

IMPLEMENTING GENERAL PROVISIONS OF THE NATIONAL APPROPRIATIONS ACT FOR THE SIX MONTH PERIOD FROM JULY FIRST TO DECEMBER THIRTY-FIRST NINETEEN HUNDRED SEVENTY-SIX PURSUANT TO PRE...

LETTER OF IMPLEMENTATION NO. 44, April 08, 1976

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TO:

The Commissioner of the Budget and Others Concerned

Pursuant to Section 4 of Presidential Decree No. 904, the following General Provisions are promulgated as part thereof and made applicable to all agencies of the Government whose funds are appropriated in said Decree.

Part I. - Transfer of Funds and Use of Savings

SECTION 1. Authority to use savings for other purposes. - The President of the Philippines is authorized to use any savings in the appropriations provided in the National Appropriations Act for the Executive Departments for the settlement of the following obligations incurred during the current fiscal year and/or previous fiscal years, the limitation in Section 7-I(27) of Commonwealth Act No. 246, as amended, notwithstanding for:

a.

Personal Services

(1)

Claims under Section 699 of the Revised Administrative Code, as amended, the Workmen's Compensation Act as amended, whichever is applicable, of officers, employees and laborers who died or were injured in line of duty, and burial benefits provided under P.D. No. 199;

(2)

Commutation of terminal leaves of employees who maybe retired under existing laws,, who voluntarily resigned or are separated from the service through no fault of their own, in accordance with the provisions of Sec. 286, of the Revised Administrative Code, as amended by R.A. No. 1081, and for unpaid claims for commutation of maternity leave of absence under the provisions of R.A. No. 1564;

(3)

Payment of gratuities or separation pay of employees who are laid off as a result of the elimination of their positions in the National Appropriations Act and/or due to the government reorganization under R.A. No. 5435, as amended;

(4)

Payment of salaries of employees who have been suspended or dismissed as a result of an administrative case or disciplinary action, or separated from the service through no fault or their own and who have been subsequently exonerated and/or reinstated by virtue of decisions of competent authorities as provided under Sec. 260 of the Revised Administrative Code;

(5)

Payment of the share of the National Government in the salaries of national officials and employees in newly created and/or reclassified cities and provinces where no appropriations have been provided in the National Appropriations Act or where the authorized appropriations are not sufficient to cover the salaries of the said officials and employees;

(6)

Payment of hazard pay to officials and employees who are actually assigned to danger or strife-torn areas as may be determined by the Philippine Constabulary. The additional compensation herein provided shall not be less than P50 nor more than P150 per month, and shall be granted to those actually performing their duties in areas of conflict and only for the duration or existence of such peril;

(7)

Salary adjustment of officials and employees resulting from WAPCO upgrading, reclassification and/ or reallocation of their positions to a class with a higher salary range or implementation of the WAPCO salary survey; and

(8)

Payment of honorarium to resource speakers, researchers, experts and specialists who are acknowledged

authorities along their fields or specialization for services rendered at such rates as the President may authorize, unless otherwise specifically provided under existing laws.

b.

Authorized Projects and Activities

(1)

Peso support to any undertaking that may be received by the government from foreign entities and organizations including administration expenses, cost of handling and distribution, warehousing, and other incidental expenses that may be incurred for any aid, such as relief goods and equipment;

(2)

Deficiencies in the regular appropriations for the opening of additional elementary extension classes;

(3)

Improvement of the social, economic opportunities and such other activities for the welfare of the national minorities as may be undertaken by the Office of the Presidential Assistant on National Minorities;

(4)

Expenses for seminars, workshops, in-service training courses and study-grants;

(5)

Establishment, operation, and maintenance of training centers for the boy scouts and out-of-school youth which may be administered by the Boy Scouts of the Philippines, in coordination with the National Manpower and Youth Council;

(6)

Hosting of international conferences and attendance of officials in such conferences held abroad;

(7)

Expenses in connection with official participation in trade fairs, civic parades, celebrations, athletic competitions, and cultural activities;

(8)

Payment of expenses for the yearly celebration of Independence Day, Fil-American Friendship Day, Rizal Day, and any special holiday which may be declared;

(9)

Rural improvements and community development, such as feeder roads, artesian wells, spring development, river and flood control, sea walls, communal irrigation, schoolhouses, wooden bridges, environmental sanitation, and other agricultural and health projects that will promote the economic well-being of the rural areas;

(10)

Covering any deficiency in counterpart fund commitments for foreign assisted projects as may be approved by the President;

(11)

Repair, improvement and renovation of national buildings or those that have been damaged by fire and/or other natural calamities; and

(12)

Organization, activation, training and operation of military engineering units, including pay and allowances of all military personnel assigned thereto, and for the purpose of implementing agency development projects in areas adversely affected by peace and order problems.

c.

