



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

1 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.

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

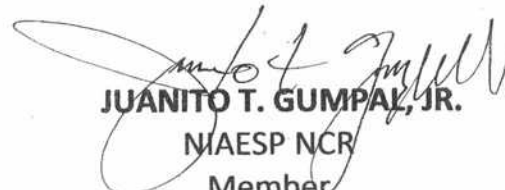
Done this 4th day of March 2014 in Quezon City.


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 (In Thousand Pesos)	Per Approved COB (Projection)	As Audited (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	<u>374,244</u>

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

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

	DBM APPROVED BUDGET CY2013 (A)	ACTUAL (B)	VARIANCE (A - B = C) (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)
Total	822,346	448,102	374,244

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

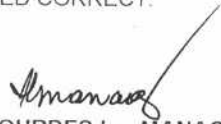
	DBM APPROVED BUDGET (CY 2013)	ACTUAL	VARIANCE
Travelling Expenses	40,204	18,343	21,861
Communication Expenses	18,308		
Postage and Deliveries		279	
Telephone Expense-Landline		7,773	
Telephone Expense-Mobile		2,505	
Internet Expense		3,171	
Cable, Satellite, Telegraph and Radio Expenses		92	
Total	18,308	13,820	4,488
Repairs and Maintenance Expenses			
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
Total	532,088	248,591	283,497
Transportation and Delivery Expenses	309	665	(356)
Supplies and Materials			
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
Total	179,155	78,358	100,797
Utility Expenses			
Water Expenses	5,296	4,035	1,261
Electricity Expenses	46,986	84,290	(37,304)
Total	52,282	88,325	(36,043)
Grand Total	822,346	448,102	374,244


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

PARTICULARS	DBM	ACTUAL	VARIANCE
	APPROVED BUDGET (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)
Total	3,853,650	3,870,424	(16,774)
Non-Operating Income			
Interest		23,704	(23,704)
Miscellaneous Income	134,077	150,363	(16,286)
Other Fines and Penalties		817	(817)
Total	134,077	174,884	(40,807)
TOTAL REVENUES	3,987,727	4,045,308	(57,581)
LESS EXPENSES:			
Personal Services	1,482,375	1,440,887 **	41,488
MOOE	1,388,573	1,067,936	320,637
Sub Total	2,870,948	2,508,823	362,125
MOOE-Interest on NDC loan payable		506,068	(506,068)
TOTAL EXPENSES	2,870,948	3,014,891	(143,943)
INCOME/ (LOSS) FROM OPERATION	-	1,030,417	(1,030,417)
SURPLUS	1,116,779	1,116,779	-
Add/Deduct Other Income/Expenses			
Gain/(Loss) on Foreign Exchange		(2,330)	2,330
Gain/(Loss) on Sale of Disposed Assets		(259)	259
TOTAL OTHER INCOME/EXPENSES	-	(2,589)	2,589
NET INCOME/(LOSS) BEFORE NON-CASH	-	1,027,828	(1,027,828)
Bad Debts		94,062	(94,062)
Depreciation		836,635	(836,635)
TOTAL NON-CASH EXPENSE	-	930,697	(930,697)
NET INCOME (NET LOSS)	-	97,131	(97,131)

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