



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

CORPORATE OPERATING BUDGET

Fiscal Year 2021

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

Your Corporate Operating Budget (COB) for Fiscal Year 2021 per approved NTA Board Resolution No. 2060-2021 dated June 29, 2021, 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 THREE HUNDRED FIFTY-SEVEN MILLION EIGHT HUNDRED THOUSAND PESOS ONLY (P1,357,800,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,373,246,000	P 1,373,246,000	P -
Corporate Funds	951,111,000	951,111,000	-
Special Account in the General Fund (Tobacco Fund)	422,135,000	422,135,000	-
TOTAL USES:	P 1,373,228,000	P 1,357,800,000	P (15,428,000)
Personnel Services (PS)	339,582,000	324,944,000	(14,638,000) <i>a/</i>
Maintenance and Other Operating Expenses (MOOE)	386,496,000	385,706,000	<i>b/</i> (790,000) <i>c/</i>
Capital Outlays (CO)	647,150,000	647,150,000	<i>d/</i> -
Excess	P 18,000	P 15,446,000	P 15,428,000

Footnotes:

a/ The PS variance represents overprovision/disallowance for the following items:

Particulars	Amount	Remarks
• Salaries	P 9,568,000	Overprovision in the proposed PS items based on the computer requirements for the 350 authorized positions of the NTA
• Personnel Economic Relief Allowance	63,000	
• Uniform/ Clothing Allowance	18,000	
• Mid-year Bonus	1,081,000	
• Year-end Bonus	1,183,000	
• Cash Gift	83,000	
• Employees Compensation Insurance Premium	2,000	
• Paq-IBIG Contribution	3,000	
• PhilHealth Contribution	564,000	
• Retirement and Life Insurance Premium	1,049,000	
• Productivity Enhancement Incentive	55,000	
• Representation and Transportation Allowances	120,000	
• Collective Negotiation Agreement	795,000	
• Longevity Pay	54,000	- No longevity pay if the employees are receiving step increase pursuant to CSC-DBM Joint Circular No. 1, series of 2012
Total	P 14,638,000	

b/ The recommended MOOE level is computed considering actual/audited expenses in previous years and the effects of inflation, except for items covered by contracts which are recommended as proposed.

c/ The MOOE variance of P790,000 is broken down as follows:

Particulars	Amount
• Communication Expenses	P 735,000
• Advertising Expenses	9,000
• Representation Expenses	39,000
• Documentary Stamps Expense	7,000
Total	P 790,000

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d/ The recommended CO level is broken down as follows:

Particulars		Amount
• Loans Outlay	P	402,262,000
• Land and Land Improvement Outlay		3,616,000
• Buildings and Other Structures Outlay		103,013,000
• Office Equipment, Furniture, and Fixture Outlay		7,812,000
• Information Technology Equipment Outlay		13,930,000
• Scientific Equipment Outlay		58,619,000
• Other Property, Plant, and Equipment Outlay		55,192,000
• Electrical Equipment Outlay		2,706,000
Total	P	647,150,000

Notwithstanding the afore-mentioned variances in PS and MOOE, the NTA still has the flexibility to modify its utilization with the DBM-approved budget level for items funded out of corporate funds. In the case of those funded out of national government (NG) budgetary support, Section 72 of the General Provisions (GPs) of Republic Act (RA) No. 11518, the rules on the modification in allotment shall apply.

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.
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). Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 10 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 RA No. 10149. Such expenditures shall 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. The payment of Collective Negotiation Agreement, if any, shall be subject to the guidelines prescribed under Administrative Order (AO) No. 135, s. 2005, relevant conditions under the GPs of the annual GAA and the Implementing Rules and Regulations for the purpose.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA.
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 - specifically the Medium-Term Information and Communications Technology Harmonization Initiative (MITHI) Steering Committee for information technology equipment and OP/this Department/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 (BC) No. 2017-1 dated April 26, 2017 (amending BC No. 2016-5 dated August 22, 2016), AO No. 15 dated May 2, 2011 (amending AO No. 233 dated August 1, 2008), OP 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 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 unconsonable expenses shall be incurred pursuant to AO No. 103 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.

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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 incurrance 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 80, Chapter 7, Book VI of EO No. 292.

Recommending Approval:

Elena Regina S. Brillantes
Digitally signed by
Elena Regina S.
Brillantes
ELENA REGINA S. BRILLANTES
OIC-Director IV, BMB-C AR
Date: NOV 15 2021

Approved by:

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



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

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

The Resident Auditor
COA - NTA

COB No. C1-21-0056
Date: NOV 15 2021

