

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES DURING THE PERIOD JANUARY ONE TO DECEMBER THIRTY-ONE, NINETEEN HUNDRED AND SEVE...

BATAS PAMBANSA BLG. 1, August 18, 1978

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/a049e4d08df6/>

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Appropriation of funds.—The following sums, or so much thereof as may be necessary, are hereby appropriated out of any funds in the National Treasury of the Philippines not otherwise appropriated, for the operation of the Government of the Republic of the Philippines from January one to December thirty-one, nineteen hundred and seventy-nine except where otherwise specifically provided:

[For brevity, the enumeration under this Section of the funds appropriated for the operation of the Government had been deleted. Please refer to the unabridged copy of the General Appropriations Act for the details.]

GENERAL PROVISIONS

DEFINITIONS

SEC. 2. Expenditure Components.—Any provision of law to the contrary notwithstanding, any change or modification in the definition of items and objects of expenditure referred to in the General Appropriations Act and other Appropriation Laws or Executive issuances promulgated pursuant thereto shall require the concurrence of the Minister of the Budget.

RECEIPTS AND INCOME

SEC. 3. Fees and Charges.—Ministries, bureaus, offices or agencies are authorized to collect fees for services rendered in the exercise of their functions at such rates as may be approved by the Minister concerned. The

income from such fees or charges shall accrue to the General Fund and shall be deposited with the National Treasury, unless otherwise provided by law.

SEC. 4. Sale of Products.—Ministries, bureaus, offices or agencies are authorized to sell output from agricultural, industrial or other projects, including official publications, with the proceeds thereof to accrue to the General Fund, unless otherwise provided by law.

SEC. 5. Seminar Fees.—Ministries, bureaus, offices or agencies which conduct training programs are authorized to collect seminar and conference fees from government and private agency participants, the rates of which shall be determined in accordance with Letter of Instructions No. 566. The proceeds derived therefrom shall be deposited with the National Treasury and shall be made available for expenditure to defray the costs incurred, including speakers' honoraria, handouts, meals and other incidental expenses, subject to Sections 40 and 52 of P.D. No. 1177.

SEC. 6. Loan Proceeds.—The proceeds from foreign or domestic borrowings, whether in cash or in kind, shall not be utilized unless covered by an appropriation that is pro-programmed for expenditure.

SEC. 7. Donations.—Any provision of law to the contrary notwithstanding, Ministries, bureaus, offices or agencies are authorized to accept donations, contributions, grants, bequests, or gifts, in cash or in kind. The proceeds thereof, if in cash, shall be deposited with the National Treasury in a Special Account and shall be used or expended only in accordance with the wishes of, and purposes specified by the benefactor or donor, subject to Section 40, P.D. No. 1177: Provided, however, That if such donations, contributions or gifts are in kind and their storage or distribution to intended beneficiaries would entail an expenditure of more than forty percent of their current market value and that they are of a perishable nature, the same may be sold at public auction and the proceeds thereof shall be deposited in like manner as if they were in cash, if permitted by and subject to the conditions imposed by the donor; and, Provided, finally, That such receipts, including equipment and other fixed assets, shall be recorded in the books of government and subject to pertinent accounting and auditing rules and regulations.

SEC. 8. Performance Bonds.—Performance bonds filed or posted by private persons or entities with offices or agencies of the government shall be deposited with authorized government depository banks as trust liabilities of the office or agency concerned. Upon faithful performance of the undertaking or termination of the obligation for which the bond was required, any amount due shall be returned to the filing party and the office or agency concerned is authorized to withdraw said amount without the need for a Cash Disbursement Ceiling: Provided, That the interest accruing thereto, including any forfeited amount shall be recorded as income of the General Fund. This provision shall apply to all other bonds posted in cash, such as bidder's bonds, guarantee bonds, bail bonds, judicial bonds, and all bonds required by law, rules or regulations to be posted to insure the faithful performance of an activity or undertaking.

