

APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, NINETEEN HUNDRED AND SEVENTY-SEVEN AND FOR OT...

PRESIDENTIAL DECREE NO. 1050, November 19, 1976

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WHEREAS, the Revolution of the Poor can more fully succeed with the identification and implementation of meaningful government programs and projects;

WHEREAS, full funding support must be given to priority activities identified as furthering national programs;

WHEREAS, the goal of self-reliance has been adopted for the year nineteen hundred and seventy-seven, as a major criterion in funding allocation, calling for a realignment of expenditures in favor of infrastructure and other capital outlays, and of programs of long term implication;

WHEREAS, the determination of national government expenditure levels calls for the consideration of national development targets, estimated revenues, the supportable level of domestic credit expansion, and other pertinent factors;

WHEREAS, the Batasang Bayan, in its First Session, held in September, nineteen hundred and seventy-six, passed a resolution recommending, among others, budgetary priorities, budgetary levels, and a functional allocation of expenditures;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree:

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-seven, except where otherwise specifically provided:

SECTION 2. Authority to use Savings for other Purposes. The President of the Philippines is authorized to use any savings in the appropriations provided in this Decree for the Executive Departments, for the settlement of the following obligations in the Executive Departments 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 this Decree;

(b) 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 this Decree or where the authorized appropriations are not sufficient to cover the salaries of the said officials and employees;

(c) 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 of existence of such peril;

(d) Deficiencies in the regular appropriations for the opening of additional elementary and secondary classes;

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

(f) Hosting of international conferences and attendance of officials ion such conferences held abroad;

(g) 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;

(h) 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;

(i) Food production, housing, sea farming, the "blue revolution", reforestation, and other activities of similarly high priority;

(j) Payment of obligations of the National Government or any of its departments or agencies arising from perfected contracts and international agreements;

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

(l) 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, to replace unserviceable ones condemned by the Commission on Audit, and for expansion of facilities as may be approved by the President, subject to the provisions of Letter of Implementation No. 29;

(m) 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 3. Transfer of Salary Savings to the Government Service Insurance System Prohibited. The provisions of Section 7 (c) or 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.

Section 4. Athletic Uniforms and Supplies. Except as otherwise provided in this Decree, appropriations for maintenance and other operating expenses not exceeding P10,000 per annum may be used for the purchase of athletic uniforms at not more than P100 per athlete, and for supplies and necessary expenses for athletic activities, subject to Section 7-I (4) of C.A. No. 246, as amended.

SECTION 5. Miscellaneous Expenses. Except as otherwise provided in this Decree, heads of bureaus and offices, or organizations of equal rank, may use the appropriations for sundry expenses, for miscellaneous expenses, including official entertainment, in an amount not exceeding P3,000 per annum for each agency.

SECTION 6. Extraordinary Expenses. Unless otherwise provided in this Decree, a total of P15,000 is hereby authorized for extraordinary expenses of the undersecretaries of each Department or equivalent, and P3,000 each for heads of bureaus and offices, or of organizations of equal rank, chargeable against agency appropriations for maintenance and other operating expenses.

SECTION 7. Appropriations for Rental. The appropriations for rental or for purchase of buildings and grounds authorized under this Decree may be used for lease-purchase arrangements. Any department, bureau or office may also contract with government banking or financial institutions for loans intended for the acquisition of land or for the construction of government buildings: PROVIDED, That the concurrence of the Secretary of Finance and of the Commissioner of the Budget are obtained beforehand. The annual amortization of the loans shall be taken from the appropriations for rental authorized under this Decree for the department, bureau or office concerned.

SECTION 8. Authority to Charge Seminar Fees. Departments, bureaus, offices and agencies of the National Government which conduct training programs are authorized to collect seminar and conference fees from participants coming from the private sector and from other agencies, the rates of which shall be approved by the Civil Service Commission and the Budget Commission, and to use the proceeds thereof subject to the provisions of Section 7-I(4) of C.A. No. 246, as amended, to defray the costs incurred, including speakers honoraria, handouts, meals and other incidental expenses: PROVIDED, That such receipts shall be deposited with the National Treasury pursuant to P.D. No. 711.

