

L. BUDGETARY SUPPORT TO GOVERNMENT CORPORATIONS - OTHERS

New Appropriations, by Program/Project

Current Operating Expenditures

		Maintenance and Other Operating Expenses	Capital Outlays	Total
	Personnel Services			
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PROGRAMS				
100000000 General Administration and Support		P 13,606,000		P 13,606,000
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Total, Programs		13,606,000		13,606,000
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TOTAL NEW APPROPRIATIONS		P 13,606,000		P 13,606,000
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New Appropriations, by Central/Regional Allocation
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REGION	Current Operating Expenditures			Total
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	
Regional Allocation	P	13,606,000		P 13,606,000
National Capital Region (NCR)		13,606,000		13,606,000
Total New Appropriations	P	13,606,000		P 13,606,000

Special Provisions Applicable to All Government-Owned and Controlled Corporations (GOCCs)

1. **Budgetary Support to Government Corporations.** All income and revenues collected by GOCCs from all sources shall be used to cover all of its operating requirements. Any deficiency may be augmented by the budgetary support from the National Government, which may be either as subsidy or equity investment to GOCCs: PROVIDED, That the amount appropriated as subsidy may be used for the payment of separation or retirement benefits and incentives, in accordance with existing laws or executive issuances, to personnel of GOCCs which are financially unable to pay said benefits and/or incentives, subject to the submission and approval of a rationalization program under E.O. No. 366, s. 2004, and other laws and executive issuances, as well as other measures that will enhance the efficiency and effectiveness of the GOCC concerned: PROVIDED, FURTHER, That in no case shall equity investments be used for the payment of salaries, allowances, incentives, and retirement and separation benefits, except in cases authorized by the DBM.

2. **Offsets Against Budgetary Support to Government Corporations.** The appropriations authorized herein may be offset by the BTr against the corporate payments of cash dividends under R.A. No. 7656, guarantee fees, advances for loans lent to corporations, obligations which are guaranteed by the National Government, and other receivables of the government from the GOCCs. If the total level of actual revenues at the end of the immediately preceding year, including income from liquid assets such as, interest in cash deposits as well as in short-term and bond investments, and other fund sources of the GOCC, exceed the corresponding projections considered in the formulation of the current year's budgetary support program, the excess may be deducted from said program and the budgetary support may be reduced to the extent of such favorable result.

3. **Payment of Compensation and Benefits.** Payment of salaries, allowances and other benefits by GOCCs shall be made in accordance with applicable provisions of laws, rules and regulations, such as, but not limited to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, and Memorandum Order No. 20, s. 2001. In addition, payment of separation or retirement benefits shall be computed in accordance with the rates, conditions and procedure prescribed under existing separation or retirement laws, rules and regulations.

4. **Submission of Corporate Operating Budgets and Other Related Financial Statements.** All GOCCs, including GFIs, shall prepare their FY 2014 Corporate Operating Budgets (COBs) in accordance with E.O. No. 518, s. 1979 and the procedures and guidelines prescribed by the DBM. Said COBs together with their supporting financial statements shall be approved by their governing boards, and submitted to the Secretary of Budget and Management for review and evaluation as part of the budget process pursuant to Section 10, Chapter 4, Title XVII, Book IV of E.O. No. 292, s. 1987: PROVIDED, That the NEA, NPC and PNOC shall be governed further by the provisions of R.A. No. 7638.

5. **Tobacco Fund.** The amount of Two Hundred Nineteen Million Two Hundred Thousand Pesos (P219,200,000) sourced from the proceeds of fifty percent (50%) of the tariff or taxes of imported leaf tobacco and fifty percent (50%) of the special taxes on locally manufactured Virginia type cigarettes, constituted into the Tobacco Fund, shall be used by the National Tobacco Administration (NTA) for its MOOE requirements in accordance with R.A. No. 4155, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292.

The NTA shall submit, either in printed form or by way of electronic document, to the DBM, copy furnished the House Committee on Appropriations and the Senate Committee on Finance, quarterly reports on the financial and physical accomplishments on the utilization of said Fund. The Administrator of the NTA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the NTA.

6. **Implementation of Housing Projects.** In the implementation of housing projects, the shelter agencies shall adopt and promote the use of new and innovative technologies and materials to bring down the cost of housing and reduce any adverse impact of construction on the environment.

7. **Fund Releases.** Funds appropriated herein shall be under the administration of the DBM and released directly to the recipient GOCCs through the BTr, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292. All requests for fund release either as subsidy or equity investment to GOCCs shall be included in the GOCCs' COB duly approved by their respective governing boards.

8. **Remittance of Cash Dividends.** Cash Dividends equivalent to at least fifty percent (50%) of the annual net earnings of GOCCs shall be remitted to the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

9. **Transparency Seal.** To enhance transparency and enforce accountability, all GOCCs shall maintain a transparency seal to be posted on their official websites. The transparency seal shall contain the following information: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) financial accountability reports for the year, as required under COA-DBM Joint Circular No. 2013-1 dated March 15, 2013; (iii) year-end financial reports and trial balances for the last three (3) fiscal years; (iv) approved COB and corresponding targets immediately upon approval thereof; (v) any amount of budgetary support from the National Government; (vi) major programs and projects categorized in accordance with the five (5) key result areas under E.O. No. 43, s. 2011; (vii) program/project beneficiaries as identified in the applicable special provisions; (viii) status of implementation of said programs/projects, and project evaluation and/or assessment reports; and (ix) annual procurement plan, contracts awarded and the name of contractors/suppliers/consultants.

The respective heads of GOCCs and their web administrators or equivalent shall be responsible for ensuring compliance with this requirement. For this purpose, the DBM shall post on its official website the status of compliance of GOCCs.