

**[ LETTER OF INSTRUCTIONS NO. 976, December  
31, 1979 ]**

**APPROVING THE CY 1980 OPERATING BUDGETS OF VARIOUS  
GOVERNMENT OWNED OR CONTROLLED CORPORATIONS, UNDER  
CERTAIN CONDITIONS**

TO: Chairman and Heads of Government Owned or  
Controlled Corporations  
The Chairman, Commission on Audit  
The Chairman, Civil Service Commission  
The Minister of the Budget

Whereas, Executive Order No. 518 establishes the policy, procedure and timetable for the preparation and approval of the operating budgets of government owned or controlled corporations;

Whereas, certain government owned or controlled corporations have submitted for approval, their respective operating budgets in compliance with the said Executive Order and the implementing rules and regulations;

Whereas, the new system for the approval of corporate budgets is being implemented for the first time in 1980, with the attendant transitional difficulties;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct:

1. The internal operating budgets of the government owned or controlled corporations included in the list herewith attached are hereby approved pursuant to the provisions of Executive Order No. 518 and subject to the conditions herein established. The Minister of the Budget shall officially advise the corporate Chairmen and Heads of the details of the approved budgets;
2. Executive Order No. 518 requires that no government owned or controlled corporation shall incur obligations or make payments for current operating or capital expenditures after the beginning of each calendar year without a budget approved the said Order. However, as a transitional measure for the corporations not covered by item no. 1 hereof are hereby authorized to incur obligations and make payments during the months of January and February 1980 within the limits of their average monthly expenditure levels in 1979. These corporations shall submit their operating budgets for approval on or before February 15, 1980. The provision of Section 15 of E.O. No. 518 shall be strictly enforced beginning March 1, 1980.
3. Approval of the proposed expenditure levels shall not be construed to mean automatic approval of increases in salary, allowances, fringe benefits or other components of personnel compensation that are otherwise supportable by the said expenditure levels. Any increases in compensation shall be subject to the provisions of P.D. No. 985 and the applicable implementing Presidential Order.