



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

CORPORATE OPERATING BUDGET

Fiscal Year 2024

TO: NATIONAL TOBACCO ADMINISTRATION (NTA)

Your Corporate Operating Budget (COB) for FY 2024 per approved NTA Board Resolution No. 218 s. 2024 dated March 26, 2024, 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 TWO HUNDRED FOUR MILLION ONE HUNDRED THIRTY-FOUR THOUSAND PESOS ONLY (P1,204,134,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 1,350,077,000	P 1,350,077,000	P -
Corporate Funds	799,573,000	799,573,000	-
National Government (NG) Subsidy	550,504,000	550,504,000	-
TOTAL USES	P 1,349,669,000	P 1,204,134,000	P (145,535,000)
Personnel Services (PS)	351,900,000	351,900,000 a/	-
Maintenance & Other Operating Expenses (MOOE)	623,340,000	554,701,000 b/	(68,639,000)
Capital Outlays (CO)	374,429,000	297,533,000 c/	(76,896,000)
Excess	P 408,000	P 145,943,000	P (145,535,000)

Footnotes:

- a/ The approved PS level considers the NTA's adoption of Compensation and Position Classification System (CPCS) per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated February 8, 2022. The said CPCS approval expressly authorizes the NTA to implement Category 1 Salary Structure for its 353 positions based on their CPCS Job Grade equivalent, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item.
- b/ The approved MOOE level is computed considering the NTA's absorptive capacity i.e., historical budget utilization rates (BURs) of at least three (3) years, applying the year with the highest BUR to determine FY 2024 MOOE level, except for items funded by the NG, which are recommended as proposed. The variance of **P68,639,000** pertains to the effect of the application of the highest BUR of **78%**.
- c/ The approved CO level considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the Corporation. The variance of **P76,896,000** refers to unobligated 2023 budget which already reverted in the Special Account in the General Fund.

For the Transportation Outlay, the corresponding Authority to Purchase Motor Vehicle (APMV) shall be acted separately upon submission by the NTA of the documentary requirements prescribed under Budget Circular No. 2022-1.

Notwithstanding the aforementioned variance in MOOE and CO, the NTA still has the flexibility to modify its utilization within the total DBM-approved budget level.

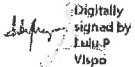
Further, the following conditions shall be observed and complied with:

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 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 150 dated October 1, 2021 for Government-Owned and -Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the General Provisions (GPs) of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines or Secretary of Budget and Management or the GCG, as the case may be.

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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, the same shall be secured before acquisition thereof (e.g., OP/Department of Budget and Management/Supervising Department for the purchase of MV, if any, in accordance with the provisions of the Budget Circular No. 2022-01 dated February 11, 2022 [Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs], RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, 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. Pursuant to Administrative Order No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions existing laws, rules and regulations.
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:

for:  Digitally signed by Elena Regina S. Brillantes
ELENA REGINA S. BRILLANTES
Director, BMB-C

Approved by:


MENAH P. CARGANDAMAN
Secretary, DBM

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

Assistant Commissioner for Corporate Government Audit Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - NTA

COB No. C2-24-0045

Date: 25 APR 2024