



**REPUBLIC OF THE PHILIPPINES**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
 GENERAL SOLANO ST., SAN MIGUEL, MANILA

**CORPORATE OPERATING BUDGET**  
 Calendar Year 2016

**TO: NATIONAL TOBACCO ADMINISTRATION (NTA)**

Your Corporate Operating Budget (COB) for Calendar Year 2016 per approved NTA Board Resolution No. 594-2016 dated August 17, 2016 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 for a total of **ONE BILLION THREE HUNDRED FIFTY EIGHT MILLION SIX HUNDRED SIXTY NINE THOUSAND PESOS ONLY (P1,358,669,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
<b>TOTAL SOURCES:</b>	<b>P 1,368,850,000</b>	<b>P 1,368,850,000</b>	<b>P -</b>
Corporate Funds	682,350,000	682,350,000	-
National Government (NG) Support	686,500,000	686,500,000	-
<b>TOTAL USES:</b>	<b>P 1,368,573,000</b>	<b>P 1,358,669,000</b>	<b>P (9,904,000)</b>
Personnel Services (PS)	195,291,000	189,842,000 a/	(5,449,000)
Maintenance and Other Operating Expenses (MOOE)	792,792,000	788,337,000 b/	(4,455,000)
Capital Outlays (CO)	360,490,000	360,490,000 c/	-
Payment of Payables	20,000,000	20,000,000	-
<b>Excess/(Shortfall)</b>	<b>P 277,000</b>	<b>P 10,181,000</b>	<b>P 9,904,000</b>

**Footnotes:**

a/ The variance of P5,449,000 pertains to overprovision of the following:

Particulars	Amount	Remarks
Overprovision of:		
• Representation and Transportation Allowances	P 240,000	- Based on FY 2016 GAA rates
• Magna Carta Benefits	117,000	- Based on DOST rates
Sub-total	<u>357,000</u>	
Chargeable against savings:		
• Loyalty Pay	P 315,000	
• CNA	4,777,000	
Sub-total	<u>5,092,000</u>	
<b>TOTAL</b>	<b>P 5,449,000</b>	

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 at P415,000 is based on the prescribed rates in the FY 2016 GAA.

c/ CO is intended for the following:

Investment Outlay	P 276,193,000
Land and Land Improvements Outlay	25,079,000
Buildings and Structures Outlay	8,915,000
Office Equipment, Furniture and Fixtures	8,760,000
Machineries and Equipment	36,943,000
Transportation Equipment	4,600,000
<b>TOTAL</b>	<b>P 360,490,000</b>

The purchase of two (2) units of heavy duty service vehicle and two (2) units of Asian Utility Vehicles (AUV) needs prior approval of DBM/DA as case maybe. This shall be acted upon separately.

**TO: NATIONAL TOBACCO ADMINISTRATION (NTA)**

The approval 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. Disbursements 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 R.A. No. 10717, the FY 2016 GAA (ex. Representation and Transportation Allowances under Section 5 of the General Provisions), or any specific law or approval of the President of the Philippines or Secretary of Budget and Management, as the case may be.
3. Disbursements for extraordinary and miscellaneous expenses shall be subject to Section 47, General Provisions of R.A. No. 10717.
4. 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 and 446-A dated November 24, 1995 and January 30, 1998, respectively, Budget Circular No. 2010-2 dated March 1, 2010, Administrative Order No. 233 dated August 1, 2000, Office of the President Memorandum Circular No. 9 dated December 14, 2010, A.O. No. 15 dated May 25, 2011 and Budget Circular No. 2016-5 dated August 22, 2016, among others.
5. The fiscal discipline measures prescribed under A.O. No. 103 dated August 31, 2004 shall be observed.
6. 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.
7. 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*  
**LORENZO C. DRAPETE**  
Director, BMB - C

**Approved:**

*Benjamin E. Diokno*  
**BENJAMIN E. DIOKNO**  
Secretary

Date: **OCT 20 2016**

COB No. C1-16-0046

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

Department of Budget and Management  
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