



Republika ng Pilipinas  
Department of Agriculture  
Pambansang Pangasiwaan ng Patubig  
(NATIONAL IRRIGATION ADMINISTRATION)  
Lungsod ng Quezon

**LABANAN  
ANG  
KAHIRAPAN**



Office Address: National Government Center  
EDSA, Diliman, Quezon City, Philippines  
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TIN No. 000-916-415

MC No. 24-a, s. 2010

**MEMORANDUM CIRCULAR**


**TO : THE ACTING DEPUTY ADMINISTRATORS,  
DEPARTMENT/REGIONAL/OPERATIONS/PROJECT  
MANAGERS, DIVISION MANAGERS AND OTHERS  
CONCERNED**

**SUBJECT : SUPPLEMENTAL GUIDELINES TO MEMORANDUM  
CIRCULAR NO. 24, S. 2010, DATED MARCH 19, 2010**

In further pursuance of the very intent and purpose of granting Collective Negotiation Agreement (CNA) Incentive for the improvement of the working conditions of NIA employees out of the Agency's generated savings and as authorized in Public Sector Labor-Management Council Resolution No. 02, Series 2003, NIA Management and the NIA Employees Association of the Philippines have jointly agreed to provide additional CNA Incentive per National Council Resolution No. 05-2010 dated May 28, 2010, in the amount of fifteen thousand (P15, 000.00) pesos for each qualified employee on top of the fifty thousand (P50,000.00) pesos earlier granted in two (2) tranches under Sections 3 & 4 of Memorandum circular No. 24, s. 2010, dated March 19, 2010.

Payment of this additional CNA incentive shall be effected not later than 22 June 2010 chargeable against the thirty percent (30%) savings apportioned for improvement of working conditions generated for the year January to December 2009 and subject to the rules and regulations embodied in the aforesaid Circular.

Be guided accordingly.

  
**ALEXANDER A. REUYAN**  
Acting Administrator

15 June 2010

Encl: Computation of Savings for CY 2009  
National Council Resolution No. 05-2010 dated May 28, 2010  
PSLMC Resolution No. 2, Series 2003  
NIA Board Resolution No. 7635-10, Series 2010



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 2009

(Compliance with Item 6.2 a & b)

Particulars (In Thousand Pesos)	Per Approved COB (Projection)	As Audited (Actual)	Variance
Operating Income	2,449,000	2,665,576	(216,576)
Less: Operating Expenses	2,591,476 a	1,818,953 a	772,523 b/
Net Operating Income	<u>(142,476)</u>	<u>846,623</u>	<u>(989,099)</u>

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

I. Revenues		
Operating Income		2,665,576
Non-operating Income		98,036
Total Income		<u>2,763,612</u>
II. Expenses		
Operating Expenses		
Personal Services	1,208,821	1,595,083 *
MOOE	610,132	610,132
Equipment Outlay		
Sub-total, Operating Expenses	<u>1,818,953 a</u>	<u>2,205,215</u>
Non-Operating Expenses:		
Non-Cash Expenses		582,379
Others		
Sub-total, Non-Operating Expenses		<u>582,379</u>
Total Expenses		<u>2,787,594</u>
III. Net Profit Before Income Tax		<u>(23,982)</u>
IV. Income Tax		-
V. Net Profit After Income Tax		<u>(23,982)</u>
Dividend Payable to the National Government (50%)		<u>-</u>

Notes:

- \* Including payment of the C N A Incentive in the amount of P386 Million, net of P155 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): 772,523

Fifty percent (50%) C N A Incentive 386,262

(Actual amount paid for 2009 is P 105,023)

Per Region 94,625

Per CO 10,398

First Semester C N A incentive 105,023

Balance for Second Semester C N A Incentive

Estimated Allocation

Allocation for C.O. 21,400

Allocation for Regions 182,900

Allocation for Projects/Regions/Contingencies 76,939

Total C N A Incentive for 2009 386,262

Thirty percent (30%) for improvement of working conditions and/or to be added as part of the C N A Incentive 231,757

Twenty percent (20%) to be retained by the GOCC/GFI 154,505

Total 772,523





# NIA EMPLOYEES ASSOCIATION OF THE PHILIPPINES

National Irrigation Administration  
Quezon City

OFFICE ADDRESS:

