GENERAL PROVISIONS

Receipts and Income

Sec. 2. *Fees and Charges.* Ministries, bureaus, offices or agencies are authorized to collect fees for services rendered in the exercise of their functions at such rates as may be approved by the Minister concerned.

The income from such assessments, fees or charges shall be deposited with the National Treasury and shall accrue to the General Fund pursuant to P.D. No. 711: PROVIDED, That receipts may be recorded as being held in trust or as trust receipts or income only with the approval of the Minister of Finance: PROVIDED, FURTHER, That whenever practicable and taking into account the cost reduction program of government, when an agency arranges with another government office for the printing of publications and other information materials, production and fabrication of furniture or equipment or for computer services, in such event, the agency rendering such services shall assess the requesting agency for the cost of production and services rendered and may utilize the said proceeds, subject to Section 40 of P.D. No. 1177, except as herein otherwise provided.

Sec. 3. *Seminar Fees.* Ministries, bureaus, offices or agencies which conduct training programs are authorized to collect seminar and conference fees from government and private agency participants, the rates of which shall be determined in accordance with Letter of Instructions No. 565. The proceeds derived from seminars approved jointly by the Civil Service Commission and the Ministry of the Budget may be deposited in an authorized government depository bank as a trust liability and shall be made available for expenditure without the need for a Cash Disbursement Ceiling, to defray the costs incurred for handouts, meals and other incidental expenses, including speakers' honoraria at rates prescribed pursuant to P.D. No. 985, withdrawable on the joint signatures of the authorized representatives of the agency concerned and the Commission on Audit: PROVIDED, That if the income is deposited in a savings or time deposit account, the interest thereon shall accrue to the General Fund. The Ministry of the Budget and the Commission on Audit shall promulgate the necessary rules and regulations to implement this provision.

Ministries, bureaus, offices or agencies concerned shall submit to the Ministry of the Budget a monthly report of income and quarterly report of expenditures, and in case of failure to submit said requirements, the Commission on Audit, upon recommendation of the Minister of the Budget, shall suspend withdrawals from the funds deposited until such time that said requirements are complied with.

Sec. 4. *Sale of Products.* Ministries, bureaus, offices or agencies are authorized to sell products of agricultural, industrial or other projects, including official publications, and the proceeds derived therefrom shall be deposited in the National Treasury and accrue to the General Fund, unless otherwise provided by law, pursuant to P.D. No. 711.

Sec. 5. *Donations.* Ministries, bureaus, offices or agencies are authorized to accept donations, contributions, grants, bequests, or gifts, in cash or in kind. Cash proceeds shall be deposited with the National Treasury as a Special Account in the General Fund and shall be used or expended only in accordance with the wishes of, and purposes specified by the benefactor or donor, subject to Section 40 of P.D. No. 1177. Contributions or gifts in kind intended for beneficiaries, which are perishable in nature that would require storage or distribution expenditures of more than forty per cent of their current market value may be sold at public auction and the proceeds derived therefrom shall be deposited in like manner as if they were in cash, subject to the conditions imposed by the donor. All such receipts, including equipment and other fixed assets, shall be recorded in the books of government and subject to pertinent accounting and auditing rules and regulations.

Sec. 6. *Performance Bonds and Deposits.* Performance bonds and deposits filed or posted by private persons or entities with offices or agencies of the government shall be deposited with authorized government depository banks as trust liabilities of the office or agency concerned, withdrawable upon the joint signatures of the authorized representatives of the agency and the Commission on Audit. Upon faithful performance of the undertaking or termination of the obligation for which the bond or deposit was required, any amount due shall be returned to the filing party and the office or agency concerned is authorized to withdraw said amount without the need for Cash Disbursement Ceiling: PROVIDED, That if the amount is deposited in a savings account, the interest accruing thereto, including any forfeited amount shall be recorded as income of the General Fund.

This provision shall apply to all other bonds posted in cash, such as bidder's bond, guaranty bonds, bail bonds, judicial deposits for the benefit of clients, cash under litigation deposited in court, and other refundable deposits and judicial bonds, and all bonds and deposits required by law, rules or regulations to be posted to insure the faithful performance of an activity or undertaking.

