



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

CORPORATE OPERATING BUDGET
Fiscal Year 2023

TO: NATIONAL DEVELOPMENT COMPANY (NDC)

Your Corporate Operating Budget (COB) for FY 2023 per approved NDC Corporate Secretary's Certificate dated March 31, 2023, 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 **ONE BILLION FIVE HUNDRED THIRTY-NINE MILLION FOUR HUNDRED EIGHTY-FIVE THOUSAND PESOS ONLY (P1,539,485,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL	APPROVED	VARIANCE
	(a)	(b)	(c=b-a)
TOTAL SOURCES	P 1,557,864,000	P 1,557,864,000	P -
Corporate Funds			
Corporate Income	1,109,909,000	1,109,909,000	-
Cash and cash equivalents	447,955,000	447,955,000	-
TOTAL USES	P 1,557,864,000	P 1,539,485,000	P (18,379,000)
Personnel Services (PS)	79,515,000	79,515,000	a/ -
Maintenance & Other Operating Expenses (MOOE)	459,469,000	441,090,000	b/ (18,379,000)
Capital Outlays (CO)	1,018,880,000	1,018,880,000	c/ -
Excess	P -	P 18,379,000	P (18,379,000)

Footnotes:

a/ The amount recommended is based on the authority issued by the Government Commission for Government-Owned and Controlled Corporation (GCG), in its letter dated January 26, 2022, to implement the Compensation and Position Classification System (CPCS) Implementing Guidelines No. 2021-01 under Executive Order (EO) No. 150, S. 2021.

b/ The recommended MOOE level is computed considering the NDC's absorptive capacity i.e., historical budget utilization rates (BURs) of at least three (3) immediately preceding years, applying the year with the highest BUR to determine FY 2023 MOOE level. The variance of P18,379,000.00 pertains to the effect of the application of BUR.

c/ The recommended 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 NDC.

The Authority to Purchase Motor Vehicles for the proposed acquisition for seven (7) units of Motor Vehicles (MV) shall be issued separately upon submission by the NDC of the documentary requirements pursuant to Items 12.3 and 13.1 of Budget Circular No. 2022-01 dated February 11, 2022.

Notwithstanding the aforementioned variance in MOOE, the NDC still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

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

1. 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.

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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 Government-Owned or-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 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 when 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 law, 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 of 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
ELENA REGINA S. BRILLANTES
Director, BMB-C
Date: April 14, 2023

Approved

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

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



COB No. C1-23-0015

Date: April 14, 2023