

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2021

(In Thousand Pesos)

SUMMARY

	<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAM/ACTIVITY/PROJECT					
1. General Administration and Support	P 130,141	P 1,024,614	P 30,934	P 24,559	P 1,210,248
2. Support to Operations	78,085	35,436		14,735	128,256
3. Operations	163,606	74,246		30,874	268,726
Locally-Funded Projects		2,497,500			2,497,500
a. Rural Electrification		2,497,500			2,497,500
4. Loans to Electric Cooperatives				500,000	500,000
TOTAL	P 371,832	P 3,631,796	P 30,934	P 570,168	P 4,604,730

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2021

(In Thousand Pesos)

NATIONAL GOVERNMENT EQUITY AND/OR SUBSIDY

Schedule I

	<u>Current Operating Expenditures</u>				
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A. PROGRAM/ACTIVITY/PROJECT					
1. Locally-Funded Projects		P 2,497,500			P 2,497,500
a. Rural Electrification		2,497,500			2,497,500
TOTAL		P 2,497,500			P 2,497,500

I. NATIONAL ELECTRIFICATION ADMINISTRATION

SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2021
(In Thousand Pesos)
CORPORATE FUNDS

Schedule II

Current Operating Expenditures

	Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
A. PROGRAM/ACTIVITY/PROJECT					
1. General Administration and Support	P 130,141 P	1,024,614 P	30,934 P	24,559 P	1,210,248
2. Support to Operations	78,085	35,436		14,735	128,256
3. Operations	163,606	74,246		30,874	268,726
4. Loans to Electric Cooperatives				500,000	500,000
TOTAL	P 371,832 P	1,134,296 a/P	30,934 P	570,168 P	2,107,230

a/ net of depreciation expense of P26.842 Million

Special Provisions

1. **Approval of the FY 2021 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2021 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. **Acquisition of Equipment.** The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 and other guidelines issued thereon.

3. **Payment of Compensation and Benefits.** Payment of salaries, allowances and other benefits 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, Memorandum Order No. 20, s. 2001 and Executive Order No. 36 dated July 28, 2017.

4. **Payment of Terminal Leave Benefits.** Payment of terminal leave benefits shall be computed in accordance with the rates, conditions and procedure prescribed under applicable laws and guidelines issued thereon.

The amount of Thirty Million Eighteen Thousand Pesos (P30,018,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel based on the list submitted by NEA to the DBM.

5. **Budget Flexibility and Report.** The NEA Board of Administrators is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NEA's control such as, but not be limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; and (v) change in schedule of project implementation.

In the exercise of said authority, the NEA shall observe the following limitations:

(a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and

(b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

6. **Augmentation Beyond the Approved Corporate Operating Budget.** The NEA Board of Administrators is authorized to augment and disburse funds beyond the total amount approved in this Act for the continuous implementation of the Sitio Electrification and Barangay Line Enhancement Projects, and the rehabilitation, repair or reconstruction of distribution facilities damaged by natural and human-induced calamities. The funds shall be sourced from the unutilized balances of 2018 and previous years' subsidy by the National Government or from new funding sources as certified by the Chief Accountant and Administrator of NEA.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

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

8. **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 the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

9. **Transparency Seal.** To enhance transparency and enforce accountability, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the O+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom of Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2019 and 2020 FOI Summary Report, and 2019 and 2020 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The Administrator of the NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NEA.

10. **Reportorial and Posting Requirements.** The NEA shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on the budgetary adjustments. 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 NEA website.