Savings

Sec. 7. *Compulsory Savings.* All Ministries, bureaus, offices or agencies, including state universities and colleges, shall institute a cost reduction program for the purpose of reducing cost of operations. The Heads of Ministry shall submit a report to the President (Prime Minister), covering agencies within their jurisdiction. The Ministry of the Budget shall provide technical and other necessary assistance.

Sec. 8. *Transfer of Salary Savings Prohibited.* The provisions of Section 7(c) of 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.

Sec. 9. *Conditions for Reprogramming of Savings in Appropriations.* Any provision in this Act to the contrary notwithstanding, the authority granted in the special budgetary provisions of the different Ministries, bureaus, offices or agencies under the Executive Branch to utilize, by way of transfer, savings in appropriations to augment other items of appropriation in the same Ministry, bureau, office or agency, shall be subject to the approval of, or upon authority by, the President (Prime Minister), pursuant to Section 45, P.D. No. 1177 and Letter of Implementation No. 29.

Sec. 10. *Use of Savings.* The President (Prime Minister) of the Philippines is authorized to use savings in the current appropriations for the Ministries provided in this Act for the settlement of the following obligations incurred during the budget year:

a. Energy research, exploration, development, and implementation activities;
b. Payment of hazard duty pay and 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 authorized procedures;
c. Payment of the share of the National Government in

the salaries of officials and employees in newly created and/or reclassified local government units where no appropriation has been provided in this Act or where the authorized appropriation is not sufficient to cover the salaries of the said officials and employees;

d. Provision for social and economic opportunities and such other activities intended for the welfare of the minorities as may be undertaken by the Presidential Assistant on National Minorities;

e. Rural improvement and community development projects such as feeder roads, artesian wells, spring development, river and flood control, sea walls, communal irrigation, schoolhouses, bridges, environmental sanitation, and health projects to promote the economic well-being of the rural areas, including support for the solution of energy, agricultural, health, and agrarian problems;

f. Organization, activation, training and operation of military units for the purpose of implementing agency development projects in areas adversely affected by peace and order problems, including salaries and allowances of all military personnel assigned thereto;

g. Payment of obligations of the National Government or any of its Ministries or agencies arising from perfected and valid contracts or international agreements;

h. Payment to the Government Service Insurance System of annual life insurance premiums of barangay officials and Kabataang Barangay Chairmen as authorized by law;

i. Purchase of equipment, including motor vehicles, to replace those lost through theft or robbery, accident, fire or typhoon and other natural calamities, and to replace unserviceable and condemned items;

j. Expansion of essential facilities and services, including the opening of additional classes in elementary, secondary and vocational schools, as may be approved by the President (Prime Minister);

k. Funding of foreign exchange and peso requirements of foreign-assisted projects; and

l. 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.

Authorized Expenditures

Sec. 11. *Expenditure Components.* Any provision of law to the contrary notwithstanding, any change or modification in the definition of items and objects of expenditure referred to in the General Appropriations Act and other Appropriation Laws or Executive issuances promulgated pursuant thereto shall require the concurrence of the Minister of the Budget: PROVIDED, HOWEVER, That no change or modification shall be allowed which shall alter the program or project thrusts included in this Act.

Sec. 12. *Expenditures and Disbursement of Special Funds or Income.* Except as otherwise provided in this Act, no portion of any special fund and/or special income of an agency which are automatically appropriated shall be disbursed or released which will exceed at any one time the amount actually deposited in the same fiscal year in the National Treasury from the same funds or income, except when in the opinion of the President (Prime Minister) such expenditure or disbursement is required by the exigency of the service and sufficient receipts are expected to accrue to such funds or income within the same fiscal year to cover said expenditure or disbursement, in which case the necessary amount may be advanced from the General Fund.

