

PROVIDING FOR THE ESTABLISHMENT OF REGIONAL OFFICES OF THE DEPARTMENT OF FINANCE AND OTHER RELATED PURPOSES.

PRESIDENTIAL DECREE NO. 1266, December 21, 1977

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WHEREAS, current trends in development administration require the establishment of closer coordination and linkages between national departments and agencies in carrying out national plans and programs at the regional and local levels;

WHEREAS, under existing laws, the Department of Finance exercises general supervision over the financial affairs of the local governments and is vested, among others, with the responsibility of adopting and enforcing the necessary policies and measures that will improve local treasury and assessment operations;

WHEREAS, the Department of Finance has accordingly an important role to play in operationalizing the concepts of regional planning for development in terms of an effective financial management of local funds and resources;

WHEREAS, to carry out its responsibility in helping attain regional development, it is imperative for the Department of Finance to establish its own regional office in each region of the country for purposes of providing a regional orientation and direction in the exercise of its power of direct supervision over local treasury and assessment offices;

WHEREAS, it is necessary to provide appropriations for the establishment, operations and maintenance of the regional offices of the Department of Finance, effective immediately;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order, as part of the law of the land, the following provisions:

SECTION 1. Establishment of Regional Offices. — The Department of Finance shall establish a regional office in each of the regions of the country created under Presidential Decree No. 1, as amended by Presidential Decrees Nos. 742, 773 and 879, except in Region IV, comprising the four (4) cities and thirteen (13) municipalities of Metropolitan Manila as defined under Presidential Decree No. 824.

SEC. 2. Location and Area of Jurisdiction. — The regional offices of the Department of Finance shall be located in the regional centers designated in the aforesaid Presidential Decrees and shall have within their respective areas of jurisdiction the groups of provinces, cities and municipalities as provided for therein.

SEC. 3. Organization and Staffing. — The Secretary of Finance is hereby authorized to prepare and adopt the organizational structure and staffing pattern for each regional office of the Department in such manner or form as he may deem most suited and responsive to regional administration, subject, however, to existing law and regulations prescribing position classification, rankings and pay ranges for national departments and offices.

SEC. 4. Creation of Positions of Regional Directors and Assistant Regional Directors. — There is hereby created for each regional office of the Department of Finance the positions of one (1) Regional Director for Local Government Finance, one (1) Assistant Regional Director for Local Treasury Operations and one (1) Assistant Regional Director for Real Property Assessment Operations, which positions shall be embraced under the career

executive service.

SEC. 5. Appointment of Regional Officials and Personnel. — The Regional Directors and Assistant Regional Directors referred to in Section 4 hereof shall be appointed by the President, upon recommendation of the Secretary of Finance, and in the manner provided for by law for Career Executive Service Officers of the same rank. Pending the appointment and/or qualification of such Regional Directors and Assistant Regional Directors, the Secretary of Finance may designate from qualified and competent officials and personnel of the Department of Finance and/or from the ranks of provincial and city treasurers and assessors and assistant provincial and city treasurers and assessors such Regional Directors or Assistant Regional Directors in an acting capacity, and during their incumbency as such, they may be authorized by the Secretary to receive additional compensation and/or allowances as herein provided for.

SEC. 6. Qualifications. — No person shall be appointed as a regular Regional Director or Assistant Regional Director unless he is a citizen of the Philippines; of good moral character; a holder of a college degree (preferably in law, engineering, commerce or public administration) from a recognized school; a first grade civil service eligible or its equivalent; with at least three (3) years experience in local government finance, real property assessment and/or local treasury work: meets the minimum qualification requirements proscribed for Career Executive Service Officers of equivalent rank; and possesses such other qualifications or special skills that the Secretary of Finance may require.

SEC. 7. Rank, Compensation and emoluments. — The aforesaid Regional Directors for Local Government Finance and Assistant Regional Directors of the Department of Finance are hereby assigned to Career Executive Service Ranks IV and V respectively, and shall receive such compensation and other emoluments as may be authorized under existing laws or regulations for Career Executive Service Officers of the same rank; Provided, That they shall be entitled to promotions in rank and salary adjustments under existing policies and regulations of the CES Board and, Provided, further, that all times the salary of the Regional Director shall be at least one step higher than the salary actually received by the highest paid Provincial or City Treasurer or Assessor in the Region.

Those who are designated by the Secretary of Finance in an acting capacity shall continue to receive the salaries authorized for their regular positions payable by their respective offices but they may be entitled to receive additional compensation and/or representation, quarters, transportation and other allowances that the Secretary of Finance may authorize, at such rates as may be fixed under existing laws or regulations or, in the absence thereof, at such rates as may be determined by the Secretary: Provided, however, That such additional compensation shall not exceed thirty per cent (30%) of the basic salary actually received by the officer involved. Other personnel of a regional office may likewise be entitled to receive such cost-of-living allowances and reasonable transportation or other allowances authorized, under existing laws or regulations.