SECTION 9. Continuation of Privileges Granted in P. D. No. 733. Unless otherwise provided in this Decree, the authority for per diems, honoraria, hazard or risk pay, flying pay, high differential, extra or additional compensation of unique or unusual work or depressed area assignments, allowances for quarters subsistence, laundry, uniform, or clothing privileges, scholarship grants, contracts for janitorial and security guard services, consultancy services, and other similar privileges, which were granted in P.D. No. 733, are hereby reauthorized, subject to review under the provisions of P.D. No. 985.

SECTION 10. Membership Dues in International Organizations. Except as otherwise provided in the appropriations for departments, bureaus and offices under this Decree, the appropriations for maintenance and other operating expenses of the agency concerned may be used for the payment of dues in international organizations, membership in which are duly approved by competent authority.

SECTION 11. Foreign Exchange Differentials. Except as otherwise provided in the appropriations for departments, bureaus, agencies and offices, the appropriations for maintenance and other operating expenses may be used to pay for foreign exchange differentials.

SECTION 12. Maximum Number of Permanent Positions in an 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 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: PROVIDED, That subject to the approval of the Commissioner of the Budget, heads of the Executive Departments are hereby authorized to utilize savings from their respective appropriations to create additional positions to implement the regionalization of their respective agencies under the Integrated Reorganization Plan or for expansion of essential services, subject to the provisions of Section 7-I (4) of C.A. No. 246, as amended.

SECTION 13. No Salary Increase Unless Specifically Authorized. No portion of the appropriations provided in this Decree shall be used for payment of salary increases or salary adjustments unless specifically authorized by law, decree or appropriate budget circular, nor shall any appropriation for salaries authorized in this Decree be paid except as provided for under P.D. No. 985.

SECTION 14. Special Attorneys under P.D. No. 478. Lawyer-personnel of departments, bureaus or offices of the National Government who are appointed as special attorneys by the Solicitor General pursuant to P.D. No. 478, are hereby authorized an allowance of P100 per appearance chargeable against the appropriations for maintenance and other operating expenses of their respective offices, but not exceeding P400 per month.

SECTION 15. Officials Entitled to Transportation and Representation Allowances. The following officials and those of equivalent rank are hereby granted 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 for each type of allowance.

- a. At P350 per month - Secretaries of National Government Departments
- b. At P350 per month - Career Executive Service Rank I officials;
- c. At P250 each per month - Career Executive Service Rank II officials;
- d. At P200 each per month - Career Executive Service Rank III officials;
- e. At P150 each per month - Career Executive Service Rank IV officials;
- f. At P100 each per month - Career Executive Service Rank V officials and chiefs of technical divisions.

PROVIDED, That the transportation allowance herein provided shall not be granted who use government motor transportation except as may be approved by the President: PROVIDED, FURTHER, That when necessary, equivalence in rank shall be determined by the Commissioner of the Budget in coordination with the Career Executive Service Board.

SECTION 16. Prohibition of Double Allowances or Benefits. The provisions in the preceding section 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 preceding section, in which case he may be entitled only to the difference.

SECTION 17. Consultant's Compensation. Compensation of consultants who are hired by a department, bureau or office, when authorized in their respective appropriations in this Decree, shall be 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 18. Payment of Honorarium. Departments, bureaus and offices are authorized to pay from their respective appropriations honorarium to resource speakers, researchers, experts, and specialists who are acknowledged authorities along their fields of specialization for services rendered at such rates as the President may authorize, unless otherwise specifically provided under existing law.

SECTION 19. Payment of the Salary Difference. Subject to the approval of the Commissioner of the Budget, heads of departments are hereby authorized to pay from the appropriations of their respective departments the difference between the amount provided for a position in the approved staffing pattern authorized in this Decree and the actual salary of an incumbent thereof, or the salary that may be subsequently allowed for the incumbent thereof but not exceeding the maximum of the range allocation of the position, whichever is applicable.

SECTION 20. Seminar Expenses. Departments, bureaus and offices are hereby authorized to conduct seminars, workshops, and in-service training courses for their employees, the expenses of which shall be chargeable against the appropriations for maintenance and other operating expenses of their respective offices.

SECTION 21. Per Diems Outside of the Philippines. No per diem in excess of the equivalent 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 22. 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 at not more than P150 each per annum: PROVIDED, That only those personnel authorized to receive such allowance as of FY 1974 or

subsequently authorized by the President may be entitled to same. Savings in the appropriations for each department, bureau or office may be used for this purpose where no amount is specifically appropriated in this Decree or in an amount necessary to make the allowance P150 if a lesser amount is appropriated.

