

[REPUBLIC ACT NO. 1350, June 16, 1955]

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES DURING THE PERIOD FROM JULY FIRST, NINETEEN HUNDRED AND FIFTY-FIVE TO JUNE THIRTIETH, NINETEEN HUNDRED AND FIFTY-SIX, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Appropriation of funds.*—The following sums, or so much thereof as may be necessary, are appropriated out of any funds in the Philippine Treasury not otherwise appropriated for the operation of the Government of the Republic of the Philippines during the period from July first, nineteen hundred and fifty-five to June thirtieth, nineteen hundred and fifty-six, except where otherwise specifically provided:

[Itemized portions on salaries and wages and other expenditures omitted tor lack of space]

GENERAL PROVISIONS

SEC. 2. *Authority to pay salaries not in conformity with the prescribed grades or rates of compensation.*—Payment to incumbent employees of salaries the rates of which are not in conformity with the schedule of grades or rates of compensation provided in section three of Commonwealth Act Numbered Four hundred and two, as tended, is hereby authorized: *Provided*, That new appointments, whether original or promotional, to positions not carrying the salary rates prescribed in Commonwealth Act Numbered Four hundred and two, as amended, shall be made only at rates authorized in the said Act.

SEC. 3. *Personnel in the classified Civil Service under Performance Budget.*—The adoption of the budgetary system based on functions, activities and projects in terms of expected results in the Bureau of Civil Service Bureau of Internal Revenue, Land Registration Commission, Bureau of Lands, Bureau of Telecommunications Bureau of Public Libraries, Bureau of Labor, Wage Administration Service, Industrial Safety Division, Armed Forces of the Philippines, Bureau of Health and Bureau of Commerce, shall neither result in any manner in the laying off of personnel in the classified Civil Service except for cause as provided by law nor in the reduction of actual salaries of incumbent.

SEC. 4. *Appendix covering Plantillas of Personnel.*— The appendix containing the plantillas of personnel in the different bureaus and offices whose budgets are presented pursuant to the provisions of Republic Act No. 992, is hereby made part of this Act.

SEC. 5. *Authority to use savings in appropriations for "personal services," for "maintenance and other operating expenses," and for "furniture and equipment" to cover deficits.*—Except as otherwise provided in this Act, any savings in the regular appropriations authorized in this Act for the Executive Departments for personal services, for maintenance and other operating expenses, and for furniture and equipment of the bureaus and offices under any Department, may, with the approval of the President, be used to cover a deficit in any other item of the regular appropriations, except for personal services, under the same Department. Likewise, any savings in the appropriations for personal services, for maintenance and other operating expenses, and for furniture and equipment of any item under "special purposes," may with the approval of the President, be used to cover a deficit in any other item of appropriation, except for personal services, underment: *Provided*, That, whenever authorized positions are transferred from one program or project to another program or project under the performance budgets, the corresponding amounts appropriated for personal services are deemed transferred, without increasing the total outlay for personal services of the office concerned. In no case, however, shall any item in the regular appropriations and appropriations for "special purposes" be augmented, pursuant to the authority granted in this section, by more than forty per centum of the original appropriation provided in this Act for such item.

SEC 6. *Quarterly report to Congress on transfers of appropriations and accomplishments of bureaus and offices whose appropriations are based on Performance Budget.* —The Auditor General and the Commissioner of the Budget shall submit separately to the Congress a quarterly report of any transfer of appropriation made to cover a deficit, the report to specify the items and the amounts involved and shall furnish copies to each member of Congress in his office: *Provided*, That the heads of bureaus or offices whose appropriations provided for in this Act are based on the Performance Budget shall likewise submit separately to the Congress a quarterly report of their accomplishments in the various projects as set forth in their respective performance budget.

