

[REPUBLIC ACT No. 992, June 04, 1954]

AN ACT TO PROVIDE FOR A BUDGET SYSTEM FOR THE NATIONAL GOVERNMENT.

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

SECTION 1. *Title of this Act.*—This Act shall be known as "The Revised Budget Act."

SEC. 2. *Declaration of policy.*—It is hereby declared the policy of Congress that the whole budgetary concept of the Government be based on functions, activities, and projects, in terms of expected results.

SEC. 3. *Definition of terms.*—When used in this Act:

- a. The term "Budget" means the budget required by section nineteen (1), Article VI, of the Constitution, to be submitted by the President to Congress, and which is referred to in section seven of this Act.
- b. The term "Government" means the National Government as distinguished from the different forms of local governments.
- c. The terms "department and agency" and "department or agency" means any department, bureau, office, board, or any establishment of the Executive Branch of the National Government.
- d. The term "current operating expenditures" refers to appropriations spent for the purchase of goods and services for current consumption or within the fiscal year, including the acquisition of furniture and equipment usually used in the conduct of normal government operations.
- e. The term "capital outlays" or "capital expenditures" refers to the purchase of goods and services of a longer life-expectancy extending beyond the fiscal year and which add to the assets of the Government, except furniture and equipment usually used in the conduct of normal government operations.
- f. The term "expected results" means a delineation of the services, and products, or benefits that will accrue to the public, together with the estimated unit cost of each type of service, and product, or benefit.

SEC. 4. *The Budget Commission*.—There is hereby created an office to be known as the Budget Commission under the executive control and supervision of the President. There shall be in the Commission a Budget Commissioner and a Deputy Budget Commissioner who shall be appointed by the President with the consent of the Commission on Appointments. The Deputy Budget Commissioner shall perform such duties as the Commissioner may designate, and during the absence or incapacity of the latter, shall act as Commissioner.

SEC. 5. *Salaries*.—The Budget Commissioner shall receive a compensation of twelve thousand pesos per annum, and the Deputy Budget Commissioner, nine thousand pesos per annum.

SEC. 6. *Functions and powers of the Commission*.—The functions and powers of the Commission shall be as follows:

- a. To prepare the Budget and other appropriation proposals under such policies as the President may adopt. To this end, the Commissioner shall have authority to assemble, correlate, revise, reduce or increase the requests for appropriations of the different departments and agencies of the Government, and to see how their respective programs are related to each other and how they may be shaped into a harmonious program and fiscal policy for the executive branch as a whole.
- b. The Budget Commission, when directed by the President shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes, with a view to securing greater economy and efficiency in the conduct of the public service, should be made in (1) the existing organization, activities, and methods of business of such departments or establishments, (2) the appropriations therefor, (3) the assignment of particular activities to particular services, or (4) the regrouping of services. The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports or any part thereof with his recommendations on the matters covered thereby.
- c. Under such regulations as the President may prescribe, (1) every department or agency shall furnish the Budget Commission such necessary information as the Commission may from time to time require and (2) the Commissioner and Deputy Commissioner, or any employee of the Commission when duly authorized, shall, for the purpose of securing such information, have access to, and the right to examine, any books, documents, papers, or records of any such department or agency.
- d. To develop programs and to issue regulations and orders for the improved gathering, compiling, analysis, publication, and dissemination of relevant and necessary statistical information for any purpose by the departments and agencies. Such regulations

and orders shall be adhered to by said departments and agencies.

- e. To furnish, at the request of any committee, of either House of Congress having jurisdiction over revenue or appropriations, such assistance and information as such committee may require.

THE BUDGET

SEC. 7. *Submission.*—The President shall, in accordance with section nineteen (1), Article VI, of the Constitution, submit within fifteen days of the opening of each regular session of Congress a budget of receipts and expenditures which shall be the basis of the general and other appropriation bills.

He may also, from time to time, transmit to Congress such proposed supplemental or deficiency appropriations as, in his judgment, (1) are necessary on account of laws enacted after the transmission of the Budget, or (2) are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the Budget. Whenever such proposed supplemental or deficiency appropriations reach an aggregate which, if they had been contained in the Budget, would have required the President to make a recommendation as provided in section thirteen of this Act, he shall thereupon make such recommendation.

SEC. 8. *Form and content.*—The Budget shall consist of two parts—(1) *the current operating expenditures and* (2) *the capital outlays.*—Each part of the Budget shall comprise the general fund and all classes of special, operating trust funds, and bond funds under the care and control of the different departments and agencies. The Budget shall embody as appendices the proposed General Appropriation Act, the Public Works Act, and other appropriation Acts to cover the budget proposals.

The Budget shall also contain:

- a. a budgetary message setting forth in brief the significance of the appropriations proposed;
- b. a brief summary of the functions and activities of the Government;
and
- c. summary financial statements setting forth:
 - 1. the estimated expenditures and proposed appropriations necessary for the support of the Government for the ensuing fiscal year;
 - 2. the estimated receipts during the ensuing fiscal year under laws existing at the time the Budget is transmitted, and under the revenue proposals, if any, contained in the Budget;
 - 3. the actual appropriations, expenditures, and receipts during the last completed fiscal year;
 - 4. the estimated expenditures and receipts and actual or proposed appropriations during the fiscal year in progress;

5. balanced statements of the condition of the National Treasury at the end of the last completed fiscal year, the estimated condition of the Treasury at the end of the fiscal year in progress, and the estimated condition of the Treasury at the end of the ensuing fiscal year, if the financial proposals contained in the Budget are adopted, showing, at the same time, the unencumbered and unobligated cash resources;
6. all essential facts regarding the bonded and other long-term obligations and indebtedness of the Government; and
7. such other financial statements and data as are deemed necessary or desirable in order to make known in all practicable detail the financial conditions of the Government.

SEC. 9. *Change in the form of the Budget.*—Whenever any change is made by law in the form of the Budget, the President, in addition to the Budget, shall transmit to Congress such explanatory notes and tables as may be necessary to show where the various items embraced in the Budget of the prior fiscal year are contained in the new Budget.

SEC. 10. *Submission of budget estimates by departments and agencies.*—Each head of department or agency shall submit his request for appropriations to the Budget Commissioner on or before a date he shall determine and in accordance with such regulations as he may issue in conformity with the general requirements of this Act.

Budget estimates for all operating departments and agencies shall be divided into two primary categories— *the current operating expenditures and the capital outlays*—prescribed on the basis of major functions, activities, and projects, so arranged as to show the general character and relative importance of the work to be accomplished or the services to be rendered, and the principal elements of costs involved. To this end, budget estimates shall be supported by:

1. Personnel schedules showing in summary form the proposed employment of personnel grouped by salary grades, without regard to job-title or designations, except for key positions.
2. Brief narrative description of the nature of the work to be performed and explanation of the significance and scope of each program by activity, service, end-product or benefit, the unit cost involved, and whatever changes in emphasis there may be over previous years, together with a comparable progress report of the work accomplished and under way.

SEC. 11. *Departmental approval of proposed appropriations.*—No legislative proposal which, if enacted, would authorize subsequent appropriations shall be transmitted by any department or agency to the Budget Commissioner, or to the President, without the prior approval of the Secretary of the Department concerned. Nor shall any such legislative proposal be transmitted to Congress without the approval of the President.

SEC. 12. *Designation of Budget Officers.*—The head of each department or agency