SAVINGS

SEC. 9. Use of Savings.—The President (Prime Minister) of the Philippines is authorized to use savings in the current appropriations for the Ministries provided in this Act for the settlement of the following obligations incurred during the budget year:

- a. Payment of gratuity or separation pay of employees who are entitled thereto under existing law or are laid off as a result of the elimination of their positions under authorized procedures;
- b. Payment of the share of the National Government in the salaries of officials and employees in newly created and/or reclassified local government units where no appropriation has been provided in this Act or where the authorized appropriation is not sufficient to cover the salaries of the said officials and employees;
- c. Payment of hazard pay to officials and employees who are authorized to receive such pay under existing law;
- d. Provision of social and economic opportunities and such other activities intended for the welfare of the national minorities as may be undertaken by the Presidential Assistant on National Minorities;
- e. Rural improvement and community development projects such as feeder roads, artesian wells, spring development, river and flood control, sea walls, communal irrigation, schoolhouses, bridges, environmental sanitation, and other agricultural and health projects to promote the economic well-being of the rural areas;
- f. Organization, activation, training and operation of military units for the purpose of implementing agency development projects in areas adversely affected by peace and order problems, including salaries and allowances of all military personnel assigned thereto;
- g. Payment of obligations of the National Government or any of its Ministries or agencies arising from perfected and valid contracts or international agreements;
- h. Payment to the Government Service Insurance System of annual life insurance premiums of barangay officials and Kabataang Barangay chairmen as authorized by law;
- i. Purchase of equipment, including motor vehicles, to replace those lost through theft or robbery, accident, fire or typhoon and other natural calamities, and to replace unserviceable and condemned items;

j. Expansion of essential facilities and services, including the opening of additional classes in elementary, secondary and vocational schools, as may be approved by the President (Prime Minister);

k. Funding of foreign exchange requirements of foreign-assisted projects; and

l. 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.

Any provision in this Act to the contrary notwithstanding, the authority granted in the special provisions of the budgets of the different Ministries, offices or agencies under the Executive Branch to utilize, by way of transfer, savings in appropriations to augment other items of appropriation in the same Ministry, office or agency, shall be subject to the approval of, or upon authority by, the President (Prime Minister), pursuant to Section 45, P.D. No. 1177 and Letter of Implementation No. 29.

SEC. 10. Transfer of Salary Savings.—The provisions of Section 7(c) of C.A. No. 186, as amended, to the contrary notwithstanding, no savings from personal services shall be transferred to the Government Service Insurance System for payment of benefits.

AUTHORIZED EXPENDITURES

SEC. 11. Key Budgetary Inclusions.—The Key Budgetary Inclusions (KBI) of Ministries, bureaus, offices or agencies shall be released and used only for the indicated purposes and conditions, except as may be otherwise approved by the Minister of the Budget: Provided, That the amounts of loan proceeds or donations shall be released only to the extent of actual draw downs or receipts, as the case may be, and shall not be used for any purpose other than that specified.

SEC. 12. Funding for Contracts.—Ministries, bureaus, offices or agencies concerned, before entering into a contract requiring government funding, including contracts of lease, equipment rental, construction of partitions or improvements in a leased building or contracts involving an increase or in excess of authorized appropriations, and contracts for services or consultancy, shall secure a certification of availability of funds for the purpose, subject to applicable rules and regulations as may be issued by the Ministry of the Budget, and to Section 64, P.D. No. 1177.

SEC. 13. Foreign Exchange Requirements.—Except as otherwise provided in this Act, the appropriations for Ministries, bureaus, offices, or agencies allotted for main-tenance and other operating expenses may be used to pay for foreign exchange requirements of duly approved activities.

SEC. 14. Seminar Expenses.—Ministries, bureaus, offices or agencies are authorized to conduct seminars, workshops, conferences, and in-service training courses for their respective staff members, including employees of other government agencies and private sector. The expenses incurred shall be chargeable to the appropriations allotted for maintenance and other operating expenses of their respective offices and to the proceeds from fees collected under Section 5 hereof. Per diems and allowances of employees attending such courses may be withheld to the extent paid by the agency for board, lodging and/or transportation from its appropriations.

SEC. 15. Dues to International Organizations.—Except as otherwise provided in this Act, appropriations allotted for maintenance and other operating expenses may be used for the payment of dues to international organizations, membership in which is duly approved by competent authority.

SEC. 16. Repair of Buildings.—Ministries, bureaus, offices, or agencies, including public schools, courts of justice and hospitals, are authorized to use their appropriations allotted for maintenance and other operating expenses for minor repairs of their offices and buildings.

SEC. 17. Cultural and Athletic Activities.—Except as otherwise provided in this Act, appropriations allotted for maintenance and other operating expenses not exceeding P10,000 per annum for each non-regionalized bureau, office or agency, or P25,000 for each regionalized bureau, office or agency, may be used for cultural and athletic activities, including purchase of uniforms at not more than P100 for each participant, and for supplies and necessary expenses for said activities, subject to Section 40, P.D. No. 1177.