SECTION 23. Purchase of Locally Manufactured Products. All appropriations for the purchase of equipment, supplies and materials authorized in this Decree 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 price of the locally manufactured article exceed those determined by the Flag Law by fifteen percent.

SECTION 24. Limitation of Ordinary and Emergency Purchase of Supplies, Materials and Equipment Spare Parts. Except as otherwise provided in this Decree, the stock of supplies, materials and equipment spare parts, acquired through ordinary and emergency purchase, shall at no time exceed normal three-month requirements, subject to the pertinent rules and regulations issued by competent authority.

SECTION 25. Emergency Purchase of Supplies, Materials and Spare Parts. Unless otherwise provided in this Decree, departments, bureaus, or offices of the National Government are hereby authorized to make emergency purchases of supplies, materials and spare parts of equipment which 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 a project or activity which cannot be delayed without causing detriment to the public service, at not exceeding P5,000 a month out of the appropriation for maintenance and other operating expenses of the agency concerned.

SECTION 26. Purchase of Computer Equipment. Any authority granted in this Decree for the purchase of computer equipment shall be subject to the approval of the National Computer Center.

SECTION 27. Officials Entitled to Government Motor Transportation. Government motor transportation may be used, with costs chargeable against the appropriations authorized for their respective offices, by the following officials and those authorized under this Decree or special laws or where specifically authorized by the President:

- (a) The President of the Philippines;
- (b) The Chief Justice of the Supreme Court;
- (c) The Secretaries and Undersecretaries of National Government Departments, and officials of equivalent rank;
- (d) The Presiding Justice of the Court of Appeals;
- (e) The Ambassador, Ministers Plenipotentiary and Consuls in charge of Consulates, in their respective stations abroad; and
- (f) 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 28. Purchase, Use, Operation and Maintenance of Motor Transport Equipment, No appropriation for equipment authorized in this Decree 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 approved 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 while carrying out the official functions and activities of the agency.

SECTION 29. 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 an

authorized officials. These motor vehicles shall be used strictly for official business, bear government plates only and after office hours kept in garage provided therefor by the bureau or office to which they belong, except when in use for 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 bureaus concerned.

SECTION 30. Use of More Than One Motor Vehicles Prohibited. With the exception of the President, no government official authorized to use any vehicle operated and maintained from the funds appropriated in this Decree 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 Sections 27, 28 and 29 hereof.

SECTION 31. Limitation in Rental of Motor Vehicles. No appropriations provided in this Decree for the Executive Departments shall be used for renting automobiles, jitneys or trucks on a monthly basis nor on a daily basis for a continuous period exceeding fifteen days.

SECTION 32. Authority to Accept Donations and Disposition of Proceeds Thereof. The provisions of P.D. No. 711 and other laws notwithstanding, departments, bureaus, agencies and offices of the National Government are authorized to accept donations, grants, bequests or gifts, and the proceeds therefrom and contributions received 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-I(4) of C.A. No. 246, as amended: PROVIDED, That such receipts, including equipment and other fixed assets, shall be recorded in the books of government and subject to the pertinent accounting and auditing rules and regulations.

SECTION 33. Fees and Charges. Departments, bureaus, agencies or offices are hereby authorized to collect fees for services rendered in the exercise of their functions, the rates of which shall be subject to the approval of the department head concerned: PROVIDED, That income from such fees or charges shall be deposited with the National Treasury and shall be considered as income of the General Fund except as may be otherwise provided for by law.

SECTION 34. Incentive Fees. Incentive or service fees paid by the Government Service Insurance System or by private companies as may be approved by the agency heads concerned and which are intended for employees of agencies, shall be deposited with the National Treasury as trust funds, withdrawable upon approval of a Special Budget for the purpose: PROVIDED, That payments to individuals shall be made in accordance with rates for individuals approved by the Department Heads concerned: PROVIDED, FURTHER, That the share of any individual in such incentive or service fees may not exceed 50% of his annual salary.