SEC. 7. *Authority to use savings for other purposes.*— The President of the Philippines is authorized to use any savings in the appropriations provided in this Act for the Executive Departments for the settlement of the following obligations incurred during the current fiscal year and/or previous fiscal years, the limitation in section 7-1 (27) of Commonwealth Act Numbered Two hundred forty-S1x, as amended, notwithstanding: (1) claims under section 699 of the Revised Administrative Code and the Workmen's Compensation Act, whichever is applicable, of officers, employees and laborers who died or were injured in line of duty; (2) commutation of the money value of the additional leave, extended leave and accrued leave earned by American and deceased Filipino officers and employees, or by Filipino officers and employees separated from the service except for cause, for service rendered prior to November twenty-ninth, nineteen hundred and twenty-six; (3) purchase of furniture and equipment to replace those that may be lost through accident, fire or other calamity, or may have been damaged through the same cause, the disposal of which is deemed reasonable and necessary, if it would be more expensive to have them repaired, and purchase with the approval of the President of furniture and equipment to replace unserviceable ones condemned by the Auditor General; (4) payment of salaries of suspended employees who have subsequently been exonerated; (5) payment of the share of the National

Government in the salaries of national officials in newly created cities and provinces where no appropriation has been provided therefor; (6) three per cent contribution of the Government to the Government Service Insurance System for the employees' insurance premiums corresponding to the period from December thirty-first, nineteen hundred and forty-one to February twenty-eighth, nineteen hundred and forty-five, pursuant to section four of Republic Act Numbered One hundred thirty-two, the provisions of section 7(c) of Commonwealth Act Numbered One hundred eighty-six, as amended, to the contrary notwithstanding; (7) commutation of sick and vacation leaves of employees who may be retired under existing laws; (8) additional compensation to government nurses assigned to public health nursing at P50 a month in lieu of quarters, subsistence and laundry allowances as provided under section three of Republic Act Numbered Six hundred forty-nine; (9) purchase or rental of accounting machines to carry out the plan of mechanizing the accounting system in the Government; (10) obligation of the National Government under the provisions of subsection (a) of section 2553 of the Revised Administrative Code; (11) cash commutation of the accumulated vacation and sick leave of employees who voluntarily resign or are separated from the service thru no fault of their own, in accordance with the provisions of Republic Act Numbered Six hundred eleven; (12) printing of briefs in cases appealed by the Government; (13) gratuity of employees whose positions are dishied or who are retired; (14) improvement of food a tions in government hospitals and leprosaria; (15) rural improvement; and (16) payment of salary differentials to officials and employees whose salary items have been reduced in the 1956 Budget to the amounts they were actually receiving at the time of the preparation of the said Budget but who before June 30, 1955 were promoted to higher rates provided for their respective salary items.

SEC. 8. *Suspension of expenditure of appropriations.*— Except as otherwise provided in this Act and whenever in his judgment the public interest so requires, the president is authorized to suspend or otherwise stop the expenditure of any amount herein appropriated in any item or items for the Executive Departments for any purpose, except those for salaries of positions with incumbents, and thereupon the funds affected by such action shall become available for any other expenditures authorized in this Act for the Executive Departments as the President may determine, except for personal services: *Provided*, That, whenever authorized positions are transferred from one program or project to another program or project under the performance budgets, the corresponding amounts appropriated for personal services are also deemed transferred, without increasing the total outlay for personal services of the office concerned. In no case, however, shall any item of appropriation be augmented, pursuant to the authority granted in this section, by more than forty per centum of the original appropriation provided in this Act for such item. The Auditor General and the Commissioner of the Budget shall report separately to the Congress within a period of thirty days any suspension f transfer of funds made by the President during the Previous quarter and shall furnish copies to each member of Congress in his office.

Sec. 9. *Provision for "excess of actual salary."*—Appropriations provided in this Act may be used for payment of excess of actual salaries to the incumbent of a position to which said "excess" pertains who is actually receiving the same "excess" as part of the salary granted to him upon his appointment to the said position before the reduction of the basic pay thereof to the amount provided: *Provided, However*, That if the position be vacated and the successor to its previous incumbent shall have previously received an equal salary plus the "excess of actual salary" in the same or

any other branch of the government service, such excess shall be allowable to him.

