



Republika ng Pilipinas  
Department of Agriculture

**Pambansang Pangasiwaan ng Patubig**  
(NATIONAL IRRIGATION ADMINISTRATION)  
Lungsod ng Quezon



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TIN No. : 000-916-415

MC NO. 9 s. 2014

### MEMORANDUM CIRCULAR

TO : THE SENIOR DEPUTY ADMINISTRATOR,  
DEPUTY ADMINISTRATORS, DEPARTMENT/REGIONAL/  
OPERATIONS /PROJECT MANAGERS, NIAEASP  
NATIONAL COUNCIL OFFICERS AND OTHERS CONCERNED

SUBJECT : GUIDELINES FOR THE GRANT OF ADDITIONAL COLLECTIVE  
NEGOTIATION AGREEMENT (CNA) INCENTIVE FOR CY 2013  
TO ALL EMPLOYEES OF NIA

#### 1.0 RATIONALE

This Circular is being issued to provide rules and regulations for the payment of **Additional Collective Negotiation Agreement (CNA) Incentive for CY2013** pursuant to the NIA Board Resolution No. 7814-A-12, series of 2012 dated 11 December 2012 approving the Collective Negotiation Agreement (CNA), entered into by and between the National Irrigation Administration (NIA) Management and the NATIONAL IRRIGATION ADMINISTRATION EMPLOYEES' ASSOCIATION OF THE PHILIPPINES (NIAEASP) for the next three (3) years starting 2012 to 2014 and DBM Circulars and guidelines.

#### 2.0 PAYMENT OF CNA INCENTIVE

- a. Payment of CNA incentive shall be in consonance with the provisions of the Public Sector Labor Management Council (PSLMC) Resolution No. 2 Series of 2002, Civil Service Commission (CSC) Opinion No. 481 dated November 2005, Malacañang Administrative Order No. 135, dated December 27, 2005, Department of Budget and Management (DBM) Budget Circular No. 2006-1, DBM Budget Circular No. 2013-4 dated November 25, 2013 and all applicable laws, rules and regulations.
- b. The amount of **TEN THOUSAND PESOS (P10,000.00)** additional CNA incentive is hereby authorized for payment based on computed savings generated from cost-cutting measures and systems improvement, and also from improvement actions for productivity and income of the Agency as of December 31, 2013.
- c. The CNA Incentive shall be proportionate to the length of service rendered for the CY 2013 (CNA Incentive = No. of months rendered divided by 12 months, multiplied by the amount of CNA Incentive). However, employees whose separation from the service or whose compulsory retirement falls beyond 31 October 2013 shall be considered to have rendered twelve months of service during the CY 2013.

### 3.0 COVERAGE

The following are entitled to receive CNA Incentive:

- a. All NIA employees holding permanent, temporary, casual/daily, co-terminus or contractual with whose appointments were passed upon by the Civil Service Commission (CSC);
- b. Rank-and-file employees, who are not members of the accredited sole and exclusive negotiating agent, but enjoy or accept benefits under the CNA, subject to the assessment and collection of agency fee.
- c. Those who perform managerial functions;

### 4.0 EXEMPTION

Those hired through consultancy, contract of service and job order where no employer-employee relationship exists are not covered by this circular.

### 5.0 FUNDING REQUIREMENTS

- 5.1. Personnel whose salaries/wages are COB-charged, the total amount of the obligation shall be accordingly charged thereto;
- 5.2. Project Personnel shall be subject to the availability of project funds.

### 6.0 AGENCY FEE CHECK-OFF

Three Hundred Pesos (Php300) plus seven percent (7%) of the CNA incentive received by non-union member-employees shall be deducted/checked-off as agency fee in accordance with PSLMC Resolution No. 1, s. 1993 and Memorandum Circular No. 94, s. 2005. Said agency fee shall be remitted to the NIAEASP District office or Chapters of foreign/locally funded projects with recognized Union Chapter, as the case may be.

### 7.0 RESPONSIBILITY OF AGENCY HEADS

Agency heads shall be responsible for the implementation of the provisions of this Circular. They shall be held personally liable for any payment of CNA Incentive not in accordance with the provisions of this Circular without prejudice, however, to the refund by employees/officials concerned of any payment made to them in case of disallowance.

### 8.0 SAVING CLAUSE

All questions arising from the implementation of this Circular shall be referred to the Office of the Deputy Administrator for Administrative and Finance Sector.