Legal Obligations

(1)

Payment of obligations of the National Government or any of its departments or agencies as a result of final judgment of the Courts; and

(2)

Payment of valid prior years' obligations of government agencies with any other government office or private creditors.

d.

Equipment Purchases - Purchase of equipment including motor vehicles' to replace those that may be lost through theft or robbery, accident, fire or typhoon and other natural calamities and to replace unserviceable ones condemned by the Commission on Audit, subject to specific approval as provided under Letter of Implementation No. 29.

e.

Insurance Premiums

(1)

Payment of the Government Service Insurance System of annual life insurance premiums of barrio captains and councilmen under R.A. No. 4898; and

(2)

Insurance premiums of government properties, buildings and equipment insured with the Government Service Insurance System.

f.

Incentive Awards - Cash awards to deserving officials and employees in accordance with the provisions of Sec 33, P.D. No. 807.

g.

General - Implementation of the provisions of Proclamation No. 1081, dated September 21, 1972 and all Presidential Orders, Decrees and Instructions issued as a consequence of said Proclamation.

SECTION 2. Authority to use savings in appropriations to cover deficits. - Except as otherwise provided in the National Appropriations Act, any savings in the regular appropriations authorized in the National Appropriations Act of each approved Program and Project of any Department of the Executive Branch of the Government and those of the bureaus and offices under the same Department, may, with the approval of the President be used to cover a deficit in any other item of the regular appropriations except for the creation of new positions or increase of salaries under the same Department: PROVIDED, That whenever authorized positions are transferred from one program or project to another within the same Department, the corresponding amounts appropriated for personal services are also deem transferred, without increasing the total outlay for personal services of the Department concerned.

SECTION 3. Suspension of expenditures of appropriations and transfer thereof. - Except as otherwise provided in the National Appropriations Act and whenever in his judgment the public interest so requires, the President upon notice to the head of office concerned, is authorized to suspend or otherwise stop the expenditures or any other expenditure authorized in the National Appropriations Act as the President may determine, except for personal services: PROVIDED, That whenever authorized positions are transferred from one program to another, the corresponding amounts appropriated for personal services are also deemed transferred, without increasing the total outlay for personal services of the office concerned.

SECTION 4. Substitutionary Service. - Any provision of the law to the contrary notwithstanding and subject to the approval of the Commissioner of the Budget, savings in the appropriations of a department, bureau or office, when authorized by the department head concerned and upon issuance of a duly approved temporary appointment, may be used for the payment of the salary differential of a substitute official or employee who takes the place and performs the duties of another who is temporarily absent from his post with pay.

SECTION 5. No transfer of salary savings to the Government Service Insurance System. - The provisions of Section 7(c) of C.A. N. 106, as amended, to the contrary notwithstanding, no savings from personal services shall be transferred to the Government Service Insurance System for payment of benefits.

SECTION 6. Athletic uniforms and supplies. - Except as I otherwise provided in the appropriations for bureaus and offices, appropriations for maintenance and other operating expenses may be used for the purchase of athletic uniforms and supplies not exceeding the amount of P10,000 per annum, subject to Sec 7-I(4) of C.A. No. 245, as amended.

SECTION 7. Appropriations for official entertainment purposes. - Except as otherwise provided in the appropriations for their respective bureaus and offices, heads of such bureaus and offices may use the appropriations for sundry expenses for official entertainment purposes not exceeding P5,000 per annum.

SECTION 8. Appropriations for rental. - The appropriations for rental of buildings and grounds, purchase arrangements or loans for buildings and grounds authorized in the National appropriations Act, may be used for lease-purchase arrangements whereby a department, bureau or office may contract for the purchase of buildings

and grounds payable in the form of rentals until the purchase price is fully paid. Any department, bureau or office may also contract with any banking or financial institution for loans for the acquisition of land for the construction of office buildings. The annual amortization of the loan shall be taken from the appropriations for rental authorized in the National Appropriations Act for the department, bureau or office concerned.

Part II. - Organizational Changes

SECTION 9. Maximum number of permanent positions in a bureau or office. - Except as otherwise provided by law, the maximum number of permanent positions in a bureau or office shall not exceed the number of permanent positions included in the approved staffing patterns and in the itemization of personal services or in the approved special budgets for the said bureau or office.