NATIONAL GOVERNMENT CENTER

E. DE LOS SANTOS AVENUE  
QUEZON CITY, PHILIPPINES

TELEPHONE NO. 929-60-71 Local 158

FAX NO. 926-58-77

OUR REFERENCE:

## National Council Resolution No. 05-2010 Series of 2010

**A RESOLUTION REQUESTING THE NIA TOP MANAGEMENT TO AUTHORIZE THE RELEASE AND PAYMENT OF THE ADDITIONAL COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE IN THE AMOUNT OF P15,000.00 TO ALL QUALIFIED NIA EMPLOYEES BEFORE THE CELEBRATION OF THE NIA 47<sup>TH</sup> ANNIVERSARY.**

WHEREAS, the Union is overjoyed to learn that the Management has agreed to grant an additional CNA incentive in the amount of P15,000.00 to all qualified NIA employees in time for the NIA 47<sup>th</sup> Anniversary celebrations;


WHEREAS, the Union greatly appreciates the generosity and kindness of the Management in providing the additional benefits to its employees;

WHEREAS, considering that a large number of employees are coming over to the central office to participate in the anniversary sports fest and activities on June 15-18, 2010, the celebrations of the agency's foundation day will be truly meaningful and enjoyable if the delegates from the various regions would have sufficient pocket money for their expenses during their stay here in Metro Manila.

NOW THEREFORE, on motion which was unanimously seconded, be it resolved as it is hereby resolved, to request the Management to authorize the release and payment of the P15,000.00 additional CNA incentive before the NIA 47<sup>th</sup> Anniversary celebrations to provide the delegates with sufficient pocket money for their expenses during their stay here in Metro Manila.

RESOLVED FURTHER, that copies of this resolution be furnished all concerned NIA top officials for the information and guidance.

UNANIMOUSLY ADOPTED this 28th day of May, 2010 at NIA IEC Building, Edsa, Quezon City.

  
**VICTORINO ARON**  
National President  
(District President, MRIIS)

  
**EDUARDO G. YU**  
National PRO  
(District President, Region 5)

  
**WINSTON S. ZULUETA**  
District President  
NIA Region 2

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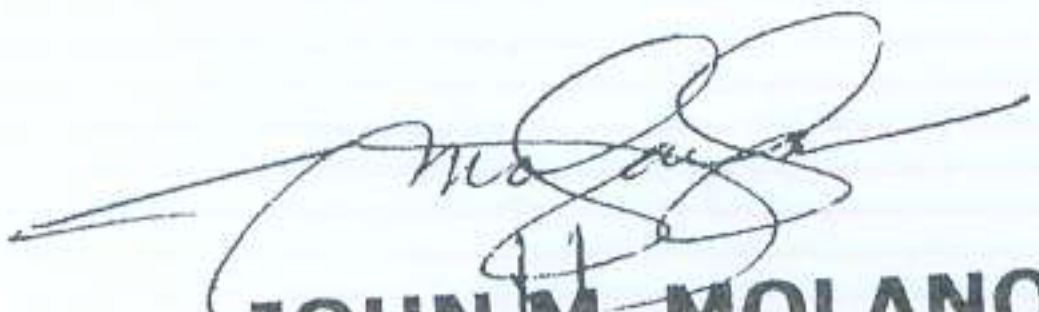
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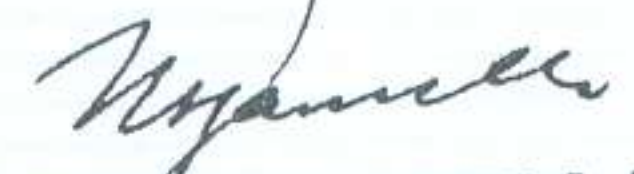
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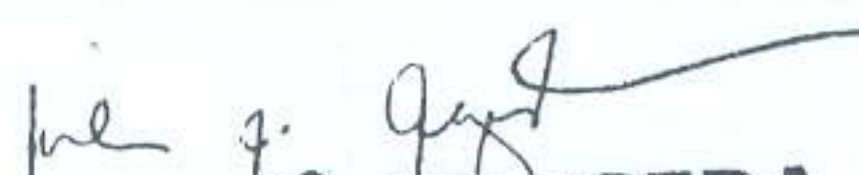
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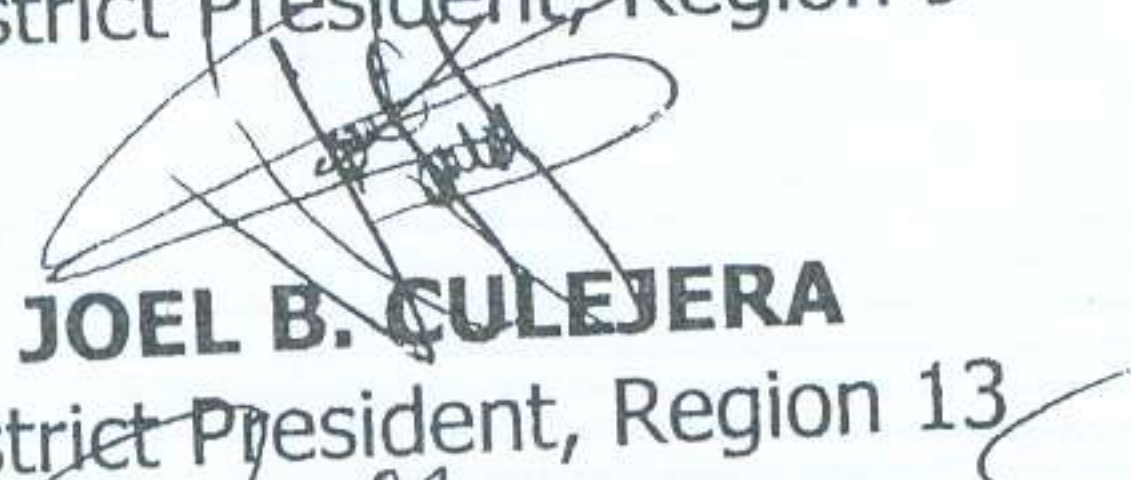


