New Decrees

Rules for second half MAJOR reform in our budgetar) process is the recent alignment of

The process is the recent augment of the government fiscal year with the calendar year. Previous to this, a lot of confusion and misunderstanding has resulted from a fiscal year that covered six months of one calendar year and six months of another (July to December and then language to June) linder.

ber, and then January to June). Under Presidential Decree No. 904, the public budget will start on January and end in December. This will also streamline

the statistics-gathering activities of the

government.

government.

The budgetary reform became effective this year. Since the budget for January to June 1976 was already programmed last year in Fiscal Year 1975-1976 budget, the President has decided to fix the amount of budget expenditures for July to December 1976 as equal to half of the FY 1975-1976 budget. In doing so, the President issued provisions in Letter of Implementation No. 41 which would govern the disbursement of the budget. The reader will

ment of the budget. The reader will note that the Letter of Implementation

imposes constraints on extravagant use of public funds. This is in line with the austerity policy of the government.

In Part I of the Letter, the President

In Part I of the Letter, the President is "authorized to use any savings in the appropriations provided in the National Appropriations Act for the Executive Departments for the settlement of obligations" including the following: "Enthinitition of terminal leaves of government employees; payment of hazard pay to officials and employees assigned to dangerous areas; and salary adjustments of officials and employees.

The other provisions of Letter of Implementation No. 44 follow. The government manager should find them useful guidelines in the performance of

ful guidelines in the performance of their duties.

Part II. - Organizational Changes

Section 9. Maximum number of permanent positions in a burer 1 or office. Except as otherwise provided by law, the maximum number of permanent

positions in a bureau or office shall not

postudis in a oureau or office snail 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. Section 10. Adjustment of appropriations for recognized associate and

priations for reorganized agencies and salaries of personnel thereof. The appropriations provided in the National Appropriations Act for agencies to be reorganized in accordance with the approved reorganization plans as well as

Section 11. No salary increase un-less specifically authorized. No portion of the appropriations provided in the National Appropriations Act shall be vased for payment of salary increases or salary adjustment unless specifically au-thorized by law, decree or appropriate budget circular; nor shall any appropria-tion for salaries authorized in the Na-

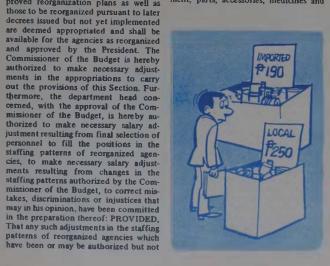
similar allowances or benefits granted under previous authorizations shall not be entitled to any increased transportation and/or representation allowances provided therein, unless the total of his existing allowances or benefits is less than the total of the two rates fixed in the preceeding section, in which case he may be entitled only to the diffe ence. Section 14. Consultants' ecmpensation. Compensation of consultants who are hired by a department, bureau or office, when authorized in their respective appropriations in the National Appropriations Act, shall paid an amount

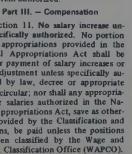
propriations Act, shall paid an amount not exceeding P12,000 per annum as the

lowance. Appropriations for each department, bureau or office, at such sums as may be necessary, may be used for uniform and shoes allowance of personnel who are already authorized since Fiscal Year 1974 and such other employees who may hereafter be authorized by the President, at not more than P150 each per annum. Savings in the appropriations for each department, bureau or office may be used for this purpose where no amount is specifically appropriated in the National Appropriations Act or at an amount necessary to make the allowance P150 if a lesser amount is appropriated. lowance. Appropriations for each departis appropriated.

Part IV. - Procurement

Section 17, Purchase of locally mansection 17, rurenase of locally man-ufactured equipment, parts, accessories, supplies and materials. All appropriations for the purchase of equipment, supplies and materials authorized in the National Appropriations Act shall be available only for locally manufactured equipment, parts, accessories, medicines and





tion for salaries authorized in the National Appropriations Act, save as otherwise provided by the Classification and Pay Plans, be paid unless the positions have been classified by the Wage and Position Classification Office (WAPCO).