Sec. 13. *Key Budgetary Inclusions.* The Key Budgetary Inclusions (KBI) of Ministries, bureaus, offices or agencies shall be released and used only for the indicated purposes and conditions, except as may be otherwise approved by the President (Prime Minister), pursuant to P.D. No. 1177: PROVIDED, That the amounts herein appropriated, with funding from loan proceeds or donations, shall be released only to the extent of actual drawdowns or receipts, as the case may be, and shall not be used for any purpose other than that specified.

Sec. 14. *Proceeds from Economic Assistance.* Proceeds from economic aid derived from the Military Bases Agreement shall accrue to the General Fund and shall be made available to finance the Bagong Lipunan Improvement of Sites and Services (BLISS) Program, school building program, and for other priority projects that may be approved by the President (Prime Minister).

Sec. 15. *Cash Advances for Foreign-Assisted Projects.* Any provision of law to the contrary notwithstanding, cash advances may be authorized to meet the expenditure requirements of foreign-assisted projects in cases where the approved project/loan agreement provides specifically for a reimbursement mechanism for expenses incurred, subject to the approval of the Minister of the Budget and to applicable accounting and auditing regulations.

Sec. 16. *Foreign Military Purchases and Other Importations.* Purchases under foreign military sales agreements, heavy equipment imports for infrastructure projects and other importations of agencies which are financed by foreign borrowings or by Central Bank consolidated borrowing programs shall be subject to the requirement of certification to the availability of appropriations released for the purpose and to applicable rules and regulations.

Sec. 17. *Foreign Exchange Requirements.* Except as otherwise provided in this Act, the appropriations for Ministries, bureaus, offices or agencies allotted for maintenance and other operating expenses may be used to pay for foreign exchange requirements of duly approved activities.

Sec. 18. *Legal Assistance.* With the approval of the President (Prime Minister) and upon recommendation of the Minister of Justice and the Presidential Commission on Reorganization, the funds herein appropriated for legal assistance activities, including those in the Ministry of Justice, Ministry of Labor, Ministry of Agrarian Reform, Ministry of Agriculture, the assistance to the Integrated Bar of the Philippines provided in the Judiciary, and other agencies, may be realigned so as to ensure a fully integrated legal assistance program.

Sec. 19. *Dues to International Organizations.* Except as otherwise provided in this Act, specific appropriations covered by key budgetary inclusions and allotted for maintenance and other operating expenses may be used for the payment of dues to international organizations, membership in which is duly approved by competent authority.

Sec. 20. *Seminar Expenses.* Ministries, bureaus, offices or agencies are authorized to conduct seminars, workshops, conferences, and in-service training courses for their respective staff members, including employees of other government agencies and the private sector. The expenses incurred shall be chargeable to the appropriations of their respective offices and to the proceeds from fees collected under Section 3 hereof. Per diems and allowances of employees attending such courses may be withheld to the extent of the amount paid by the agency for board, lodging and/or transportation from its appropriations.

Sec. 21. *Repair of Buildings.* Ministries, bureaus, offices or agencies, including public schools, Courts of justice and hospitals, are authorized to use their appropriations allotted for maintenance and other operating expenses for minor repairs of their offices and buildings.

Sec. 22. *Limitation on Purchase of Supplies, Materials and Equipment Spare Parts.* The stock on hand of supplies, materials and equipment spare parts, to be acquired thru ordinary purchase out of appropriations herein provided shall at no time exceed normal three-month requirements, subject to pertinent rules and regulations issued by competent authority: PROVIDED, That heads of Ministries, bureaus, offices or agencies or other instrumentalities of the government may approve the build-up of stocks on hand of critical supplies and materials, in anticipation of cost increases, of requirements of a national emergency, or of an impending shortage in the items concerned, specifying maximum quantities of individual items, but in no case shall these stocks exceed more than one year's need, unless otherwise approved by the President (Prime Minister) upon the recommendation of the Ministry of the Budget and the Commission on Audit.

Sec. 23. *Purchase of Locally Manufactured Products.* All appropriations for the purchase of equipment, supplies and materials authorized in this Act shall be available preferably 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 exceeds those determined by the Flag Law.