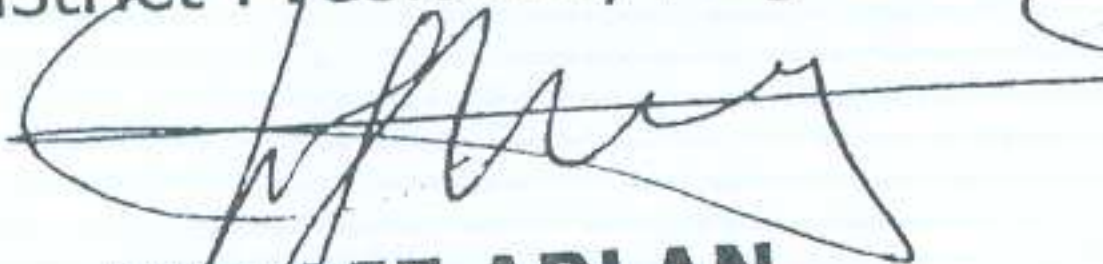
  
**JOHN M. MOLANO**  
District President, Region 1

  
**ELISEO V. BITANGCOL**  
District President, Region 3

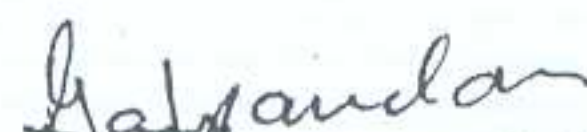
  
**NICK JARANILLA**  
District President, Region 6

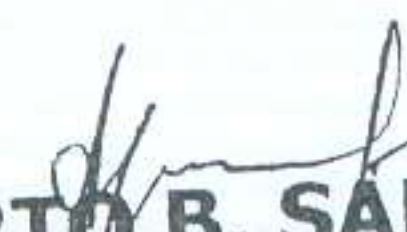
  
**MILA B. GRAGEDA**  
District President, Region 9

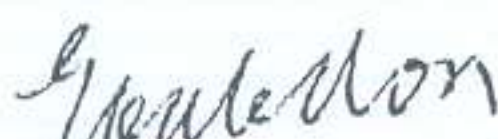
  
**JOEL B. CULEJERA**  
District President, Region 13

  
**WILLIE ABLAN**  
District President, Region 12


  
**LOUELLA MERCADO**  
National Treasurer

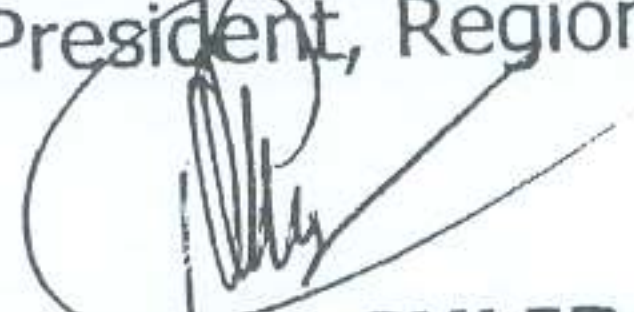
  
**RAMON GATPANDAN**  
Sectoral Representative

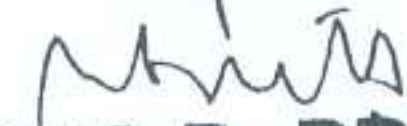
  
**ALBERTO B. SAMSON**  
President, CMIPP

  
**EDITHA B. ABDON**  
Dist. Pres., Reg 10


  
**FRANK FANGED**  
District President, CAR

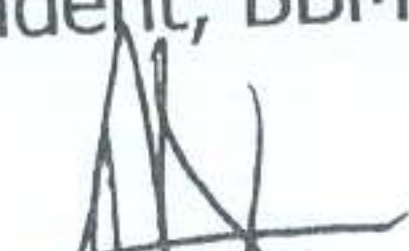
  
**CARLOS DELA CRUZ**  
District President, Region 4

  
**ALEXANDER CULIBAR**  
District President, Region 7&8

  
**RONA B. PRESTO**  
District President, Region 11

  
**IRENEO PASCUAL**  
District President, UPRIIS

  
**CRESENCIO MAGBAG**  
President, BBMP

  
**CARMELO PADERON**  
Vice President, NCR

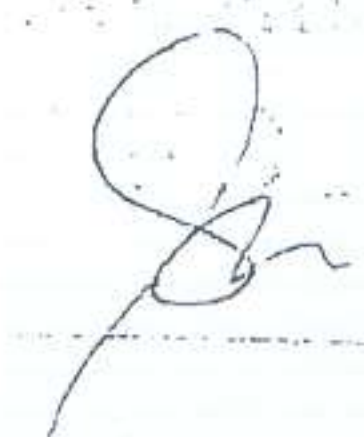
  
**DANILO REYES**  
Sectoral Representative

  
**CECILIA LAYUG**  
National Secretary

Approved:

  
**ALEXANDER A. REUYAN**  
Acting Administrator



Chief Executive Officer  
 Public Service Commission  
 CHIEF  
 By:   
 Date: \_\_\_\_\_

Republic of the Philippines  
 PUBLIC SECTOR LABOR-MANAGEMENT COUNCIL  
 CSC Building Constitution Hills  
 Diliman, Quezon City

GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE  