Section 13. Prohibition of double allowances or benefits. The provisions in Section 12 notwithstanding, officials and employees already receiving such or similar allowances or benefits granted under previous authorizations shall not

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 15, Per diems outside of the Philippines. No per diem in excess of the equivalent of 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 16. Uniform and shoes allowance. Appropriations for each depart



drugs, supplies and materials, except when none is available in the market or when the prices of the locally manufac-tured article exceed those determined by the Flag Law by fifteen percent.

Part V - Motor Vehicles

Section 19. Officials entitled to government motor transportation. The following officials are entitled to use government motor transportation charge able against the appropriations authorized for their respective offices, except where otherwise provided in the National Appropriations Act or other special laws or when specifically authorized by the Président:

President:

(1) The President of the Philippines;
(2) The Chief Justice of the Supreme Court;
(3) The Secretaries and Undersecretaries of National Government Departments, and officials of equivalent rank;
(4) The Presiding Justice of the Court of Appeals;
(5) The Ambassadors, Ministers Plenipotentiary and Consuls in Charge of Consulates in their respective stations abroad; and
(6) The Chief of Staff, the Vice Chief of Staff and the Commanding Generals of the Major Services of the Armed Forces of the of the Armed Forces of Philippines.

Section 20. Purchase, use, operation Section 20. Purchase, use, operation and maintenance of motor transport equipment. No appropriation authorized in the National Appropriations Act 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 with previous authority to purchase motor transport equipment, including those acquired through donations or gifts from private individuals or organizations, are authorized to use, operate and maintain them for carrying out the official functions and activities of the.

agency.
Section 21. 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 the Chief or the Administrative officer of the bureau or office concerned. These motor vehicles shall be used strictly for official business, bear government plates only and after office hours kept in the garage provided therefor by the bureau or office to which they belong except when in use for strictly 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 bureau concerned,

Section 22. Use of more than one motor vehicle prohibited. With the exception of the President, no government official authorized to use any vehicle operated and maintained from the funds appropriated in the National Appropriations Act 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 ve-hicles. The Chairman, Commission on Audit, shall issue rules and regulations for the proper implementation and en-forcement of the provisions for this Section and Section 12, 13, 19 and hereof.

Section 23. Limitation in rental of motor vehicles. No appropriations provided in the National Appropriations Act for the Executive Departments shall be used for renting automobiles, jitneys or trucks on the monthly basis nor on the daily basis for a continuous period exceeding fifteen days,

Part VI. - Incentives for Economy

Section 24. Cost reduction. Subject to the approval of the respective department heads, every head of the bureau, office or agency shall institute a cost reduction program for his bureau, office or agency for the purpose of reducing cost of operations and shall submit to the Commissioner of the Budget reports on the result of the implementation thereof. An incentive award not exceeding one month's salary may be granted to any official or employee whose suggestion for cost reduction has been adopted and shall have actually resulted in cost reduction, payable from the savings resulting therefrom. Section 24. Cost reduction. Subject

Part VII. - Budget Accountability and Reports

Section 25. Failure to submit reports. — Failure on the part of heads, chief accountants, budget officers, cashiers, disbursing officers, and other responsible officers of departments, bureaus and offices to submit trial balances, finguish until butter acceptable budgets. reaus and offices to submit trial balances, financial work plans, special budgets, reports of operations and income, and such other reports as may be necessary and required by the Commissioner of the Budget and/or the Chairman, Commission on Audit shall automatically cause the suspension of the payment of their salaries until they shall have complied with the requirements of the Budget Commission and the Commission on Audit. No appropriation authorized in get Commission and the Commission on Audit. No appropriation authorized in this Decree shall be available to pay the salary of any official or employee who violates the provisions of this sec-tion, in addition to any disciplinary action that may be instituted against such official or employee.

Part VIII. - Miscellaneous

Section 26. Disposition of dona tions, grants, bequests, gifts or contribu-tions. The provisions of P.D. No. 711 and other laws notwithstanding, donaand other laws notwithstanding, dona-tions, grants, bequests, gifts or proceeds therefrom and contributions given in cash by private individuals or entities of foreign governments and institutions shall be used or expended only in ac-cordance with the wishes of, and pur-poses specified by, the benefactor or donor, subject to the provisions of Sec-tion 7-I(4) of C.A. No. 246, as amended.