CLARO V. MARANAN  
Administrator

11 March 2014

Encl: Computation of Savings CY 2013



Office Address : National Government Center  
EDSA, Diliman, Quezon City,

Telefax No. (632) 928-9343  
TIN No. 000-916-415

**COLLECTIVE NEGOTIATION AGREEMENT  
COMMITTEE RESOLUTION NO. 01-B  
SERIES OF 2014**

**WHEREAS**, the NIA Management and the NIA Employees Association of the Philippines (NIAEASP) has an existing Collective Negotiation Agreement (CNA) where the grant of CNA incentive is authorized;

**WHEREAS**, the Department of Budget and Management (DBM) issued Budget Circular No. 2013-4 providing the guidelines on the grant of CNA for fiscal year 2013, in addition to the guidelines set forth in Administrative Order No. 135 dated December 27, 2005 (Authorizing the Grant of CNA Incentive to Government Employees) and Public Sector Labor Management Council (PSLMC) Resolution No. 02, Series of 2003 (Grant of Collective Negotiation Agreement (CNA) Incentive for Government Owned and Controlled Corporations (GOCCs) and Government Financial Institutions;

**WHEREAS**, the NIA Management approved resolution 01-A granting the initial release of the CNA incentive in the amount of P15,000.00 per qualified employee as requested by the NIAEASP to augment the financial difficulties of each member in the light of calamities that hit the nation;

**WHEREAS**, the Performance Target and Accomplishment of NIA is 100.55% for CY 2013. The actual revenue is Php 4,045.31 million versus the target of Php 3,987.73 million while savings realized amounted to Php 374.244 million per Consolidated Income Statement as of December 31, 2013, Fund-501 Regular (Annex A);

**WHEREAS**, based on the computation of savings as of December 31, 2013 (Annex B), there is an unencumbered savings for the MOOE items

realized due to cost-cutting and systems improvement measures amounting to Php 374.244 million: fifty percent (50%) is allocated for CNA incentive amounting to Php 187.122 million; and thirty percent (30%) for improvement of working conditions amounting to Php 112.273 million; and twenty percent (20%) amounting to Php 74.849 million to be retained for the agency;

**WHEREAS**, the CNA Committee during its meeting on March 04, 2014, agreed that notwithstanding the issuance of DBM Circular No.2013-4, the grant of CNA incentive for CY 2013 shall be in accordance with PSLMC Resolution No. 02, Series of 2003;

**WHEREAS**, said position is among the defenses advanced in the various appeals filed by NIA employees before the Commission on Audit for the grant of CNA in prior years, which appeals remain unresolved;

**WHEREAS**, pending the resolution on the issue of the application of said Resolution, it is agreed upon that DBM Circular No. 2013-4 may be applied in suppletory character;

**WHEREAS**, the CNA Committee, after thorough evaluation of relevant reports and documents, attests that the Agency met all the requirements and conditions needed for the grant of CNA incentive for the year 2013;

**WHEREAS**, as of 31 December 2013, there are at least 6,297 officials and employees entitled to receive the CNA;

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, to recommend the grant of additional CNA incentive for the year 2013 to qualified NIA officials and employees based on records as of 31 December 2013 in the amount of Ten Thousand Pesos (P10,000.00) per qualified official/employee.

Handwritten signatures and initials at the bottom right of the page, including a large signature on the left and several smaller ones on the right.

**RESOLVED FINALLY** to forward this Resolution to the Administrator for his approval.

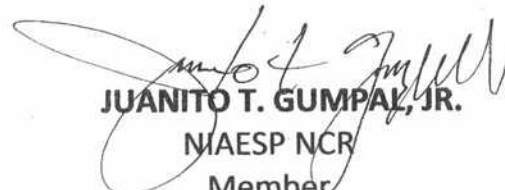
Done this 4<sup>th</sup> day of March 2014 in Quezon City.