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
 (GOCCs) AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIs)

RESOLUTION NO. 02, s. 2003

Whereas, Section 3 of Article XIII of the Constitution guarantees the right of government employees to self-organization, collective bargaining and negotiations;

Whereas, the Council under PSLMC Resolution No. 04, s. 2002, provides the grant of CNA Incentive in National Government Agencies, State Colleges and Universities and Local Government Units and the funding sources therefor;

Whereas, in line with the unified compensation policy under the Constitution and for equity, the said benefit may be enjoyed by employees in GOCCs/GFIs;

Whereas, Section 3 of Memorandum Order (MO) No. 20 of the President, dated June 25, 2001 which covers GOCCs/GFIs exempt or not following the Salary Standardization Law (SSL), provides that the grant of new or additional benefits not in accordance with the SSL requires prior approval by the President;

Wherefore, the Council resolves as it hereby resolved, to adopt the following guidelines for all GOCCs/GFIs whether covered by or exempted from the SSL;

Section 1. In recognition of the joint efforts of labor and management to attain more efficient and viable operations, a CNA Incentive may be provided in the CNA to be granted to the rank-and-file.

Section 2. The CNA must include, among others, provisions on improvement of income and productivity, streamlining of systems and procedures, and cost cutting measures that shall be undertaken by both the management and the union so that the operations of the GOCC/GFI can be undertaken at a lesser cost.