Sec. 24. *Emergency Purchases.* Unless otherwise provided in this Act, Ministries, bureaus, offices or agencies of the National Government are authorized to make emergency purchases of supplies, materials and spare parts of equipment that 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, in a monthly amount not exceeding four per centum of the annual agency expenditure program for supplies and materials out of the appropriations allotted for maintenance and other operating expenses of the agency concerned, except as may be authorized by the Office of the President (Prime Minister) upon the joint recommendation of the Chairman, Commission on Audit and the Minister of the Budget.

Sec. 25. *Cultural and Athletic Activities.* Except as otherwise provided in this Act, appropriations allotted for maintenance and other operating expenses not exceeding ₱15,000 per annum for each non-regionalized bureau, office or agency, or ₱30,000 for each regionalized bureau, office or agency, may be used for cultural and athletic activities, including purchase of uniforms at not more than ₱150 for each participant, and for supplies and necessary expenses for said activities, subject to Section 40, P.D. No. 1177.

Sec. 26. *Extraordinary and Miscellaneous Expenses.* Except as otherwise provided in this Act, appropriations herein authorized may be used for extraordinary expenses not exceeding: (a) ₱30,000 for each Minister or equivalent; (b) ₱10,000 for each Deputy Minister or equivalent; (c) ₱4,000 for each Assistant Secretary, Director or head of bureau, office, or central organization of equal rank; (d) ₱3,000 for each Ministry Regional Director; and (e) ₱2,000 for each Bureau Regional Director. Each bureau, office or central organization of equal rank is also authorized to use an amount not exceeding ₱6,000 per annum for official entertainment and other miscellaneous expenses. These expenditures shall be payable on reimbursement basis upon presentation of receipts and chargeable to appropriations allotted for maintenance and other operating expenses of the corresponding office.

For purposes of this Section, extraordinary and miscellaneous expenses shall include, but not be limited to, expenses incurred for or during meetings, seminars and conferences, official entertainment, public relations, educational, athletic and cultural activities, contributions to civic or charitable institutions, membership fees in government associations, subscription to professional technical journals and informative magazines and materials, and other similar expenses that are not supported by the regular budget allocation: PROVIDED, That no portion of the amounts authorized herein shall be used for the creation of positions, nor for salaries, wages or allowances.

Sec. 27. *Intelligence and Confidential Funds.* Intelligence and confidential funds provided for in budgets of agencies of the national government shall be released only with the approval of the President.

Sec. 28. *Information Outlay.* The appropriations pertaining to information activities of the various Ministries, bureaus, offices or agencies shall be released upon presentation of an appropriate program of activities prepared in coordination with the Ministry of Public Information.

Sec. 29. *Computer Equipment.* The appropriations authorized in this Act for the purchase of computer equipment shall be released only with the approval by the President (Prime Minister) upon recommendation of the National Computer Center.

Contracts

Sec. 30. *Loan Agreements.* Ministries, bureaus, offices or agencies shall in no case enter into foreign or domestic loan agreements, whether in cash or in kind, unless the whole amount of the loan component is covered by the programmed appropriations of the contracting agency. The proceeds of such foreign or domestic borrowings shall not be utilized unless covered by an advice of appropriations allotment.

Sec. 31. *Funding for Contracts.* Notwithstanding the availability of deferred payment terms, Ministries, bureaus, offices or agencies concerned, before entering into a contract involving the expenditure of public funds, including contracts for services or consultancy, contracts of lease, equipment rental, construction of partitions or improvements in a leased building, or contracts involving an increase in the approved contract price shall secure a certification of availability of funds for the purpose, subject to applicable rules and regulations as may be issued by the Ministry of the Budget, and to Section 64, P.D. No. 1177: PROVIDED, HOWEVER, That any appropriations authorized in this Act for rental of buildings shall be disbursed only upon approval by the Minister concerned.

Sec. 32. *Future Payment of Contractual Obligations.* Ministries, bureaus, offices or agencies, before entering into contracts for the present delivery of goods or services against promises of future payment, shall first secure fund certification for the full contracted amount for such goods or services out of the agency's appropriations. No work may be undertaken without such fund availability. When such appropriation is not available or is insufficient, the necessary funds may be charged to the Special Activities Fund, upon approval of a Special Budget provided under Section 40 of P.D. No. 1177, and the required payments shall then be charged to the Debt Service Fund provided in this Act when the obligation falls due.

