

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2026**

(In Thousand Pesos)

**SUMMARY**

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses <sup>a/</sup></u>	<u>Capital Outlays</u>	<u>Total</u>
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 854,180 P	314,466 P	P	1,168,646
2. Support to Operations			48,432	48,432
3. Operations		<u>9,324,200</u>	<u>2,610,000</u>	<u>11,934,200</u>
a. National Rural Electrification Program		9,324,200		9,324,200
b. Loans to Electric Cooperatives			2,610,000	2,610,000
4. Prior Years' Subsidy		<u>8,139</u>		<u>8,139</u>
<b>GRAND TOTAL</b>	<b>P <u>854,180 P</u></b>	<b><u>9,646,805 P</u></b>	<b><u>2,658,432 P</u></b>	<b><u>13,159,417</u></b>

a/ Net of depreciation expense

**I. NATIONAL ELECTRIFICATION ADMINISTRATION****SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2026**

(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				
a. National Rural Electrification Program	P 9,324,200 P		P	9,324,200
b. Loans to Electric Cooperatives			810,000	810,000
2. Prior Years' Subsidy		<u>8,139</u>		<u>8,139</u>
<b>TOTAL</b>	<b>P <u>9,332,339 P</u></b>	<b><u>810,000 P</u></b>	<b><u>810,000 P</u></b>	<b><u>10,142,339</u></b>

**I. NATIONAL ELECTRIFICATION ADMINISTRATION**

**SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2026**

Schedule II

(In Thousand Pesos)

**CORPORATE FUNDS**

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses <sup>a/</sup>	Capital Outlays	Total
<b>A. PROGRAM/ACTIVITY/PROJECT</b>				
1. General Administration and Support	P 854,180 P	314,466 P	P	1,168,646
2. Support to Operations			48,432	48,432
3. Operations				
a. Loans to Electric Cooperatives			1,800,000	1,800,000
<b>TOTAL</b>	P 854,180 P	314,466 P	1,848,432 P	3,017,078

a/ Net of depreciation expense

**Special Provision(s)**

1. **Approval of the FY 2026 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2026 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 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, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

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 Twenty One Million Four Hundred Forty Thousand Pesos (P21,440,000) 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 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 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 loan's 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, and promote systematized access to government information, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following:

- (a) corporation's mandate and functions, names of its officials with their position and designation, and its contact information;
- (b) approved COB and corresponding targets including any amount of budgetary support from the National Government;
- (c) budgetary adjustment;
- (d) annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant;
- (e) major programs or projects and their target beneficiaries;
- (f) status of implementation, evaluation, or assessment reports of said programs or projects;
- (g) all subsidy and assistance programs of the government, including details on the manner of the execution, the amounts allocated, and relevant data of the target beneficiaries subject to R.A. No. 10173 or the Data Privacy Act;
- (h) Budget and Financial Accountability Reports;
- (i) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual, and Agency FOI Reports;
- (j) year-end financial reports for the last three (3) fiscal years;
- (k) particulars of concessions, permits, or authorizations granted by NEA, subject to R.A. No. 10173 or the Data Privacy Act; and
- (l) current news and updated events conducted by NEA.

NEA shall ensure that the content posted under the Transparency Seal is regularly reviewed, updated, and maintained using internal systems and procedures that support accountability, data integrity, and operational efficiency.

The Administrator of the NEA and its web administrators or equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of NEA. NEA is responsible in ensuring that the contents and data of its posts on its official website and communication channels are searchable for the public's easy access to information regarding matters on public funds.