Section 3. The CNA Incentive may be granted if all the following conditions are met by the GOCC/GFI:

- a) Actual operating income at least meets the targeted operating income in the Corporate Operating Budget (COB) approved by the Department of Budget and



Management (DBM)/Office of the President for the year; For GOCCs/GFIs, which by the nature of their functions consistently incur operating losses, the current year's operating loss should have been minimized or reduced compared to or at most equal that of prior year's level;

- b) Actual operating expenses are less than the DBM approved level of operating expenses in the COB as to generate sufficient source of funds for the payment of CNA Incentive; and
- c) For income generating GOCCs/GFIs, dividends amounting to at least 50% of their annual earnings have been remitted to the National Treasury in accordance with the provisions of Republic Act No. 7656 dated November 9, 1993. ✓

Attached as Annex "A" is the illustration showing how these conditions are met based on the financial statement.

Section 4. For purposes of this Resolution, the following terms are defined as follows:

- a) Corporate Operating Budget – refers to the budget of a government owned and/or controlled corporation/government financial institution consisting of estimates of revenues, expenditures and borrowings. This is prepared prior to the beginning of the fiscal year and recommended by the governing board of the corporation for consideration and final approval of the President through the DBM.
- b) Actual operating income - refers to gross income/revenues generated from the exercise of the corporation's regular functions as mandated by law. This excludes revenues not recurring in nature, such as interest income, proceeds from the sale of scrap and/or obsolete equipment, materials and/or real estate assets, which sale is not the main function of the corporation.
- c) Actual operating expenses - refer to all expenses incurred by the corporation in the conduct of its regular functions. This excludes non-cash items like allowance for bad debts, depreciation/depletion expense, losses from foreign exchange and similar expenses.
- d) Operating loss – refers to the excess of actual operating expenses over actual operating income/revenue.

Section 5. Only savings from operating expenses, as referred to in Section 3 above, generated after the signing of the CNA, shall be used for the CNA Incentive. Specifically, savings refer to the difference between the approved COB level and actual expenses incurred, free of any obligation or encumbrance and which are no longer intended for specific or mandatory purposes. It may be derived from any of the following:

- a) Completion of the work – items authorized in the COB at a lesser cost than the allocation for the purpose.
- b) Unutilized allocation for compensation and related cost pertaining to vacant positions;

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Regional Office  
Cebu City  
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- c) Cost saving measure and efficiency as a result of improved systems and procedures, where the corporation was able to meet and deliver the required or planned targets, programs and services authorized in the COB at a lesser cost.

Section 6. Savings referred to in Section 4 above shall be apportioned, as follows:

- ✓a) Fifty percent (50%) for CNA Incentive.
- ✓b) Thirty percent (30%) for improvement of working conditions and/or to be added as part of the CNA Incentive, as may be agreed upon in the CNA.
- c) Twenty percent (20%) to be retained by the GOCC/GFI to be used for the operations of the agency to include among others, purchase of equipments critical to the operations and productivity improvement programs.

Computation of savings for CNA Incentive is shown in Annex "A" hereof.

Section 7. The CNA may include a provision allowing higher incentives to employees in offices or units that contributed more either in profitability, productivity or cost savings.

Section 8. The CNA Incentive may be granted every year that savings are generated during the life of the CNA.

Section 9. The payment of CNA incentive shall be in accordance with the provisions of this Resolution and subject to accounting and auditing rules and regulations. Should the payment of CNA Incentive be disallowed by the Commission on Audit for violation of the herein provisions, pertinent COA rules and procedures shall apply.

Section 10. As provided in Section 3, Rule VIII of the Rules and Regulations to Govern the Exercise of Right of Government Employees to Self-Organization, the following are not negotiable:

- a) Increase in salary emoluments and other allowances not presently provided for by law;
- b) Facilities requiring capital outlays;
- c) Car plan;
- ✓d) Provident Fund;
- e) Special Hospitalization, medical and dental service;
- ✓f) Rice/sugar/other subsidies;
- g) Travel expenses;
- h) Increase in retirement benefits.

Section 11. This Resolution shall apply to all collective negotiation agreements, and supplements thereto, entered into after the effectivity hereof.

Section 12. GOCC/GFIs exempted from or not following the SSL, Section 3 of AIC No. 20 shall also comply in addition to the herein provisions.

