

REGARDING GOVERNMENT FUNDS IN THE POSSESSION OF GOVERNMENT AGENCIES

LETTER OF INSTRUCTIONS NO. 1138, May 28, 1981

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TO :

All Ministers, Bureau Directors, Heads of Office

and Chief Accountants of national government
Agencies, including state universities and colleges

All Chairmen, Presidents and Chief Accountants of

government-owned or-controlled corporations

All Heads and Chief Accountants of local government

units

The Acting Chairman, Commission on Audit

All Others Concerned

WHEREAS, agencies of government are sometimes in possession of funds which are not immediately needed for operating or capital requirements;

WHEREAS, standing policy requires that funds of government agencies be held by government financial institutions, including the Philippine Veterans Bank, and that these be managed in accordance with certain guidelines;

WHEREAS , it is necessary to assess the magnitude of funds actually available to government in the interest of economy and efficiency in fiscal operations;

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

- All heads of office, including national agencies, government-owned or -controlled corporations, local

government units and state universities and colleges, shall prepare and submit to the President a summary of their current assets, indicating type of assets and amounts, and including the following details:

Cash on Hand and in Banks -- banks in which these are deposited or placed and the type of accounts in which these are maintained.

Accounts Receivable, Advances and other Receivables - major debtors and purposes of the receivables/advances.

Investments and Marketable Securities - classified, as to financial or other institution holding the investments or securities under investment management, investment advisory, custodianship, trust investment management, or other capacity. Under each institution, the companies/securities in which the funds are held in the form of real estate/property or chattels shall be fully described.

Funds or assets held and/or managed as trust accounts in financial institutions shall be fully described, indicating the security, company and amounts.

- In cases of funds held in trust by government offices, a balance sheet of the funds shall be drawn and submitted to the President, indicating the details of the assets to the same degree as required under No. 1 above.
- In addition to statements submitted by them pursuant to items No. 1 and 2 above, government financial institutions shall summarize the funds held in trust by them or which are the subject of investment advisory services or custodianship or other similar arrangement, representing funds of other government-owned or controlled corporations, national agencies, and local government units, including trust or special funds of those agencies. The summary shall, include the amounts of placements/investments in commercial paper and shares of stock, with an indication of the status of the placement and yields on same. Any defaults on commercial paper issues held shall be specifically indicated.
- All agencies of the national government including state universities and colleges, and local government units shall submit a list of certifications to accounts payable as of March 31, 1981 which, are not supported by validated creditor claims or by perfected contracts.
- The statements required to be submitted under this Letter shall be as of March 31, 1981 and shall be submitted to the President through the Presidential Executive Assistant no later than June 15, 1981. Any significant developments in the data being described taking place after March 31 and before June 15 shall be described in an accompanying note.
- The statements shall be submitted with a note indicating the timetable and approach for compliance with the requirement under LOI No. 1115 concerning the phase-out of investments/placements/asset holdings in forms other than duly authorized securities of the national government or of government-owned or controlled corporations.
- The statements required to be submitted under this Letter of Instructions shall be prepared and certified to by the Chief Accountant and by the Resident/Corporate Auditor.

Done in the City of Manila, this 28th day of May, in the year of Our Lord, nineteen hundred and eighty-one.

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

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