GUIDELINES ON THE DISBURSEMENT OF EXTRAORDINARY AND MISCELLANEOUS EXPENSES AND OTHER SIMILAR EXPENSES IN GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS/GOVERNMENT FINANCIAL INSTIT...

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I. RATIONALE

Governing boards of government-owned and controlled corporations/government financial institutions (GOCCs/GFIs) are invariably empowered to appropriate through resolutions such amounts as they deem appropriate for extraordinary and miscellaneous expenses. Previous circulars issued by this Commission pursuant to its constitutional mandate to promulgate accounting and auditing rules and regulations governing such expenses, however, clearly and categorically pertain to national government agencies only. There is a need, therefore, to prescribe rules and regulations specifically for government corporations to regulate the incurrence of these expenditures and ensure the prevention or disallowance of irregular, unnecessary, excessive, extravagant, or unconscionable expenditures or uses of government funds.

II. SCOPE AND COVERAGE

This Circular shall be applicable to all GOCCs, GFIs and their subsidiaries. It shall cover extraordinary and miscellaneous expenses and other similar expenses, such as discretionary, business development expenses, representation expenses and the like, provided that the nature or purpose of said expenditures pertain to any of the following:

a. meetings, seminars and conferences;
b. official entertainment;
c. public relations;
d. educational, athletic and cultural activities;
e. contribution to civic and charitable institutions;
f. membership in government associations;
g.membership in national professional organizations duly accredited by the Professional Regulation Commission;
h. membership in the Integrated Bar of the Philippines;
i. subscription to professional technical journals and informative magazines, library books and materials;
j. other similar expenses not supported by regular budget allocation.

The above enumeration is not exclusive and shall not prevent the inclusion of other similar disbursement which may be categorized as extraordinary and miscellaneous expenses within its contemplation.

III. AUDIT GUIDELINES

1. The amount of extraordinary and miscellaneous expenses, as authorized in the corporate charters of GOCCs/GFIs, shall be the ceiling in the disbursement of these funds. Where no such authority is granted in the

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corporate charter and the authority to grant extraordinary and miscellaneous expenses is derived from the General Appropriations Act (GAA), the amounts fixed thereunder shall be the ceiling in the disbursements;

2. Payment of these expenditures shall be strictly on a non-commutable or reimbursable basis;

3. The claim for reimbursement of such expenses shall be supported by receipt and/or other documents evidencing disbursements; and

4. No portion of the amounts appropriated shall be used for salaries, wages, allowances, intelligence and confidential expenses which are covered by separate appropriations.

IV. REPEALING CLAUSE

Any and all issuances inconsistent herewith are hereby amended or repealed accordingly.

V. EFFECTIVITY

This Circular shall take effect immediately.

Adopted: 03 Jan. 2006

(SGD.) GUILLERMO N. CARAGUE
Chairman

(SGD.) EMMANUEL M. DALMAN

(SGD.) REYNALDO A. VILLAR

Commissioner

Commissioner

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