Civil Service Commission

Public Office

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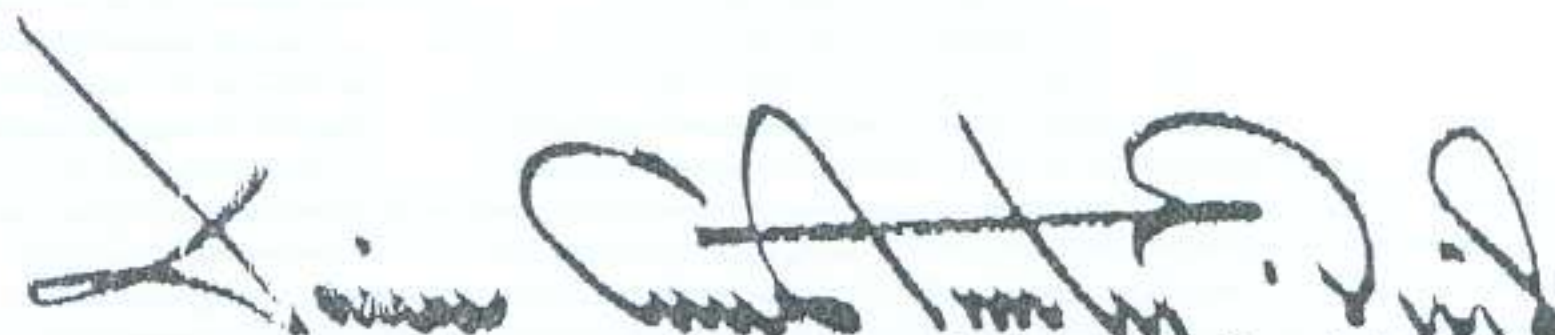
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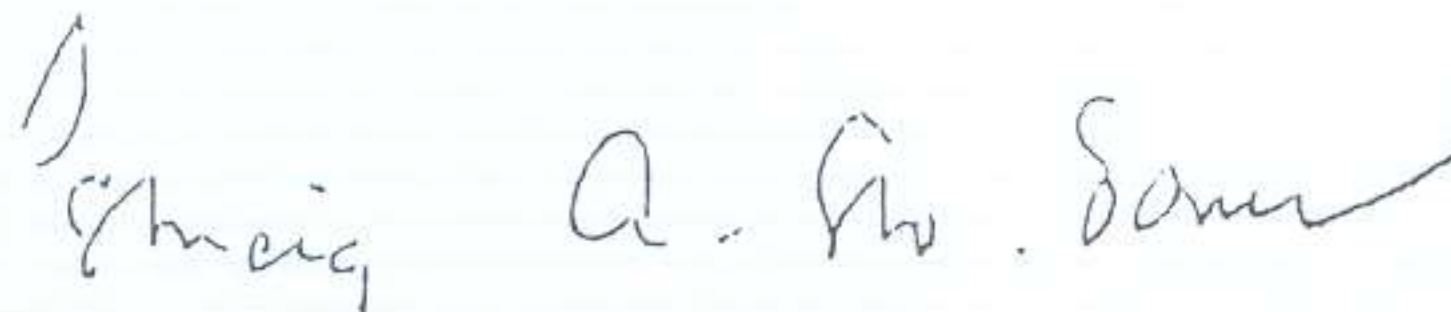


Section 13. This Resolution shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

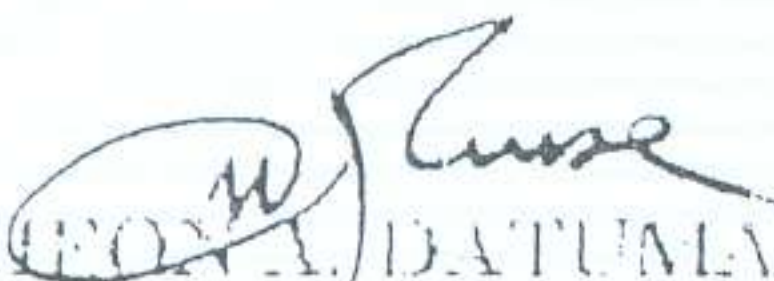
ADOPTED AND APPROVED this 19th day of May, 2003 in Quezon City, Philippines.