SECTION 10. Adjustment of appropriations for reorganized and salaries of personnel thereof. - The appropriations provided in the National Appropriations Act for agencies to be reorganized in accordance with the approved reorganization plans as well as these to be reorganized pursuant to later decrees issued but not yet implemented are deemed appropriated and shall be available for the agencies as reorganized and approved by the President. The Commissioner of the Budget is hereby authorized to make necessary adjustments in the appropriations to carry out the provisions of this Section. Furthermore, the department head concerned, with the approval of the Commissioner of the Budget, is hereby authorized to make necessary salary adjustment resulting from final selection of personnel to fill the positions in the staffing patterns of reorganized agencies, to make necessary salary adjustments resulting from new appointments, promotions or salary increases made in the interim and make necessary salary adjustments resulting from changes in the staffing patterns authorized by the Commissioner of the Budget, to correct mistakes, discriminations or injustices that may in his opinion, have been committed in the preparation thereof: PROVIDED, That any such adjustments in the staffing patterns of reorganized agencies which have been or may be authorized but not yet reflected in the National Appropriations Act shall be given due course by adjusting the corresponding appropriations herein authorized.

Port III. - Compensation and Allowances

SECTION 11. No salary increase unless specifically authorized - No portion of the appropriations provided in the National Appropriations Act shall be used for payment of salary increases or salary adjustment unless specifically authorized by law, decree or appropriate budget circular; nor shall any appropriation for salaries authorized in the National Appropriations Act, save as otherwise provided by the Classification and Pay Plans, be paid unless the positions have been classified by the Wage and Position Classification Office (WAPCO).

SECTION 12. Officials entitled to transportation and representation allowances. - The following officials and those of equivalent rank are hereby granted commutable transportation and representation allowances which may be paid out of savings in the programmed appropriations provided for their respective offices, not exceeding the rates indicated below, which shall pertain to such allowances in identical amounts:

(1)

At P350 each per month - Secretaries of National Government Departments;

(2)

At P300 each per month - Career Executive Service Sank I officials;

(3)

At P250 each per month - Career Executive Service Rank II officials;

(4)

At P200 each per month - Career Executive Service Rank III officials;

(5)

At P150 each per month - Career Executive Service Rank IV officials;

(6)

At P100 each per month - Career Executive Service Rank V officials and Chief of technical divisions.

PROVIDED, That the rate for transportation allowance herein provided shall not be granted to officials who use government motor transportation under Part V, Section 19 hereof, except as may be approved by the President: AND PROVIDED, FURTHER, That the equivalent rank of officials who are entitled to the rates abovementioned shall first be determined by the Commissioner of the Budget.

SECTION 13. Prohibition of double allowances or benefits. - The provisions in Section 12 notwithstanding, officials and employees already receiving such or similar allowances or benefits granted under previous authorizations shall not be entitled to any increased transportation and /or representation allowances provided therein, unless the total of his existing allowances or benefits is less than the total of the two rates fixed in the preceeding section, in which case he may be entitled only to the difference.

SECTION 14. Consultants compensation. - Compensation of consultants who are hired by a department, bureau or office, when authorized in their respective appropriations in the National Appropriations Act, shall paid an amount not exceeding P12,000 per annum as the aggregate of salaries, fees, honoraria, per diems and allowances, except as may be authorized by the Commissioner of the Budget in accordance with guidelines issued by the President.

SECTION 15. Per diems outside of the Philippines. - No per diem in excess of the equivalent of fifty U.S. Dollars shall be paid to any official or employee traveling outside of the Philippines, except as may be approved by the President.

SECTION 16. Uniform and shoes allowance. - Appropriations for each department, bureau or office, at such sums as may be [necessary, may be used for uniform and shoes allowance of personnel who are already authorized since Fiscal Year 1974 and (such other employees who may hereafter be authorized by the President, at not more than P150 each per annum. Saving in the appropriations for each department, bureau or office may be used for this purpose where no amount is specifically appropriated in the National Appropriations Act or at an amount necessary to make the allowance P150 if a lesser amount is appropriated.

Part IV. - Procurement

SECTION 17. Purchase of locally manufactured equipment, parts, accessories, supplies and materials. - All appropriations for the purchase of equipment, supplies and materials authorized in the National Appropriations

Act shall be available only for locally manufactured equipment, parts, accessories, medicines and drugs, supplies and materials, except when none is available in the market or when the prices of the locally manufactured article exceed those determined by the Flag Law by fifteen percent.

SECTION 18, Limitation of ordinary and emergency purchase of supplies, materials and equipment spare parts. - Any provision of law to the contrary notwithstanding, supplies, materials and equipment spare parts, acquired through ordinary and emergency purchase, shall at no time exceed the normal three-month requirements of any agency, bureau or office: PROVIDED, That under no circumstance shall splitting of requisitions for supplies, materials and equipment spare parts be allowed except those acquired through emergency purchase from reputable firms: PROVIDED, FURTHER, That no requisition shall be made by any office for items of the same kind as would exceed requirements for three months based on the annual procurement program approved by the Bureau of Supply Coordination: PROVIDED, FURTHERMORE, That the Agency head making the emergency purchase shall submit to the Commissioner of the Budget a detailed quarterly report of all such purchase within fifteen days from the close of every quarter.