Sec. 33. *Conditions for Lease-Purchase Agreement.* Ministries, bureaus, offices or agencies may enter into agreements or contracts for lease-purchase of equipment in accordance with the approved equipment program of the agency, subject to the pertinent accounting and auditing regulations and to the condition that such contracts or agreements will be more advantageous to the government than contracts of outright purchase. The details of payment shall be indicated in the lease-purchase agreement and accompanied with certification of availability of funds to cover the full contract cost: PROVIDED, That all lease-purchase agreements of equipment in excess of ₱100,000 shall be subject to the approval of the President (Prime Minister) upon recommendation of the Minister of the Budget.

Personal Services and Benefits

Sec. 34. *Transportation and Representation Allowances.* The following officials and those of equivalent rank as may be determined by the Ministry of the Budget are hereby granted monthly 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 to each type of allowance:

a. At ₱450 for Ministers;
b. At ₱400 for Career Executive Service Rank I officials;
c. At ₱350 for Career Executive Service Rank II officials;
d. At ₱300 for Career Executive Service Rank III officials;
e. At ₱250 for Career Executive Service Rank IV officials;
f. At ₱200 for Career Executive Service Rank V officials; and
g. At ₱150 for Chiefs of Divisions, identified as such in the Personal Services Itemization.

The transportation allowance herein authorized shall not be granted to officials who use government motor transportation, except as may be approved by the President (Prime Minister). Unless otherwise provided by law, no amount appropriated in this Act shall be used to pay for representation and/or transportation allowances, whether commutable or reimbursable, which exceed the rates authorized under this Section. Previous administrative authorizations not consistent with the rates and conditions herein specified shall no longer be valid and payment shall not be allowed.

Sec. 35. *Official Vehicles and Transport.* Government motor transportation may be used by the following officials, and those who may be specifically authorized by the President (Prime Minister), with costs chargeable to the appropriations authorized for their respective offices:

a. The President (Prime Minister) of the Philippines;
b. The Chief Justice of the Supreme Court;
c. The Speaker of the Batasáng Pambansa;
d. The Deputy Prime Minister;
e. The Ministers, Deputy Ministers and officials of equivalent rank;
f. The Presiding Justice of the Court of Appeals;
g. The Ambassadors, Ministers Plenipotentiary and Consuls in charge of Consulates, in their respective stations abroad;
h. The Chief of Staff, the Vice Chief of Staff, and the Commanding Generals of the major services of the Armed Forces of the Philippines; and
i. The Heads of Constitutional Offices.

Sec. 36. *Uniform/Clothing Allowance.* Except as otherwise provided in this Act, or as may be authorized by the President (Prime Minister), appropriations for each Ministry, bureau or office at such sums as may be necessary, may be used for uniform and/or clothing allowance of employees at not more than ₱150 each per annum. Savings in the appropriations for each Ministry, bureau or office may be used for this purpose where no amount is specifically appropriated in this Act. The allowance herein authorized shall be used for the purchase of clothing material of the same quality, cut and style as may be prescribed by the Minister concerned for each office or group of employees, subject to such rules and regulations as may be promulgated by the Commission on Audit to ensure that the highest quality of material at the lowest cost are obtained for such clothing materials.

Employees occupying positions which require the wearing of specialized uniform, such as security guards, prisons guards, customs police, quarantine officers, road maintenance men, street sweepers, hospital attendants, and other employees as may be determined by the Minister of the Budget shall also be entitled to uniform allowance herein provided, subject to the availability of agency funds.

Sec. 37. *Hazardous Duty Pay.* The Minister of the Budget and the Minister of National Defense shall review from time to time authorizations for the payment of hazardous duty pay and shall terminate authorizations earlier issued if conditions no longer justify the continuation of hazardous duty pay. The rates of hazardous duty pay in strife-torn and/or embattled areas shall be based on the following classification:

a. Hazardous Area. Site of armed encounters between government troops and enemy forces and/or enemy-initiated attacks, raids or ambuscades. It is also an area where enemy concentration/training camps are reported.

b. Less Hazardous Area. Area where insurgent/rebel activities are mainly non-violent such as agitation/propaganda, recruitment and expansion and to a limited extent harassment and forced solicitation of material/financial support from civilians.