KARINA CONSTANTINO DAVID  
Chairperson, Civil Service Commission  
CHAIRMAN



PATRICIA A. STO. TOMAS  
Secretary, Department of Labor and Employment  
VICE-CHAIRMAN




SIMEON A. DATUMANONG  
Secretary, Department of Justice  
MEMBER



JOSE ISIDRO CAMACHO  
Secretary, Department of Finance  
MEMBER



EMILIA T. BONCODIN  
Secretary, Department of Budget and Management  
MEMBER

Civil Service Commission  
Training and Development Office  
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By: \_\_\_\_\_  
Date: \_\_\_\_\_





## NATIONAL IRRIGATION ADMINISTRATION

### BOARD OF DIRECTORS RESOLUTION

**SUBJECT:** Utilization of the CY 2009 Savings/Surplus

#### RESOLUTION NO. 7635-10 SERIES OF 2010

**WHEREAS**, the NIA Board approved on May 25, 2009 under Board Resolution No. 7585-09 Series 2009, the grant of Collective Negotiation Agreement (CNA) Incentive equivalent to fifty percent (50%) savings/surplus of NIA as determined semi-annually pursuant to the Collective Negotiation Agreement (CNA) signed by the NIA Management and NIA Employees Association of the Philippines (NIAEASP) on May 25, 2009;

**WHEREAS**, for the semester ending December 31, 2009, NIA granted a CNA Incentive of **P50,000.00** per employee based on the computed savings/surplus of **P386.262 Million**, and on initial report of number of employees. The CNA Incentive entailed a total of P386.262 Million leaving **P231.757 Million or 30%** of the savings available for improvement of working conditions including provision for the establishment of Provident Fund;

**WHEREAS**, the initial amount of P386.262 Million allocated for CNA Incentive proved inadequate as actual number of employees from the field became available. Instead of P386.262 Million, the actual number of employees (5,847) required an additional allocation of **P15 Million** which amount was authorized by Management to be sourced from the 30% savings/surplus;


**WHEREAS**, on May 28, 2010, the Employees Union filed an appeal for NIA Management to provide additional CNA Incentive inasmuch as the Public Sector Labor-Management Council (PSLMC) Resolution No. 02, Series 2003 authorized the grant of additional CNA Incentive if savings still allow. Considering that the 50% remaining savings for the 2<sup>nd</sup> semester 2009 operations remains intact, Management acquiesced and authorized the grant of Additional CNA Incentive in the amount of **P15,000.00** per employee or a total of **P87.705 Million**, provided that the same is approved or authorized by the NIA Board;

**NOW THEREFORE**, for and in consideration of the abovementioned premises, resolved as it is hereby resolved, on motion duly seconded, to approve the additional CNA Incentive of **P15,000.00** per employee which will bring the total CNA Incentive to P65,000.00 per employee or a total of **P383.944 Million** taken from the **P772.523 Million** savings/surplus of CY 2009, subject to the availability of cash.



**RESOLVED FURTHER, as it is further resolved,** to approve the budget allocation of the 2009 savings amounting to a total of **P772.523 Million** in compliance with Section 6 of PSLMC No. 2, Series 2003, to wit:

- a. 50% CNA Incentive paid under NIA Memorandum Circular No. 24, s. 2010 (P50,000.00 each employee) ----- **P 386.262 Million**
- b. 30% for Improvement of Working Conditions as follows:
- Breakdown:
- |  |                |                |
|--|----------------|----------------|
| 1 Establishment of NIA Provident Fund -----  | P 65.0         | Million        |
| 2 Allocation for Project Personnel (2nd Tranche Requirement in excess of the 50% savings/surplus allocated for CNA Incentive ----- | 15.0           | Million        |
| 3 Partial Allocation for Information System Strategic Plan (ISSP) -----  | 15.0           | Million        |
| 4 Additional CNA Incentive (P15,000.00 x 5,847 employees) -----  | 87.705         | Million        |
| 5 Purchase of one (1) Unit Coaster -----   | 5.0            | Million        |
| 6 Replacement of one (1) Elevator Car -----  | 6.0            | Million        |
| 7 Available for Other Improvement of Working Conditions -----  | 38.052         | Million        |
| <b>TOTAL -----</b>   | <b>231.757</b> | <b>Million</b> |
- c. 20% to be retained by the GOCC/GFI ----- **154.505 Million**
- GRAND TOTAL -----P 772.524 Million**

Date Adopted: June 11, 2010	I, the undersigned, hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Directors of the National Irrigation Administration and spread in the minutes of a duly constituted meeting of said Board held on June 11, 2010.
1 <sup>st</sup> Special Board Meeting	 <b>RENATO M. RESUMA</b> Corporate Board Secretary