  
**LORNA GRACE B. ROSARIO**  
Deputy Administrator for  
Administrative & Finance Sector  
Chairman

  
**VIOLETA C. ESGUERRA**  
Administrative Department  
Member

  
**GENEVER M. DIONIO**  
Legal Services  
Member

  
**REBECCA C. MALAZARTE**  
Financial Management Dept.  
Member

  
**JUANITO T. GUMPAL, JR.**  
NIAESP NCR  
Member

  
**CONCHITA G. CALSIÑA**  
Human Resources Division  
Member

  
**AILYNE C. AGTUCA-SELDA**  
Legal Services  
Member

Approved/Disapproved:  
  
**CLARO V. MARANAN**  
Administrator

FMR \_\_\_\_\_  
MGM \_\_\_\_\_

NATIONAL IRRIGATION ADMINISTRATION  
EDSA, DILIMAN QUEZON CITY

COMPUTATION OF SAVINGS  
(Per Annex "A" of PSLMC Resolution No. 02, s. 2003)  
(In Thousand Pesos)

CORPORATE OPERATING BUDGET  
CALENDAR YEAR 2013

(Compliance with Item 6.2 a & b)

| Particulars<br>(In Thousand Pesos) | Per Approved COB<br>(Projection) | As Audited<br>(Actual) | Variance         |
|------------------------------------|----------------------------------|------------------------|------------------|
| Operating Income                   | 3,853,650                        | 3,870,424              | (16,774)         |
| Less: Operating Expenses           | 2,870,948 a/                     | 2,508,823 a/           | 362,125 b/       |
| Net Operating Income               | <u>982,702</u>                   | <u>1,361,601</u>       | <u>(378,899)</u> |

(Compliance with Item 6.2.c)  
(In Thousand Pesos)

|   |  |                     |                  |
|---|--|---------------------|------------------|
| I. Revenues                                       |  |                     |                  |
| Operating Income                                  |  |                     | 3,870,424        |
| Non-operating Income                              |  |                     | 174,884          |
| Total Income                                      |  |                     | <u>4,045,308</u> |
| II. Expenses                                      |  |                     |                  |
| Operating Expenses                                |  |                     |                  |
| Personal Services                                 |  | 1,440,887           | 1,628,009 *      |
| MOOE  |  | 1,067,936           | 1,180,209 **     |
| Equipment Outlay                                  |  |                     |                  |
| Sub-total, Operating Expenses                     |  | <u>2,508,823 a/</u> | <u>2,808,218</u> |
| Non-Operating Expenses:                           |  |                     |                  |
| Non-Cash Expenses                                 |  |                     | 930,697          |
| Others  |  |                     |                  |
| Sub-total, Non-Operating Expenses                 |  |                     | <u>930,697</u>   |
| Total Expenses                                    |  |                     | <u>3,738,915</u> |
| III. Net Profit Before Income Tax                 |  |                     | <u>306,393</u>   |
| IV. Income Tax                                    |  |                     | -                |
| V. Net Profit After Income Tax                    |  |                     | <u>306,393</u>   |
| Dividend Payable to the National Government (50%) |  |                     | <u>-</u>         |

Notes:

- \* Including payment of the C N A incentive in the amount of P150 Million, net of P60 million to be retained by the GOCC/GFI
- \*\* Including amount used for improvement of working conditions which as alternative may also be used for C N A incentive

a/ Excluding payment of C N A incentive

b/ Amount to be used for C N A Incentive Distribution: (In thousand pesos) 374,244

Fifty percent (50%) C N A Incentive 187,122

Thirty percent (30%) for improvement of working conditions and/or to be added as part of the C N A Incentive 112,273

Twenty percent (20%) to be retained by the GOCC/GFI 74,849

Total 374,244

**Fund Sources of the C N A Incentive  
(Summary)**

Per DBM Circular No. 2013-4 dtd 11-25-2013

|                                      | DBM<br>APPROVED<br>BUDGET<br>CY2013<br>( A ) | ACTUAL<br>( B ) | VARIANCE<br>( A - B = C )<br>( C ) |
|--------------------------------------|--|-----------------|------------------------------------|
| Travelling Expenses                  | 40,204                                       | 18,343          | 21,861                             |
| Communication Expenses               | 18,308                                       | 13,820          | 4,488                              |
| Repairs and Maintenance Expenses     | 532,088                                      | 248,591         | 283,497                            |
| Transportation and Delivery Expenses | 309  | 665             | (356)                              |
| Supplies and Materials               | 179,155                                      | 78,358          | 100,797                            |
| Utility Expenses                     | 52,282                                       | 88,325          | (36,043)                           |
| <b>Total</b>                         | <b>822,346</b>                               | <b>448,102</b>  | <b>374,244</b>                     |