Part V - Motor Vehicles

SECTION 19. Officials entitled to government motor transportation. - The following officials are entitled to use government motor transportation chargeable against the appropriations authorized for their respective offices, except where otherwise provided in the National Appropriations act or other special laws, or when specifically authorized by the President:

(1)

The President of the Philippines;

(2) The Chief Justice of the Supreme Court;

(3) The Secretaries and Undersecretaries of National Government Departments, and officials of equivalent rank;

(4) The Presiding Justice of the Court of Appeals;

(5) The Ambassadors, Ministers Plenipotentiary and Consuls in Charge of Consulates in their respective stations abroad; and

(6) The Chief of Staff, the Vice Chief of Staff and the Commanding Generals of the Major Services of the Armed Forces of the Philippines.

SECTION 20. Purchase use, operation and maintenance of motor transport equipment. - No appropriation authorized in the National Appropriations Act shall be used for the purchase of automobiles, jeeps, jitneys, station wagons, motorcycles, trucks, launches, speedboats, airplanes and other types of motor transport equipment unless otherwise specifically approve! by the President: PROVIDED, That all bureaus and offices with previous authority to purchase such motor transport equipment, including those acquired through donations or gifts from private individuals or organizations, are authorized to use, operate and maintain them for carrying out the official

functions and activities of the agency.

SECTION 21. Proper use of government motor vehicles. - The use of government motor vehicles by bureaus and offices shall be authorized only through the issuance for each trip of a serially numbered ticket, duly signed by the Chief or the Administrative officer of the bureau, or office concerned. These motor vehicles shall be used strictly for official business, bear government plates only and after office hours kept in the garage provided therefor by the bureau or office to which they belong, except when in use for strictly official business outside office hours. Any violation of the provisions of this section shall cause withdrawal of the privilege to use motor vehicles from the office or bureau concerned.

SECTION 22. Use of more than one motor vehicle prohibited. - With the exception of the President, no government official authorized to use any vehicle operated and maintained from the funds appropriated in the National Appropriations Act shall be allowed to use more than one such motor vehicle except the Chief Justice of the Supreme Court who may be allowed to use two motor vehicles. The Chairman, Commission on Audit shall issue rules and regulations for the proper implementation and enforcement of the provisions for this Section and Section 12, 13, 19 and 21 hereof.

SECTION 23. Limitation in rental of motor vehicles. - No appropriations provided in the National Appropriations Act for the Executive Departments shall be used for renting automobiles, jitneys or trucks on the monthly basis nor on the daily basis for a continuous period exceeding fifteen days.

Part. VI. - Incentives for Economy

SECTION 24. Cost reduction. - Subject to the approval of the respective department heads, every head of the bureau, office or agency shall institute a cost reduction program for his bureau, office or agency for the purpose of reducing cost of operations and shall submit to the Commissioner of the Budget reports on the result of the implementation thereof. An incentive award not exceeding one month's salary may be granted to any official or employee whose suggestion for cost reduction has been adopted and shall have actually resulted in cost reduction, payable from the savings resulting therefrom.

Part VII. - Budget Accountability and Reports

SECTION 25. Failure to submit reports. - Failure on the part of heads, chief accountants, budget officers, cashiers, disbursing officers, and other responsible officers of departments, bureaus and offices to submit trial balances, financial work plans, special budgets, reports of operations and income, and such other reports as may be necessary and required by the Commissioner of the Budget and/or the Chairman, Commission on Audit shall automatically cause the suspension of the payment of their salaries until they shall have complied with the requirements of the Budget Commission and the Commission on Audit. No appropriation authorized in this Decree shall be available to pay the salary of any official or employee who violates the provisions of this section, in addition to any disciplinary action that may be instituted against such official or employee.

Part VIII. - Miscellaneous

SECTION 26. Disposition of donations, grants, bequests, gifts or contributions., The provisions of P.D. No. 711 and other laws notwithstanding, donations, grants, bequests, gifts or proceeds therefrom and contributions given in cash by private, individuals or entities of foreign governments and institutions shall be used or expended only in accordance with the wishes of, and purposes specified by, the benefactor or donor, subject to the provisions of Section 7-1(4) of CA. No. 24-6, as amended.

Part IX. - Repealing Clause and Effectivity

SECTION 27. Repealing Clause. - All rules and regulations inconsistent with this Letter of Implementation are hereby repealed or modified accordingly.

SECTION 28. Effectivity. - This Letter of Implementation shall take effect July first, nineteen hundred and seventy-six.

Done in the City of Manila, this 8th day of April, in the year of Our Lord, nineteen hundred and seventy-six.

(Sgd.) FERDINAND E. MARCOS

President

Republic of the Philippines

By the President:

(Sgd.) JACOBO C. CLAVE

Presidential Executive Assistant

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