



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

CORPORATE OPERATING BUDGET

Calendar Year 2012

TO: NATIONAL DAIRY AUTHORITY (NDA)

Your Corporate Operating Budget (COB) for Calendar Year 2012 per approved NDA Board Resolution No. 483 series of 2012, 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 in the total amount of **FIVE HUNDRED NINETY MILLION EIGHTY THREE THOUSAND PESOS ONLY (P590,083,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 659,535,000	P 659,535,000	-
Corporate Funds	302,133,000	72,133,000	(230,000,000) a/
NG Subsidy - General Fund	170,472,000	400,472,000	230,000,000
Others - Trust Fund	186,930,000	186,930,000	-
TOTAL USES:	659,535,000	P 590,083,000	P (69,452,000)
Personal Services (PS)	74,393,000	72,421,000	(1,972,000) b/
Maintenance and Other Operating Expenses (MOOE)	352,653,000	285,173,000	(67,480,000) c/
Capital Outlays (CO)	232,489,000	232,489,000	-
Excess/Shortfall	-	P 69,452,000	P 69,452,000

Footnotes:

a/ Represents release for Disbursement Acceleration Program (DAP) which should be properly classified as NG subsidy

b/ The variance of P1,972,000 for PS refers to the following:

Representation and Transportation Allowance	112,000	Excess provision for 14 positions
Per Diems of Board of Directors	279,000	Computed based on GCG approved rates
Longevity Pay	245,000	Not recommended, no legal basis
Performance Bonus	1,280,000	Chargeable to savings
PhilHealth Contribution	56,000	Computed at existing PhilHealth rates
TOTAL	<u>1,972,000</u>	

c/ MOOE level computed considering actual/audited expenses for the previous years, the FY 2011 COB, and effects of inflation

The approval of the COB shall be subject to the following conditions:

- 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.
- 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. 10155, the FY 2012 General Appropriations Act (ex. Representation and Transportation Allowances under Section 45, General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case maybe.
- Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to Section 23, General Provisions of R.A. No. 10155.
- 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 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
Director, BMB-F

Date: September 14, 2012

Approved by:
By Authority of the Secretary:


MARIO L. RELAMPAGOS
Undersecretary *h*

COB No. : F-12-0015

cc: The Chairman
Board of Directors, NDA

Assistant Commissioner Lourdes M. Castillo
Commission on Audit (COA) - Central Office

The Resident Auditor
COA - NDA