



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

CORPORATE OPERATING BUDGET

Calendar Year 2017

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

Your Corporate Operating Budget (COB) for Calendar Year 2017 per approved NTA Board Resolution Nos. 658-2017 dated May 15, 2017 and 714-2017 dated September 4, 2017 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 of **ONE BILLION ONE HUNDRED NINETEEN MILLION SEVEN HUNDRED TWENTY THOUSAND PESOS ONLY (P1,119,720,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,327,871,000	P 1,127,871,000	P (200,000,000)
Corporate Funds	539,913,000	539,913,000	-
Special Account in the General Fund (RA 4155)	787,958,000	587,958,000	(200,000,000)
TOTAL USES:	P 1,327,871,000	P 1,119,720,000	P (208,151,000)
Personnel Services (PS)	228,137,000	227,830,000	(307,000) a/
Maintenance and Other Operating Expenses (MOOE)	353,782,000	345,938,000	b/ (7,844,000)
Capital Outlays (CO)	656,129,000	456,129,000	c/ (200,000,000) d/
Payment of Payables	89,823,000	89,823,000	-
Excess/(Shortfall)	P -	P 8,151,000	P 8,151,000

Footnotes:

a/ The variance of P307,000 pertains to overprovision for the following:

Particulars	Amount	Remarks
• Magna Carta Benefits	P 117,000	- Based on DOST rates
• Loyalty Pay	190,000	- Chargeable against savings
TOTAL	P 307,000	

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 (EME) at P415,000 is based on the prescribed rates in the FY 2017 GAA.

c/ CO is intended for the following:

Loans Outlay	P 329,139,000
Land and Land Improvements Outlay	200,000
Buildings and Structures Outlay	21,442,000
Office Equipment, Furniture and Fixtures	9,032,000
Information Technology Equipment	7,790,000
Scientific Equipment	77,031,000
Machineries and Equipment	3,699,000
Transportation Equipment	6,600,000
Work Animal Outlay	50,000
Purchase of Inventory	1,146,000
TOTAL	P 456,129,000

d/ The variance of P200,000,000 represents the proposal for the Tobacco Leaf Purchase Commitment Enhancement Fund which was not recommended for release since this is not aligned to NTA's mandate.

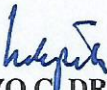
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This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval of the OP. Further, the following conditions shall be observed and complied with:

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 National Government budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal 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. 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 203 as amended by EO 36, for GOCCs covered by RA 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the GCG, as the case maybe.
4. Disbursements for EME and other MOOE expenditures shall be subject to relevant provision of the annual GAA.
5. Equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the Agencies concerned (ex. Information and Communications Technology Office (DICT-ICTO) 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, Budget Circular No. 2017-1 dated April 26, 2017, amending Budget Circular No. 2016-5 dated August 22, 2016, Administrative Order (AO) No. 15 dated May 25, 2011, amending AO No. 233 dated August 1, 2008, Office of the President Memorandum Circular No. 9 dated December 14, 2010, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In cases when the adoption is impracticable, GOCC shall be allowed to continue with the existing payment scheme.
7. 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.

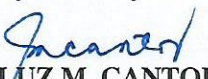
Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for 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:


LORENZO C. DRAPETE
Director, BMB - C

Approved:

By Authority of the Secretary


LUZ M. CANTOR
Undersecretary

Date: **SEP 26 2017**

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

COB No. C1-17-0027

Department of Budget and Management
BTS



2017-S09046L