

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2014  
(In Thousand Pesos)  
CORPORATE FUNDS

Schedule II

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 71,528 P	149,345 P	23,492 P	244,365
2. Support to Operations	91,964	192,016	30,204	314,184
3. Operations	91,964	192,016	30,204	314,184
4. Locally-Funded Projects			4,400,000	4,400,000
4.1 Rural Electrification			4,400,000	4,400,000
5. Debt Servicing		391,905		391,905
5.1 Loan Repayment		391,905		391,905
<b>TOTAL</b>	<b>P 255,456 P</b>	<b>925,282</b>	<b>P 4,483,900 P</b>	<b>5,664,638</b>

Special Provision(s)

1. Approval of the FY 2014 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2014 Corporate Operating Budget (COB) of the NEA is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Payment of Compensation. Payment of salaries, wages, and allowances or other forms of compensation shall be in accordance with applicable 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.

3. Acquisition of Equipment. The acquisition of equipment, funded from internally generated funds, budgetary support or authorized borrowings included in the approved COB shall be subject to Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998, Budget Circular No. 2010-2 dated March 1, 2010, and other applicable Presidential issuances and statutory requirements.

4. Budget Flexibility and Report. The NEA, through its Board of Administrators, is authorized to realign programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the requirements which may arise from factors beyond the NEA's control. These may include, but shall not be limited to the following:

- (a) Currency depreciation;
- (b) Inflation;
- (c) Change in interest rates;
- (d) Substitute programs and/or projects; and
- (e) Change in schedule of project implementation should conditions warrant:

PROVIDED, That the realigned funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses: PROVIDED, FURTHER, That allocation for Personnel Services in the approved COB shall not be augmented by savings from MOOE and Capital Outlays, or by new funding sources, except only for the implementation of the Compensation and Position Classification System for GOCCs approved by the President, upon recommendation by the Governance Commission for GOCCs.

The NEA shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and Senate Committee on Finance a comprehensive financial and narrative report on the aforesaid budgetary adjustments within thirty (30) days after such adjustments are made. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the official website of the NEA.

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

6. **Audit of Government Funds.** Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

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

The Administrator of the NEA and the Administration's web administrator or his/her 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 by the NEA.