**Fund Sources of the C N A Incentive  
(Details)**

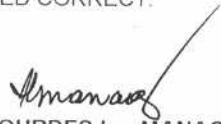
|  | DBM<br>APPROVED<br>BUDGET<br>(CY 2013 ) | ACTUAL         | VARIANCE        |
|--|---|----------------|-----------------|
| Travelling Expenses  | 40,204                                  | 18,343         | 21,861          |
| <b>Communication Expenses</b>                                | <b>18,308</b>                           |                |                 |
| Postage and Deliveries                                       |   | 279            |                 |
| Telephone Expense-Landline                                   |   | 7,773          |                 |
| Telephone Expense-Mobile                                     |   | 2,505          |                 |
| Internet Expense   |   | 3,171          |                 |
| Cable, Satellite, Telegraph and Radio Expenses               |   | 92             |                 |
| <b>Total</b>   | <b>18,308</b>                           | <b>13,820</b>  | <b>4,488</b>    |
| <b>Repairs and Maintenance Expenses</b>                      |   |                |                 |
| Repairs & Maintenance-Land Improvements                      |   | 146            | (146)           |
| Repairs & Maintenance-Office Buildings                       | 47,267                                  | 27,211         | 20,056          |
| Repairs & Maintenance-Other Structures                       |   | 4,975          | (4,975)         |
| Repairs & Maintenance-Office Equipment                       | 3,420                                   | 634            | 2,786           |
| Repairs & Maintenance-Furniture and fixtures                 |   | 51             | (51)            |
| Repairs & Maintenance-IT Equipment and Software              |   | 149            | (149)           |
| Repairs & Maintenance-Machineries                            | 13,412                                  | 152            | 13,260          |
| Repairs & Maintenance-Communication Equipment                |   | 73             | (73)            |
| Repairs & Maintenance-Construction and Heavy Equipment       |   | 7,758          | (7,758)         |
| Repairs & Maintenance-Firefighting Equipment and Accessories |   | 212            | (212)           |
| Repairs & Maintenance-Technical & Scientific Equip           |   | 388            | (388)           |
| Repairs & Maintenance-Other Machineries and Equipment        |   | 4,338          | (4,338)         |
| Repairs & Maintenance-Motor Vehicles                         | 21,189                                  | 25,319         | (4,130)         |
| Repairs & Maintenance-Other Transportation Equipment         |   | 5,022          | (5,022)         |
| Repairs & Maintenance-Other Property, Plant and Equip        | 34                                      | -              | 34              |
| Repairs & Maintenance-Pumping Stations and Conduits          |   | 1,747          | (1,747)         |
| Repairs & Maintenance- Irrigation, Canals & Laterals         | 436,370                                 | 170,416        | 265,954         |
| Repairs & Maintenance of Existing NIS                        | 10,396                                  | -              | 10,396          |
| <b>Total</b>   | <b>532,088</b>                          | <b>248,591</b> | <b>283,497</b>  |
| Transportation and Delivery Expenses                         | 309                                     | 665            | (356)           |
| <b>Supplies and Materials</b>                                |   |                |                 |
| Office Supplies Expense                                      | 40,244                                  | 17,681         | 22,563          |
| Accountable forms Expense                                    | 3,605                                   | 1,729          | 1,876           |
| Drugs and Medicine Expenses                                  | 479                                     | 283            | 196             |
| Medical, Dental & Lab Supplies Expenses                      | 68                                      | 134            | (66)            |
| Gasoline, Oil and Lubricants Expenses                        | 100,286                                 | 44,031         | 56,255          |
| Textbooks and Instructional Materials Expenses               | 19                                      | 105            | (86)            |
| Military and Police Supplies Expenses                        |   | 15             | (15)            |
| Other Supplies Expenses                                      | 34,454                                  | 14,380         | 20,074          |
| <b>Total</b>   | <b>179,155</b>                          | <b>78,358</b>  | <b>100,797</b>  |
| <b>Utility Expenses</b>                                      |   |                |                 |
| Water Expenses   | 5,296                                   | 4,035          | 1,261           |
| Electricity Expenses   | 46,986                                  | 84,290         | (37,304)        |
| <b>Total</b>   | <b>52,282</b>                           | <b>88,325</b>  | <b>(36,043)</b> |
| <b>Grand Total</b>   | <b>822,346</b>                          | <b>448,102</b> | <b>374,244</b>  |


