



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

CORPORATE OPERATING BUDGET
 Calendar Year 2015

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

Your Corporate Operating Budget (COB) for Calendar Year 2015 per approved NTA Board Resolution No. 517-2015 dated September 24, 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 of **ONE BILLION TWO HUNDRED FORTY MILLION TWO HUNDRED SEVENTY THOUSAND PESOS ONLY (P1,240,270,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,342,426,000	P 1,342,426,000	P -
Corporate Funds	855,626,000	855,626,000	-
National Government (NG) Support	486,800,000	486,800,000	-
TOTAL USES:	P 1,342,426,000	P 1,240,270,000	P (102,156,000)
Personnel Services (PS)	191,471,000	187,291,000	(4,180,000) a/
Maintenance and Other Operating Expenses (MOOE)	818,485,000	720,509,000	b/ (97,976,000)
Capital Outlays (CO)	325,835,000	325,835,000	c/ -
Payment of Payables	6,635,000	6,635,000	-
Excess/(Shortfall)	P -	P 102,156,000	P 102,156,000

Footnotes:

a/ The variance of P4,180,000 pertains to overprovision of the following:

Particulars	Amount	Remarks
A. Overprovision of:		
• Salaries	965,000	- Based on SSL-III 4th Tranche rates
• PERA	120,000	- P5,000/year x 333 position
• Uniform/Clothing Allowance	25,000	- P5,000/year x 333 position
• Year-end Bonus	132,000	- Limited to one (1) month basic salary as of October 31
• Cash Gift	25,000	- P5,000/year x 333 position
• Representation and Transportation Allowances	420,000	- Based on FY 2015 GAA rates
• Magna Carta Benefits	117,000	- Based on DOST rates
• Life and Retirement Insurance Premium	1,361,000	- Pegged at 12% of basic salary
• Employees Compensation Insurance Prem.	50,000	- P100/month x 12 months x 333 positions
• Pag-IBIG Contribution	53,000	- P100/month x 12 months x 333 positions
• Philhealth Contribution	242,000	- Pursuant to DBM Circular Letter No. 2012-12 dated June 29, 2012
Sub-total	3,510,000	
B. Disallowance of:		
• Longevity Pay/Loyalty	670,000	- Chargeable against savings
Total	4,180,000	

b/ MOOE level is computed considering audited/actual expenses for the previous years and the effects of inflation. The amount authorized for Extraordinary and Miscellaneous Expenses at P415,000 is based on the prescribed rates in the FY 2015 GAA.

c/ CO is intended for the following:

Investment Outlay	P 298,592,000
Buildings and Structures Outlay	3,850,000
Office Equipment, Furniture and Fixtures	4,042,000
Machineries and Equipment	19,351,000
TOTAL	P 325,835,000

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

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 R.A. No. 10651, the FY 2015 GAA (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. Disbursements 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 9, 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 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 for Good Governance Sector


LUZ M. CANTOR

Undersecretary

Date: **NOV 25 2015**

COB No. C1-15-0034

cc: **The Chairman**
Board of Directors, NTA

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

The Resident Auditor
COA - NTA

Department of Budget and Management
BTS



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