



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

CORPORATE OPERATING BUDGET

Fiscal Year 2022

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

Your Corporate Operating Budget (COB) for FY 2022 per Secretary's Certificate on Board Resolution No. 2154-2022 dated June 29, 2022, 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 ONE HUNDRED FORTY-THREE MILLION NINE HUNDRED FIFTY-SIX THOUSAND PESOS ONLY (1,143,956,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 1,344,693,000	P 1,344,693,000	P -
Corporate Funds	739,173,000	739,173,000	-
National Government (NG) Support	605,520,000	605,520,000	-
Special Account in the General Fund (Tobacco Fund)	505,494,000	505,494,000	-
NG Subsidy	50,000,000	50,000,000	-
Transferred Funds from the Department of Agriculture (DA)	50,026,000	50,026,000	-
TOTAL USES	P 1,149,099,000	P 1,143,956,000	P (5,143,000)
Personnel Services (PS)	295,070,000	295,070,000 a/	-
Maintenance & Other Operating Expenses (MOOE)	504,894,000	499,751,000 b/	(5,143,000)
Capital Outlays (CO)	349,135,000	349,135,000 c/	-
Excess	P 195,594,000	P 200,737,000	P 5,143,000

Footnotes:

- a/ The NTA shall strictly adhere to the policy and guidelines on the Compensation and Position Classification System (CPCS) pursuant to Executive Order No. 150 dated October 1, 2021, and its Implementing Rules and Regulations.
- b/ The recommended MOOE level is computed considering the prior year's performance on budget utilization, except for items covered by NG subsidy and contracts which are recommended as proposed, and the Extraordinary and Miscellaneous Expenses (EME) which is computed based on the prescribed rates per CPCS Circular No. 2021-013, dated January 12, 2022. The variance of P5,143,000 pertains to the effect of the preceding year's budget utilization rate.
- c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items, as well as the National Government support, as applicable.

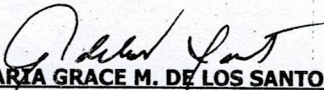
Notwithstanding the aforementioned variance in MOOE, the NTA still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds.

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.
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, shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order (AO) No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; OP Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, 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. 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.
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.
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:


MARIA GRACE M. DE LOS SANTOS
 Director, BMB-C
 Date: 22 August 2022

Approved:

By Authority of the Secretary:


TINA ROSE MARIE L. CANDA
 Undersecretary

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. C1-22-0021

Date: AUG 30 2022