NATIONAL IRRIGATION ADMINISTRATION  
 Consolidated Income Statement  
 As of December 31, 2013  
 Fund 501- REGULAR

| PARTICULARS   | DBM                            | ACTUAL           | VARIANCE           |
|---|--------------------------------|------------------|--------------------|
|   | APPROVED<br>BUDGET<br>(CY2013) | B                | (A-B)              |
| Operating Income  |                                |                  |                    |
| Irrigation Service Fees                                 | 2,005,355                      | 1,554,563        | 450,792            |
| Rent Income   | 143,522                        | 169,021          | (25,499)           |
| Fines and Penalties-Service Income                      |                                | 24,980           | (24,980)           |
| Management Fees   | -                              | 28,463           | (28,463)           |
| Subsidy Income from National Government-Management Fees | 1,096,948                      | 1,187,039 *      | (90,091)           |
| Service Fee   | 387,647                        | 460,799          | (73,152)           |
| Energy/Power Delivery Fee                               | 52,000                         | 94,935           | (42,935)           |
| CIP/CIS/RIS Amortization & Equity                       | 168,178                        | 329,455          | (161,277)          |
| Pump Amortization & Equity                              | -                              | 21,169           | (21,169)           |
| <b>Total</b>  | <b>3,853,650</b>               | <b>3,870,424</b> | <b>(16,774)</b>    |
| Non-Operating Income                                    |                                |                  |                    |
| Interest  |                                | 23,704           | (23,704)           |
| Miscellaneous Income                                    | 134,077                        | 150,363          | (16,286)           |
| Other Fines and Penalties                               |                                | 817              | (817)              |
| <b>Total</b>  | <b>134,077</b>                 | <b>174,884</b>   | <b>(40,807)</b>    |
| <b>TOTAL REVENUES</b>                                   | <b>3,987,727</b>               | <b>4,045,308</b> | <b>(57,581)</b>    |
| LESS EXPENSES:  |                                |                  |                    |
| Personal Services                                       | 1,482,375                      | 1,440,887 **     | 41,488             |
| MOOE  | 1,388,573                      | 1,067,936        | 320,637            |
| Sub Total   | <b>2,870,948</b>               | <b>2,508,823</b> | <b>362,125</b>     |
| MOOE-Interest on NDC loan payable                       |                                | 506,068          | (506,068)          |
| <b>TOTAL EXPENSES</b>                                   | <b>2,870,948</b>               | <b>3,014,891</b> | <b>(143,943)</b>   |
| <b>INCOME/ (LOSS) FROM OPERATION</b>                    | <b>-</b>                       | <b>1,030,417</b> | <b>(1,030,417)</b> |
| <b>SURPLUS</b>  | <b>1,116,779</b>               |                  | <b>1,116,779</b>   |
| Add/Deduct Other Income/Expenses                        |                                |                  |                    |
| Gain/(Loss) on Foreign Exchange                         |                                | (2,330)          | 2,330              |
| Gain/(Loss) on Sale of Disposed Assets                  |                                | (259)            | 259                |
| <b>TOTAL OTHER INCOME/EXPENSES</b>                      | <b>-</b>                       | <b>(2,589)</b>   | <b>2,589</b>       |
| <b>NET INCOME/(LOSS) BEFORE NON-CASH</b>                | <b>-</b>                       | <b>1,027,828</b> | <b>(1,027,828)</b> |
| Bad Debts   |                                | 94,062           | (94,062)           |
| Depreciation  |                                | 836,635          | (836,635)          |
| <b>TOTAL NON-CASH EXPENSE</b>                           | <b>-</b>                       | <b>930,697</b>   | <b>(930,697)</b>   |
| <b>NET INCOME (NET LOSS)</b>                            | <b>-</b>                       | <b>97,131</b>    | <b>(97,131)</b>    |

CERTIFIED CORRECT:

NOTED:

  
**LOURDES L. MANAOG**  
 Manager, Budget & Revenue Division

  
**NOEMI V. VILLANUEVA**  
 Acting Manager, Acctng. Division  
 (For Actual-B Only)

  
**REBECCA C. MALAZARTE**  
 Acting Manager, Financial Management Dept.

\* Pertains to 5% Management Fee only  
 \*\* Net of P157.17 million C N A incentive