19-0047

cc: The Chairman  
Board of Directors, NDC

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

The Resident Auditor  
COA - NDC

Department of Budget and Management  
BTS

2019-S19479L



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

**APMV No. C-19-0045**

NOV 29 2019

**MS. MA. LOURDES F. REBUENO**

General Manager

National Development Company (NDC)

NDC Building, 116 Tordesillas St.

Salcedo Village, Makati City

**AUTHORITY TO PURCHASE MOTOR VEHICLE/S**

Qty.	Type	Intended Use and/or User, and Specifications	Cost
1	Asian Utility Vehicle/Cross-over Utility Vehicle	<p><b><u>Use and/or User:</u></b> For executive functions</p> <p><b><u>Specifications:</u></b> Engine displacement not exceeding 2000 cc for gasoline or 2500 cc for diesel</p>	P 1,500,000.00
1	Passenger Van	<p><b><u>Use and/or User:</u></b> For the performance of official functions and activities requiring transport</p> <p><b><u>Specifications:</u></b> Engine displacement not exceeding 2500 cc for gasoline or 3000 cc for diesel</p>	1,800,000.00
<b>2</b>	<b>TOTAL</b>		<b>P 3,300,000.00</b>
<b>TOTAL AMOUNT IN WORDS</b>		<b>: **THREE MILLION THREE HUNDRED THOUSAND PESOS ONLY**</b>	
<b>FUNDING SOURCE</b>		<b>: FY 2019 Corporate Operating Budget</b>	



## CONDITIONS:

1. The motor vehicle/s shall be used only for official purpose, the intended use and/or by 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 (AO) 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; BC No. 2010-2 dated March 1, 2010; and National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998. 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. Further, GPPB Resolution No. 20-2019 approves the delisting of the motor vehicles used for: (i) the exercise of executive functions; (ii) transport of personnel, equipment, supplies, products and materials; (iii) transport of sick and/or injured persons; (iv) patrol operations; and (v) fire-fighting operations from the list of Common-Use Supplies and Equipment of the Procurement Service so that procuring entities are able to undertake their own procurement of motor vehicles.
3. 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 subject to the usual budgeting, accounting, auditing, and other applicable laws, rules and regulations.
4. The purchase of motor vehicle/s shall in no case be used as justification to request for additional driver positions.
5. The NDC shall submit **within 30 days from the date of acquisition**, a written report on the purchased motor vehicle/s to this Department through Budget and Management Bureau- C, pursuant to NBC No. 438 dated January 11, 1995.
6. The NDC 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

Department of Budget and Management



2019-S00287V

cc: Mr. Ramon M. Lopez  
Department of Trade and Industry