SEC. 18. Information Outlay.—The appropriations pertaining to information of the various Ministries, bureaus, offices and agencies shall be released upon presentation of an appropriate program of activities, a copy of which shall be furnished to the Ministry of Public Information.

SEC. 19. Miscellaneous and Extraordinary Expenses.— Except as otherwise provided in this Act, each bureau, office or central organization of equal rank is authorized to use an amount not exceeding P6,000 per annum for official entertainment and other miscellaneous expenses. In addition and unless otherwise provided in this Act P30,000 is authorized as extraordinary expenses for each Minister or equivalent, P10,000 for each Deputy Minister or equivalent, P4,000 for each Assistant Minister or equivalent, and head of bureau, office, or central organization of equal rank, and P2,000 for each regional director. These expenditures shall be chargeable to appropriations allotted for maintenance and other operating expenses.

PERSONAL SERVICES AND BENEFITS

SEC. 20. Transportation and Representation Allowances. —The following officials and those of equivalent rank are hereby granted monthly commutable transportation and representation allowances which shall be paid from

the programmed appropriations provided for their respective offices, not exceeding the rates indicated below, which shall apply to each type of allowance:

- a. At P400 for Ministers;
- b. At P350 for Career Executive Service Rank I officials;
- c. At P300 for Career Executive Service Rank II officials;
- d. At P250 for Career Executive Service Rank III officials ;
- e. At P200 for Career Executive Service Rank IV officials;
- f. At P150 for Career Executive Service Rank V officials; and
- g. At P100 for Chiefs of Technical Divisions declared as such by the Minister of the Budget.

The transportation allowance herein authorized shall not be granted to officials who use government motor transportation, except as may be approved by the President (Prime Minister). Unless otherwise provided by law, no amount appropriated in this Act shall be used to pay for representation and/or transportation allowances, whether commutable or reimbursable, which exceed the rates authorized under this Section. Previous administrative authorizations not consistent with the rates and conditions herein specified shall no longer be valid and payment shall not be allowed.

SEC. 21. Official Vehicles and Transport.—Government motor transportation may be used by the following officials, and those who may be specifically authorized by the President (Prime Minister), with costs chargeable to the appropriations authorized for their respective offices:

- a. The President(Prime Minister) of the Philippines;
- b. The Chief Justice of the Supreme Court;
- c. The Speaker of the Interim Batasang Pambansa ;
- d. The Deputy Prime Minister;
- e. The Ministers and Deputy Ministers, and officials of equivalent rank;
- f. The Presiding Justice of the Court of Appeals;
- g. The Ambassadors,Ministers Plenipotentiary and Con-suls in charge of Consulates, in their respective stations abroad; and
- h. The Chief of Staff, the Vice Chief of Staff and the Commanding Generals of the major services of the Armed Forces of the Philippines.

SEC. 22. Uniform/Clothing Allowance.—Except as other-wise provided in this Act, or as may be authorized by the President (Prime Minister), appropriations for each Ministry, bureau or office, at such sums as may be necessary, may be used for uniform allowance of employees at not more than P150 each per annum. Savings in the appropriations for each Ministry, bureau or office may be used for this purpose where no amount is

specifically appropriated in this Act. The allowance herein authorized shall be used for the purchase of clothing material of the same quality, cut and style as may be prescribed by the Minister concerned for each office or group of employees.

SEC. 23. Hazardous Duty Pay.—Authorizations for the payment of hazardous duty pay shall be reviewed from time to time by the Minister of the Budget with the Minister of National Defense or other authorities involved, and shall terminate authorizations earlier issued if conditions no longer justify the continuation of hazardous duty pay.

SEC. 24. Honoraria.—Ministries, bureaus, offices or agencies are authorized to pay from their respective appropriations, honoraria to resource speakers, researchers, experts, and specialists who are acknowledged authorities in their fields of specialization, for services rendered at such rates as the Minister of the Budget may authorize, unless otherwise specifically provided by law.

