

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024**

(In Thousand Pesos)

**SUMMARY**

	<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 840,450 P	339,337 P	P	1,179,787
2. Support to Operations			164,641	164,641
3. Operations		<u>2,551,892</u>	<u>1,395,000</u>	<u>3,946,892</u>
a. Rural Electrification		2,551,892		2,551,892
b. Loans to Electric Cooperatives			<u>1,395,000</u>	<u>1,395,000</u>
<b>TOTAL</b>	<u>P 840,450 P</u>	<u>2,891,229 P</u>	<u>1,559,641 P</u>	<u>5,291,320</u>

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024**

(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>Capital Outlays</u>	<u>Total</u>
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. Operations	P	<u>2,551,892 P</u>	<u>470,000 P</u>	<u>3,021,892</u>
a. Rural Electrification		2,551,892		2,551,892
b. Loans to Electric Cooperatives			<u>470,000</u>	<u>470,000</u>
<b>TOTAL</b>	<u>P</u>	<u>2,551,892 P</u>	<u>470,000 P</u>	<u>3,021,892</u>

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2024**

Schedule II

(In Thousand Pesos)

**CORPORATE FUNDS**

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 840,450 P	339,337 P	P	1,179,787
2. Support to Operations			164,641	164,641
3. Operations				
a. Loans to Electric Cooperatives			925,000	925,000
<b>TOTAL</b>	P 840,450 P	339,337 P <sup>a/</sup>	1,089,641 P	2,269,428

a/ net of depreciation expense of P20.528 Million

**Special Provision(s)**

1. **Approval of the FY 2024 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2024 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, A.O. No. 14 dated December 10, 2018, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, 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 E.O. No. 150, s. 2021.

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 Forty Two Million Nine Hundred Seventy One Thousand Pesos (P42,971,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel.

5. **Budget Flexibility.** 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, which shall include, but not limited to, MOOE and Capital Outlays.

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 Strategized Rural Electrification and Operational Reliability for Electric Cooperatives (ECs) Projects, and the rehabilitation, repair or reconstruction of distribution facilities damaged by natural and human-induced calamities, and provision for EC's capital requirements through loans outlay. The funds shall be sourced from the unutilized balances of prior years' subsidy by the National Government, new funding sources as certified by the Chief Accountant and Administrator of NEA, and available corporate funds to finance loans outlay to ECs.

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 and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual and Agency FOI Reports; and (ix) year-end financial reports 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.