

DIRECTING THE LIMITATION OF GOVERNMENT EXPENDITURES

LETTER OF INSTRUCTIONS NO. 805, February 08, 1979

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TO:

All Concerned

WHEREAS, it is necessary for Government to anticipate potential shortfalls in revenue arising from the effects of the projected oil price increase and of possible economic slowdowns abroad;

WHEREAS, Government expenditures can be reduced through elimination or reduction of the less essential activities;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct all agencies of the government to reduce their expenditures to the minimum necessary level:

Personal Service

- New position items created for CY 1979 under Letter of Implementation No. 76 shall not be filled, except for hospitals, schools and state universities and colleges.
- Casuals, temporary and emergency employees, including consultants and contractual personnel, shall not be hired without the prior approval of a Personnel Effectiveness Review Committee consisting of the Chairman of the Civil Service Commission and the Minister of the Budget.
- The Minister of the Budget shall withhold/withdraw salary savings of agencies and shall add these to budgetary reserves. Actual personnel services costs shall be determined (net of salary lapses and savings due to vacant positions) and withheld/withdrawn accordingly, in accordance with procedure as may be approved by the President.
- The payment of hazard duty pay in strife-torn or embattled areas shall be authorized only when a state of emergency in the municipality/city where the government employee works, is declared as such by the Minister of National Defense.
- No substitutionary appointments shall be issued to fill temporary vacancies that arise for periods less than three months.
- No additional compensation shall be authorized other than for meal allowances, except in cases where a deadline for the accomplishment of the tasks involved is fixed by law or Executive Order.
- The Civil Service Commission shall review the Rural Service Program, with the aim of limiting expenditures and of authorizing only the most beneficial aspects of the Program.

Maintenance and Operating Expenses

- Government funds may not be spent for attendance in conventions, seminars, workshops and other similar activities conducted by private groups. Attendance of government officials and staff may be authorized at no

expense other than the salary of the persons concerned, the payment of fees and per diems for attendance being prohibited.

- Government agencies may conduct training programs when they are so empowered by law or Executive Order. Fees charged shall, however, be limited to actual costs incurred, subject to Sec. 5 of B.P. No. 1
- The Ministry of Public Information shall review the publications of agencies, for the purpose of eliminating/ combining these for an optimal information program of government.
- The Commission on Audit shall strictly enforce Executive Order No. 228 relative to the reversion to the General Fund of unsubstantiated Accounts Payable recorded in agency books.
- Agencies shall not conduct meetings in expensive hotels and restaurants, except in unique cases as may be specifically authorized by the Ministry Head.
- No agency shall pay compensation whether in the form of allowances, honoraria, or other form of compensation, to personnel of other agencies, except where authorized by law and with the permission of the Ministry Head of the paying agency and of the agency where the individual recipient is employed.
- Agencies shall not utilize government funds as contributions to private fund raising campaigns, except when the fund raisers are expressly authorized by law to receive contributions from Government.
- Existing regulations pertaining to limitations on foreign travel are hereby reiterated.
- Agency heads shall establish a mechanism in their respective agencies, for the review and control of purchases and inventories of supplies and material and other stocks

Equipment

- Existing regulations limiting the purchase of equipment, particularly transport equipment, are hereby reiterated. Loan proceeds may not be utilized for the purchase of transport equipment, except as may be authorized under Letter of Implementation No. 29.

Construction

- The release of funds for capital outlays shall be limited only to ongoing and/or foreign assisted projects, and to the extent necessary to render such projects usable.

General

- The organization and staffing of new organizational units is hereby suspended, except as may be authorized in accordance with the recommendations of the Ad Hoc Committee on Organizational Units created under LOI No. 728.
- The creation of new Inter-Agency Committees with additional compensation to members and/or technical or support staff is hereby prohibited. Existing Committees shall be abolished in accordance with the recommendations of the Committee created under LOI No. 728.
- Existing directives for the delegation of authority to regional and field offices are hereby reiterated. Transactions with members of the public or other agencies of government shall be conducted at such regional or field offices.
- Agency heads shall carefully program consultations with their field/regional personnel so as to limit travel to and from Manila.
- Agencies and the Commission on Audit shall accelerate the collection of accounts receivable including

unliquidated cash advances.

- The Minister of the Budget and the Minister of Finance shall issue regulations to limit the nature of receipts collected and recorded as Trust Liabilities.
- The National Economic and Development Authority shall review the program of the government to subsidize commodities, with the aim of reducing expenditure to government for this Purpose.

Applicability

These Instructions shall apply to all Ministries, Bureaus, Offices, and Agencies of the National Government, including state universities and colleges and government owned or controlled corporations. The only exceptions shall be those given prior approval by the President.

Effectivity

These Instructions shall be effective immediately and shall apply for Calendar Year 1979.

Done in the city of Manila, this 8th day of February, in the year of Our Lord, nineteen hundred and seventy-nine

(Sgd.) FERDINAND E. MARCOS

President of the Philippines

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