SEC. 25. Compensation of Contractual Personnel.—Consultants, experts and other contractual personnel may be hired by a Ministry, bureau or office only when their services are vitally needed and only for such period as their services are reasonably required and when authorized in their respective appropriations in this Act, shall be paid an annual compensation not exceeding one hundred twenty per centum of the minimum salary of an equivalent position in the National Position and Compensation Plan, as the aggregate of salaries, fees, honoraria, and allowances, except as may be authorized by the Minister of the Budget in accordance with guidelines issued by the President (Prime Minister) : Provided, That in no case shall such compensation exceed the salary of his immediate superior, except as may be otherwise approved by the Civil Service Commission and the Ministry of the Budget: Provided, further, That services rendered under contractual employment shall not be credited nor the compensation received for the period be used as basis for computation of gratuity benefits for retirement purposes or for the commutation of all leave benefits, the provisions of Sec. 12 (c) of C.A. No. 186, as amended, and other laws to the contrary notwithstanding. For purposes of this Section, appointments to positions funded from lump-sum appropriations for the payment of consultants, technical, professional and expert services, confidential assistants, or other similar positions, including those funded from subsidies and contributions from other agencies, shall be considered as contractual in nature.

SEC. 26. Incentive or Service Fees.—Incentive or service fees paid by the Government Service Insurance System or by private companies which are intended for employees shall be deposited with the National Treasury as trust funds, and shall be made available for payment to employees in accordance with rates approved by the Minister concerned, subject to Section 40 of P.D. No. 1177: Provided, That the share of any employee may not, in the aggregate, exceed fifty per centum of his annual salary.

SEC. 27. Special Counsel.—Lawyer-personnel in the legal staffs of Ministries, bureaus or offices of the National Government appearing in Court as special counsel in collaboration with the Solicitor-General and/or Fiscals concerned are hereby authorized an allowance of P100 for each appearance, chargeable to savings in the appropriations allotted for personal services of their respective offices, but not exceeding P400 a month.

SEC. 28. Per Diems Abroad.—No per diem in excess of fifty U.S. dollars shall be paid to any official or employee traveling outside of the Philippines, except as may be approved under Section 79, P.D. No. 1177.

ADMINISTRATIVE PROCEDURES

SEC. 29. Cash Advances for Foreign-Assisted Projects. —Any provision of law to the contrary notwithstanding, cash advances may be authorized to meet the expenditure requirements of foreign-assisted projects in cases where the approved project/loan agreement provides specifically for a reimbursement mechanism for expenses incurred, subject to the approval of the Minister of the Budget and to applicable accounting and auditing regulations.

SEC. 30. Emergency Purchases.—Unless otherwise provided in this Act, Ministries, bureaus or offices of the National Government are authorized to make emergency purchases of supplies, materials and spare parts of equipment that are urgently needed to meet an emergency which may involve the loss of, or danger to, life and/or property or are to be used in connection with project or activity which cannot be delayed without causing detriment to the public service, in a monthly amount not exceeding four per centum of the annual agency expenditure program for supplies and materials, out of the appropriations allotted for maintenance and other operating expenses of the agency concerned, except as may be authorized by the Office of the President upon the joint recommendation of the Chairman, Commission on Audit and the Minister of the Budget.

SEC. 31. Construction Outlays.—In the implementation of construction projects covered by appropriations authorized in this Act under the various Ministries, bureaus, offices and agencies of the National Government, including the construction of buildings for state colleges, universities, schools, hospitals, sanitariums, health centers and health stations, roads, and bridges, the appropriate standards and specifications for the planning, survey, design, and construction of the projects shall be prescribed by the Ministry of Public Works, Transportation and Communications or the Ministry of Public Highways, as the case may be, and in addition, land use and zoning guidelines shall be prescribed by the Ministry of Human Settlements.

SEC. 32. Computer Equipment.—The appropriations authorized in this Act for the purchase of computer equipment shall be released only with the approval by the President (Prime Minister) upon recommendation of the National Computer Center.

SEC. 33. Motor Vehicles.—The appropriation allotted for equipment of any Ministry, bureau, office or agency may be used for the purchase of motor vehicles upon recommendation of the Minister of the Budget and approval of the President (Prime Minister) of the Philippines, as provided by Letter of Implementation No. 29.

CONCLUDING PROVISIONS

SEC. 34. Repealing Clause.—All laws, rules and regulations inconsistent with this Act except for P.D. No. 711 and 1177, as amended, are hereby repealed or modified accordingly.

SEC. 35. Separability Clause.—If for any reason, any section or provision of this Act is declared unconstitutional or invalid, other sections or provisions thereof which are not affected thereby, shall continue to be in full force and effect.

SEC. 36. Effectivity.—This Act shall take effect on January one, nineteen hundred and seventy-nine, unless otherwise provided.

Approved, August 18, 1978.

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.