SEC. 8. Detail of Personnel in the Regional Offices. — The Secretary of Finance may authorize the detail in the regional offices of qualified personnel from the Department of Finance or the local treasury and assessment offices to insure the availability of such number of technical and clerical personnel as may be deemed necessary for the efficient performance and operations of the regional offices and for such special work or assignment that may arise from time to time.

SEC. 9. Functions of Regional Offices. — Under the general supervision of the Secretary of Finance, the Regional Offices of the Department shall, in addition to those prescribed or authorized under existing law, perform the following functions:

- Supervise and coordinate the conduct of local treasury and assessment operations of the provinces, cities and municipalities within the region for the proper implementation of laws, decrees, rules, regulations and

administrative issuances of the Department of Finance;

- Establish liaison and linkages with other regional offices and agencies of the National Government in the region for purposes of closer coordination in the execution of national/regional plans or programs in the area;
- Coordinate in the prosecution of local development projects;
- Undertake researchers, studies and related activities for purposes of formulation and execution of policies that would promote the financial stability and growth of the local governments;
- Review the annual and supplemental budgets of provinces and cities within the region in accordance with the provisions of existing law and such policy guidelines and/or regulations that the Secretary of Finance may promulgate;
- Supervise and monitor the execution of tax mapping and other real property assessment prefects of the local units within the region;
- Conduct a preliminary review of the individual schedules of values of real property prepared by the provincial and city assessors in the region, consolidate the same, and submit for approval of the Secretary of Finance an integrated schedule of real property values for the region;
- Coordinate the plans, programs and activities of local treasury and assessment offices in the conduct of tax collection drives and tax information and education campaigns;
- Subject to approval by the Secretary of Finance, conduct regional training programs, seminar-workshops, conferences, and other allied activities designed primarily for the improvement of administrative and technical skills in the local treasury and assessment offices; and
- Perform such other functions as may be prescribed by law or as may be delegated or authorized by the Secretary of Finance.

SEC. 10. Issuance of Field Operations Manuals. — The Secretary of Finance shall issue such field operations manuals as he may deem necessary for the administration and conduct of operations of the regional, offices of the Department of Finance, as well as of the local government treasury and assessment offices.

SEC. 11. Office of Local Government Finance in the Department of Finance. — The Secretary of Finance and the Undersecretary for Administration shall carry out the powers and functions of the Department of Finance in the exercise of general management and direct supervision over its regional offices. Accordingly, the Local Government Finance Service of the Department is hereby elevated into an office to be known as the Office of Local Government Finance, which shall be headed by a Director and for this purpose, the position of Finance Service Chief is hereby converted into Director and assigned to CES Rank II. There is also hereby created the positions of Assistant Director for Local Fiscal Operations and Assistant Director for Real Property Tax Administration, both of which are assigned to CES Rank III. The said positions of Director and Assistant Directors shall belong to the Career Executive Service.

The Office of Local Government Finance shall, under general direction, provide assistance in the exercise of direct executive supervision over the regional offices and over the financial affairs and revenue-raising units of local governments and the formulation of appropriate policies that will foster sound fiscal management at local government levels. It shall also provide the local governments with technical assistance in the execution of policies, preparation of fiscal plans and programs, the enactment of tax ordinances, real property valuation and the utilization of credit facilities in order to enhance their financial stability and growth.

SEC. 12. Appropriation. — For purposes of carrying out the provisions of this Decree, there is hereby appropriated for the period from the effectivity of this Decree up to December 31, 1977 the sum of five million pesos. (P5,000,000.00) out of the unallocated balance of internal revenue allotments to local governments after distribution of their individual shares pursuant to the provisions of Presidential Decree No. 144, as amended.

Beginning January 1, 1978 and for every calendar year thereafter, the sum of ten million pesos (10,000,000.00) or so much as may be necessary for personal services, maintenance and other operating expenses and equipment outlays of said regional offices shall be included in the appropriations of the Department of Finance in the corresponding General Appropriation Law.

The Department of Finance is hereby authorized to use portion of the appropriations herein being provided for the establishment and operation of its regional offices, or such sums appropriated in Presidential Decree No. 1050 for the Office of the Secretary and/or any savings effected therein, as are necessary for salaries and salary adjustments as a result of creation of new positions, upgrading of positions, or increase in pay levels of positions in the Office of Local Government Finance. Thereafter, such sums as are necessary therefor and for maintenance and other operating expenses and equipment outlays shall be included in the annual appropriations for the Department of Finance.

SEC. 13. Implementing Rules and Regulations. — The Secretary of Finance shall issue the rules and regulations necessary for the proper implementation of this Decree.

SEC. 14. Repealing Clause. — All laws, decrees, orders and rules and regulations or parts thereof, which are contrary to or inconsistent with this Decree are hereby repealed, amended or modified accordingly.

SEC. 15. Effectivity. — This Decree shall take effect immediately.

DONE in the City of Manila, this 21st day of December, in the year of Our Lord, nineteen hundred and seventy-seven.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE
Presidential Executive Assistant

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