



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
 Malacañang, Manila

CORPORATE OPERATING BUDGET

Calendar Year 2011

TO: NATIONAL DAIRY AUTHORITY (NDA)

Your Corporate Operating Budget (COB) for Calendar Year 2011 per Board Resolution No. 454, s. 2011 dated March 9, 2011 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 confirmed for a total amount not exceeding FIVE HUNDRED SIX MILLION ONE HUNDRED FORTY-FOUR THOUSAND PESOS ONLY (P506,144,000) details of which are shown below:

PARTICULARS	PROPOSAL (a)	CONFIRMED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 567,518,000	P 567,518,000	P -
Corporate Funds	52,426,000	52,426,000	-
NG Subsidy-General Fund	51,619,000	51,619,000	-
Others - Trust Fund	463,473,000	463,473,000	-
TOTAL USES	P 567,518,000	P 506,144,000	P (61,374,000)
Personal Services (PS)	64,436,000	62,954,000	(1,482,000) a/
Maintenance & Other Operating Exp. (MOOE)	140,430,000	80,538,000	(59,892,000) b/
Capital Outlays (CO)	362,652,000	362,652,000	-
Excess / Shortfall	P -	P 61,374,000	P 61,374,000

Footnotes:

a/ The variance of P1,482,000 represents overprovision for Representation and Transportation Allowances, disallowances of Longevity Pay and Performance Bonus.

b/ MOOE level is computed considering actual/audited expenses for the previous years, and effects of inflation. The disallowance of P59,892,000 includes the overprovision for Extraordinary and Miscellaneous Expenses.

The confirmation 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. Disbursement 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 Republic Act (R.A.) No. 10147, the FY 2011 General Appropriations Act (ex. Representation and Transportation Allowances under Section 51, 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 26, General Provisions of R.A. No. 10147.
4. Disbursements from the Confidential & Intelligence Fund shall be covered by an approval from the President of the Philippines.
5. 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 & 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.

6. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
7. It is understood that this review of action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
8. 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:


LORENZO C. DRAPETE
OIC, BMB-F

Approved by:
Authority of the Secretary:


MARIO L. RELAMPAGOS
Undersecretary *h*

Date: February 28, 2012

COB No. : F1-11-0028

cc: The Chairman
Board of Directors, NDA

Assistant Commissioner Jaime P. Naranjo
Commission on Audit (COA) - Central Office

The Resident Auditor
COA - NDA