Sec. 38. *Honoraria.* Ministries, bureaus, offices or agencies are authorized to pay from their respective appropriations, honoraria to resource speakers, researchers, experts, and specialists who are acknowledged authorities in their fields of specialization, for services rendered, at such rates as the Minister of the Budget may authorize, unless otherwise specifically provided by law.

Sec. 39. *Incentive or Service Fees.* Incentive or service fees paid by the Government Service Insurance System or by private companies which are intended for employees servicing them shall be deposited with the National Treasury and shall accrue to the General Fund, pursuant to P.D. No. 711. Such fees shall be made available for payment to employees in accordance with rates approved by the Minister concerned, subject to Section 40 of P.D. No. 1177: PROVIDED, That the share of any employee may not, in the aggregate, exceed fifty per centum of his annual salary.

Sec. 40. *Special Counsel Allowance.* Lawyer-personnel in the legal staffs of Ministries, bureaus, offices or agencies of the National Government appearing in Court as special counsel in collaboration with the Solicitor-General and/or Fiscals concerned are hereby authorized an allowance of ₱100 for each appearance, chargeable to savings in the appropriations allotted for personal services of their respective offices, but not exceeding ₱400 a month.

Sec. 41. *Per Diems Abroad.* No per diem in excess of fifty U.S. dollars shall be paid to any official or employee traveling outside of the Philippines, except as may be approved under Section 79, P.D. No. 1177.

Sec. 42. *Conditions for Entitlement to Quarters*

Allowance. Except as may be authorized by law, government officials and employees who, by virtue of their positions, are furnished free quarters or are charged only a nominal rate, in government-owned buildings, such as dormitories or living quarters in hospitals, state colleges, universities and schools, foreign posts, and elsewhere, shall forfeit entitlement to any quarters allowance. Where rented private buildings are utilized for an official's quarters, the excess of rental cost over the quarters allowance of the official shall be borne by him. Those who enjoy free quarters in government-owned or rented buildings but who are not entitled to quarters privilege shall be charged the corresponding cost of rentals therefor. Unless fixed by law or regulations, the rate of quarters allowance or rental, as the case may be, shall be determined by the Minister of the Budget.

Sec. 43. *Compensation of Contractual Personnel.* Heads of Ministries, bureaus, offices or agencies, when authorized in their respective appropriations as herein provided under this Act, may hire consultants, experts and other contractual personnel to perform specific vital activities or services which cannot be provided by the regular staff of the agency, limited to such period when their services are reasonably required and to activities that shall have a definite expected output. Such contractual personnel may be paid compensation, inclusive of fees, honoraria, per diems and allowances not exceeding 120% of the minimum salary of an equivalent position in the National Classification and Compensation Plan, except as may be authorized by the Minister of the Budget in the following instances: (a) when the consultant or expert is an acknowledged authority in his field of specialization; and (b) where the consultant or expert is hired to perform a specific activity or service that requires technical skill and expertise which local labor force cannot provide, or if such expertise is available, the supply is limited: PROVIDED, That in no case shall such compensation exceed the salary of his immediate superior, except as may be otherwise approved by the Civil Service Commission and the Ministry of the Budget: PROVIDED, FURTHER, That services rendered under contractual employment shall not be credited nor the compensation received for the period be used as basis for computation of gratuity benefits for retirement purposes or for the computation of all leave benefits, the provisions of Section 12(c) of C.A. No. 186, as amended, and other laws to the contrary notwithstanding.

For purposes of this Section, appointments to positions funded from lump-sum appropriations for personal services for the payment of consultants, technical, professional and expert services, confidential assistants or other similar positions, or from capital outlays, feasibility studies fund, special projects fund, and other funds which may be used for personal services, are considered contractual in nature. Appointments which are funded from special lump-sum appropriations, subsidies and contributions from other agencies, shall likewise be considered as contractual in nature from the effectivity of this Act, except as may be determined by the Minister of the Budget.