SEC. 10. *Allotment of Appropriations.*—To prevent the incurrence of deficits, authorized appropriations shall be allotted in accordance with the procedure outlined here-under:

- a. No appropriation authorized for any department or agency shall be available for expenditure until the head of such department or agency shall have submitted to the Commissioner of the Budget a request for allotment of funds, showing the estimated amounts needed for each function, activity or purpose for which the funds are to be expended during the applicable allotment period and until the request shall have been approved by the Commissioner of the Budget as hereinafter provided. The form of the request for allotment shall be prescribed by the Commissioner of the Budget and shall be submitted to him at least twenty-five days prior to the beginning of the fiscal year showing the proposed quarterly allotments of the whole authorized appropriation for the department or agency.
- b. For purposes of the administration of the allotment system herein provided, each fiscal year shall be divided into four quarterly allotment periods beginning, respectively, on the first day of July, October, January and April: *Provided*, That in any case where the quarterly allotment period is found. to be impracticable, the Commissioner of the Budget may prescribe a different period suited to the circumstances but not extending beyond the end of the fiscal year.
- c. Each request for allotment shall be reviewed by the Commissioner of the Budget and the respective amounts therein shall be allotted for expenditures, provided the estimate therein is within the terms of the appropriations as , amount and purpose, having due regard for the probable future needs of the bureau, office or agency for the remainder of the fiscal year or other term for which the appropriation was made, and provided the bureau, office or agency contemplates expenditure of the allotment during the period. Otherwise, the said Commissioner of the Budget shall modify the estimate so as to conform with the terms of the appropriation and the prospective needs of the bureau, office or agency, and shall reduce the amount to be allotted accordingly. The Commissioner of the Budget shall act promptly upon all requests for allotment and shall notify every bureau, office or agency of its allotments at least five days before the beginning of each allotment period. The total amount allotted to any bureau, office or agency for the fiscal year or other term for which the appropriation was made shall not exceed the amount appropriated for said year or term. The notification which will be sufficient authority for the Accounting Officer to enter the allotment in the books, shall include an explanation for any decrease or increase in the request of the head of the department or agency.
- d. At the end of each quarter, each department or agency must report to the Commissioner the current status of its appropriations, the cumulative allotments, obligations, expenditures, and unliquidated obligations and unobligated and unexpended balances, and the results of expended appropriations. Such department or agency may, at any time, initiate or request for a change in allotments in order to adapt its functions or activities

to altered conditions.

- e. The Commissioner of the Budget shall have authority also at any time to modify or amend any allotment previously made by him. In case he shall find at any t that the probable receipts from taxes or other sources for any fund will be less than were anticipated and that as a consequence the amount available for the remainder of the term of the appropriation, or for any allotment period will be less than the amount estimated or allotted therefor, he shall, with the approval of the President and after notice to the department or agency concerned reduce the amount or amounts to be allotted, so as to prevent deficits.
- f. The Commissioner of the Budget shall promptly transmit records of all allotments and modifications thereof to the Auditor General, the Chairman of the Committee on Finance of the Senate, the Chairman of the Committee on Appropriations and the Chairman of the Committee on Ways and Means of the House of Representatives, and the Secretary of Finance.
- g. The Commissioner of the Budget shall maintain control records showing quarterly by funds, accounts, and other pertinent classifications, the amounts appropriated, the estimated revenues, the actual revenues or receipts, the amounts allotted and available for expenditures, the unliquidated obligations, actual balances on hand, and the unencumbered balances of the allotments for each agency of the Government.
- h. No funds shall be disbursed and no expenditures or obligation chargeable against any authorized allotments shall be incurred or authorized by any head of department or agency, without first securing the certification of the corresponding accounting officers of the Budget Commission as to the availability of funds and allotment or appropriation against which the expenditure or obligation may properly be charged, after taking into consideration all previous expenditures and outstanding obligations.
- i. Every expenditure or obligation authorized or incurred in violation of the provisions of this Act shall be void. Every payment made in violation of said provisions shall be illegal, and every officer or employee authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the Government for the full amounts so paid or received. If any officer or employee of government shall knowingly incur any obligation or authorize or make any expenditure in violation of the provisions of this Act, or take part therein, it shall be ground for his removal by the officer appointing him, and if the appointing officer be other than the President and shall fail to remove such officer or employee, the President shall exercise such power of removal after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him.
- j. Since the effective operation of the allotment system with respect to the appropriations authorized in this Act is affected by the appropriations authorized in other Acts, the provisions of this section relating to the allotment system are hereby made expressly applicable to other appropriations and funds of all kinds, including standing or continuing appropriations, and special,