

## LETTER OF INSTRUCTIONS NO. 1026, May 23, 1980

*LETTER OF INSTRUCTIONS NO. 1026, May 23, 1980*

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/95e9ecb5c35b/>

---

### TO :

The Minister of Education and Culture

The Minister of the Budget

The Chairman, Commission on Audit

### DIRECTING THE ACCELERATION OF MANUFACTURING OPERATIONS OF NATIONAL SCHOOLS

WHEREAS, national vocational schools and state universities and colleges have existing resources, in their faculty members, students and equipment, which can be marshalled for national productivity;

WHEREAS, the government and private sectors can purchase much of their requirements for school desks and certain other items from national vocational schools;

WHEREAS, it is necessary to improve the existing funding and budgetary mechanism to encourage vocational schools to enter into added productive activity;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby order and instruct:

- National vocational schools and state universities and colleges may retain in a Revolving Fund, income earned from the sale of school desks, furniture and other items fabricated using school facilities;
- These receipts shall be spent on the cost of raw materials to fabricate the items manufactured and sold, honoraria for the teachers, students, and other personnel doing the manufacturing work, wages of casuals employed, supplies and other related costs.
- The income may be recorded and the expenditures paid directly from a bank account which may be opened with an authorized government depository bank. Deposits may be made and withdrawals made on joint signatures of a representative of the school head and of the Commission on Audit, without need for the usual Cash Disbursement Ceilings issued by the Ministry of the Budget. Transactions in the Revolving Fund, both receipts and expenditures, shall be recorded in the books of government, following such rules and regulations as may be issued by the Commission on Audit. Quarterly reports on such transactions shall be submitted to the Ministry of the Budget through its Regional Offices. The Minister of the Budget shall have the authority to suspend or cancel the Revolving Fund arrangement and to order the closure of the bank account of any school which violates this Letter or which fails to submit the required quarterly reports.
- Any interest income earned from bank deposits, as well as any net income accruing from the manufacturing operations of the school shall accrue to the Revolving Fund, which may also be used to support the regular academic programs of the school.
- No amount in the Revolving Fund may be used to pay honorarium or other form of compensation to personnel outside of the school, audit personnel, or school officials who do not have any direct involvement in the

production activities.

- The rates of honorarium and compensation to teachers, students and other personnel shall be subject to the approval of the Minister of the Budget.
- The regular operating and maintenance fund of the school may be utilized to cover expenditures for the first year of operations of its manufacturing activity. Advances from customers may likewise be utilized for purposes of starting the operations of the Revolving Fund. No expenditures, including raw materials and personal services, intended for the productive activity authorized under this Letter shall be charged to the General Fund of the school, except during the first year.
- The purchase of motor vehicles and equipment out of Revolving Fund income shall continue to be subject to the approval mechanism established by LOIMP. NO. 29.
- The Commission on Audit and the Minister of Education and Culture shall adopt such measures as may be necessary to prevent the use of school facilities for private undertakings. Products shall not be sold to private parties at prices less than that charged to government agencies. In no case may products be sold to anyone at prices less than the cost of raw materials and supplies, payments for labor and honoraria, estimated cost for the depreciation of equipment and overhead charges.
- The Minister of the Budget shall formulate and issue the rules and regulations needed to implement this Letter.

Done in the City of Manila, this 23rd day of May, in the Year of Our Lord, nineteen hundred and eighty.

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

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.