Administrative Procedures

Sec. 44. *Review of Training Programs.* Ministries, bureaus, offices or agencies shall formulate and review their training programs in the light of their organizational needs to provide their personnel at all levels with the necessary training, skills development and employee attitudes geared towards national development. Such training programs shall be submitted to the Training Coordination Committee created under LOI No. 754,which shall evaluate the training activities and no appropriation for training shall be released without such evaluation.

Sec. 45. *Direct Release of Funds to Regional Offices.* Funds allotted for regional offices but included in the budgets of their central offices or which are specifically allocated for the different regions may be released directly to said regional offices when dictated by the need and urgency of regional activities to give impetus to regional development, pursuant to Section 38(e) of P.D. No. 1177 and without the imposition of any reduction except the usual budgetary reserves imposed by the Ministry of the Budget nor prejudice to augmentation of shares from common funds released to the Central Office. For this purpose, the Minister of the Budget shall identify by region the expenditure programs of agencies in the national government budget and shall release funds intended for them in accordance with the approved regional distribution of expenditures, specifying the region of destination.

Sec. 46. *Release of Appropriations to Local Government Units.* Funds appropriated herein for local government units shall be released only when these local government units have an approved budget pursuant to the provisions of P.D No. 1375, except as may be authorized jointly by the Ministry of Local Government and Community Development, Ministry of Finance and Ministry of the Budget.

Sec. 47. *Unauthorized Organizational Units.* Unless otherwise created by law or directed by the President (Prime Minister), no organizational unit in any Ministry, bureau, office or agency shall be authorized in their respective organizational structures and be funded from appropriations provided by this Act, without authority from the Presidential Commission on Reorganization and the Ministry of the Budget. Organizational units created by administrative authorizations shall be considered as ad hoc arrangements that shall be staffed by contractual personnel, staff members on detail or by temporary personnel where authorized.

Sec. 48. *Construction Outlays.* In the implementation of construction projects covered by appropriations authorized in this Act under the various Ministries, bureaus, offices or agencies of the National Government, including the construction of buildings for state universities, colleges, schools, hospitals, sanitaria, health centers and health stations, roads, and bridges, the appropriate standards and specifications for the planning, survey, design, and construction of the projects shall be prescribed by the Ministry of Public Works, the Ministry of Transportation and Communications, or the Ministry of Public Highways, as the case may be, and in addition, land use and zoning guidelines shall be prescribed by the Ministry of Human Settlements and Sections 2, 3, 4, 5, 6, 7, 9, and 10 of Batás Pambansa Blg. 13, entitled "An Act Appropriating Funds for Public Works and Public Highways Projects and for Other Purposes," shall be strictly complied with wherever applicable.

Sec. 49. *Implementation of Capital Outlays.* The implementation of appropriations for capital outlays provided in this Act for the various Ministries, bureaus, offices or agencies, which are intended for capital projects, may be effected through the Ministry of Public Works, the Ministry of Transportation and Communications, or the Ministry of Public Highways, as the case may be, upon direction of the President (Prime Minister).

Sec. 50. *Motor Transport Equipment.* No appropriations for equipment authorized in this Act shall be used directly or indirectly for the purchase of motor transport equipment unless otherwise specifically authorized by the President (Prime Minister) upon recommendation of the Minister of the Budget as provided by Letter of Implementation No. 29.

Concluding Provisions

Sec. 51. *Repealing Clause.* All laws, rules and regulations inconsistent with this Act except for P.D. No. 711 and 1177, as amended, are hereby repealed or modified accordingly.

Sec. 52. *Separability Clause.* If for any reason, any section or provision of this Act is declared unconstitutional or invalid, other sections or provisions thereof which are not affected thereby shall continue to be in full force and effect.

Sec. 53. *Effectivity.* This Act shall take effect on January one, nineteen hundred and eighty, unless otherwise provided.

Approved, September 7, 1979

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