



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

**CORPORATE OPERATING BUDGET**

Fiscal Year 2021

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

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per approved NDC Corporate Secretary's Certificate dated April 29, 2021, 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 **ONE BILLION ONE HUNDRED EIGHTY-EIGHT MILLION SEVEN HUNDRED SEVENTY-SIX THOUSAND PESOS ONLY (1,188,776,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES</b>	<b>P 4,796,765,000</b>	<b>P 4,796,765,000</b>	<b>P -</b>
Corporate Income	454,483,000	454,483,000	-
Beginning Cash Balance	2,128,687,000	2,128,687,000	-
Corporate Borrowings	2,213,595,000	2,213,595,000	-
<b>TOTAL USES</b>	<b>P 4,796,765,000</b>	<b>P 1,188,776,000</b>	<b>P (3,607,989,000)</b>
Personnel Services (PS)	47,580,000	39,135,000	(8,445,000) a/
Maintenance and Other Operating Expenses (MOOE)	322,856,000	320,067,000	(2,789,000) b/
Regular Operating Requirements	124,222,000	121,433,000	(2,789,000)
Provision of Income Tax/Value-Added Tax/ Withholding Tax/Capital Gains Tax	97,692,000	97,692,000	-
Dividend Payment to National Government (NG)	100,942,000	100,942,000	-
Capital Outlays (CO)	4,426,329,000	829,574,000	d/ (3,596,755,000) e/
<b>Excess/Shortfall</b>	<b>P -</b>	<b>P 3,607,989,000</b>	<b>P 3,607,989,000</b>

**Footnotes:**

a/ The variance of P8,929,000 for PS refers to:

1. Overprovision for the following PS items:

Salaries, Permanent	P 4,611,000
Personnel Economic Relief Allowance	138,000
Mid-year Bonus	991,000
Year-end Bonus	754,000
Cash Gift	55,000
Representation and Transportation Allowances (RATA)	462,000
Special Counsel Allowance	125,000
Pag-I.B.I.G. Contributions	6,000
Retirement and Life Insurance Premium	554,000
Employees Compensation Insurance Premium	6,000
PhilHealth Contributions	88,000
<b>Sub-total</b>	<b>7,790,000</b>

2. Disallowance of Collective Negotiation Agreement Incentive (CNA)

655,000

Chargeable against allowable MOOE savings.

**Total**

**P 8,445,000**

b/ The variance of P2,789,000 for MOOE refers to non-core function items which were computed considering the prior years audited/actual expenses and inflation rate:

Communication Expenses	P 99,000
Repair and Maintenance of Government Vehicles	75,000
Repair and Maintenance of Government Facilities	804,000
Travelling Expenses	863,000
Membership Dues and Contributions to Organizations	618,000
Advertising/Publications/Promotional Expenses	73,000
Board Meeting Expenses	107,000
Extraordinary and Miscellaneous Expenses	150,000
<b>Total</b>	<b>P 2,789,000</b>

c/ Includes P6,147,000 accrued operating expenses incurred in 2020 and to be paid in 2021.

**CORPORATE OPERATING BUDGET**

Fiscal Year 2021

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d/ Recommended CO level pertains to the following items:

Investments Outlay	P	737,635,000
Building and Structures Outlay		83,049,000
Office Equipment, Furniture and Fixtures		3,955,000
Transportation Equipment		4,935,000
<b>Total</b>	<b>P</b>	<b><u>829,574,000</u></b>

e/ The variance of P3,596,755,000 pertains to Investment Outlay amounting to P3,596,605,000 which will be reprogrammed and included in FY 2022 and P0.150M difference between the proposed P3.305M for the procurement of two (2) units MV and the approved APMV No. C-21-0009 amounting to P3.155M.

**Notwithstanding the above-indicated variances in PS and MOOE, the NDC 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:**

- 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.
- 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.
- 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.
- Disbursements for extraordinary and miscellaneous expenses and other MOOE expenditures shall be subject to relevant provision of the annual GAA, among others.
- Equipment outlays included in the Annual Equipment Procurement Program that require specific clearance/approval from the departments/agencies concerned (e.g., Department of Information and Communications Technology (DICT), particularly for Medium-Term Information and Communications Technology Harmonization Initiative Steering Committee, for information technology equipment and OP/DBM/Supervising Department for procurement of motor vehicles, the same shall be secured before acquisition thereof in accordance with CBC No. 17 dated February 9, 1996, BC No. 2017-1 dated April 26, 2017, respectively, OP Memorandum Circular No. 9 dated December 14, 2010, and Administrative Order (AO) 15 dated May 25, 2011, and AO No. 14 dated December 10, 2018, as implemented under BC Nos. 2019-2 and 2019-3 dated March 4 and May 16, 2019, respectively.
- 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.
- 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.
- 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.
- 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:

Digitally signed by  
Elena Regina S.  
Brillantes

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

Date: 9-28-2021

Approved:



*Tina Rose Marie L. Canda*  
**TINA ROSE MARIE L. CANDA**  
Officer-in-Charge, DBM

**COB No. C4-21-0048**

Date: OCT 07 2021

cc: The Chairman  
Board of Directors, NDC

The Assistant Commissioner, Corporate Sector  
Commission on Audit (COA) - Central Office  
COA Building, Quezon City

The Resident Auditor  
COA - NDC