SECTION 35. Income of State Colleges and Universities and National Vocational and Secondary Schools. Incomes and state colleges, universities and national vocational and secondary schools earned from tuition and other school fees, operation of land grants, cafeterias and other auxiliary enterprises, the sale of commercial items, and other sources, are hereby appropriated and shall be available for necessary expenses of the agency within the obligational authority calling established, upon deposit of the income with the National Treasury as Special Accounts in the General Fund. Availments or withdrawals from the account shall be on a reimbursement basis and through TCAA procedures: PROVIDED, That procedures established by the Budget Commission regarding the reimbursement process, including the preparation and approval of covering Special Budgets, Advice of Allotment and Cash Disbursement Ceilings shall be observed: PROVIDED, FURTHER, That no amount from such incomes shall be used to create new positions, to augment salaries or any type of personal services expenditures, to increase allowances beyond those already authorized, or to purchase motor vehicles, equipment, or books, without

the prior approval of the Office of the President pursuant to Letter of Implementation No. 29: PROVIDED, FINALLY, That this procedure shall become effective beginning with School Year 1977-78 with respect to income from tuition and other student fees.

SECTION 36. Income of Hospitals, Income of hospitals from Medicare receipts and other sources are hereby appropriated and shall be made available for necessary expenses of the agency within the obligational authority ceiling established, upon deposit of the income with the National Treasury as Special Accounts in the General Fund. Availments or withdrawals from the account shall be on a reimbursement basis and through TCAA procedures: PROVIDED, That procedures established by the Budget Commission regarding the reimbursement process, including the preparation and approval of covering Special Budgets, Advice of Allotment and Cash Disbursement Ceilings shall be observed: PROVIDED, FURTHER, That no amount from such incomes shall be used to create new positions to augment salaries or any type of personal services expenditure, to increase allowances beyond these already authorized, or to purchase motor vehicles or equipment without the prior approval of the Office of the President pursuant to Letter of Implementation No. 29.

SECTION 37. Use of Salary Lapses. All new positions in state colleges and universities and in schools within the jurisdiction of the Department of Education and Culture which are authorized in this Decree shall be filed only beginning in May 1977 and the savings resulting from the non-filing thereof for the period from January to April may be used to augment appropriations for equipment and for maintenance and other operating expenses of the respective schools.

SECTION 38. Salary of Substitute Employee. Savings in the appropriation of agencies for personal services may be used for payment of salary of substitute employees who may be hired in accordance with Civil Service Commission guidelines, rules and regulations, to take the place of those who are on military duty, on vacation, sick or maternity leave, on study grant in the country or abroad, or are temporarily absent from their respective posts for any cause but who continue to receive salary from the appropriation of their positions.

SECTION 39. Continuing Capital Outlays. Any provision of law to the contrary notwithstanding, the appropriations for capital outlays provided in this Decree which are actually released to the agencies concerned, with the exception of equity contributions to government corporations, shall be available for expenditure until the projects are completed.

SECTION 40. Sale of Publications. Official publications of departments, bureaus, agencies or offices may be sold: PROVIDED, That unless otherwise provided by existing law, receipts from sales shall accrue to the General Fund.

SECTION 41. Loan Proceeds. Expenditures funded from foreign or domestic borrowings shall be provided for in full within the expenditure program of the agency concerned. Loan proceeds shall not be used without the corresponding release of funds through a Special Budget pursuant to C.A. No. 246 (as amended).

SECTION 42. Sub-Allotments to Regional Units. Funds released for specified regional units shall not be withheld in whole or in part by the Central or other offices of the agencies concerned, except as authorized under Letter of Instructions No. 447 and the related rules and regulations.

SECTION 43. Quarterly Report on Accomplishment of Government Agencies. The heads of Departments, Bureaus, Offices, or other agencies of government whose appropriations are based on the Performance Budget shall submit a Quarterly Report of their accomplishments and corresponding costs, to the Commissioner of the Budget as Chairman of the Development Budget Coordination Committee.

SECTION 44. Itemization of Personal Services. The itemization of personal services and the organization charts

of departments, bureaus and offices as approved by the President in support of the appropriations herein provided for personal services, together with approved implementing rules and regulations, shall form part and be governed by the provisions of this Decree.

SECTION 45. Repealing Clause. All laws, rules and regulations inconsistent with this Decree are hereby repealed or modified accordingly.

SECTION 46. Effectivity. This Decree shall take effect on January one, nineteen hundred and seventy-seven, except where otherwise provided.

Done in the City of Manila, this 19th day of November, in the year of Our Lord, nineteen hundred and seventy-six.

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

By the President:

(SGD). JUAN C. TUVERA
Presidential Executive Assistant

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