

**[DBM NATIONAL BUDGET MEMORANDUM NO. 83
SERIES OF 1997, May 07, 1997]**

IMPOSITION OF RESERVES ON THE FY 1997 NATIONAL BUDGET

1. PURPOSE

1.1 To prescribe the guidelines and procedures in the imposition of reserves in the budgets of departments and agencies for FY 1997.

2. SPECIFIC GUIDELINES

2.1 Mandatory Reserves on Departments /Agencies Budgets — There shall be a mandatory imposition of budgetary reserves equivalent to Ten Percent (10%) on Maintenance and Other Operating Expenses (MOOE) and 5% on Capital Outlays (CO) on all budgets of departments and agencies for FY 1997.

This mandatory imposition shall not apply to programs and activities pertaining to:

- a) DPWH-repair and maintenance of roads and bridges;
- b) DILG-BJMP-meal allowance of prisoners;
- c) MOOE of DECS-division schools and CHED supervised schools;
- d) MOOE of hospital operations; and
- e) Departments/agencies with fiscal autonomy, i.e., Congress of the Philippines, The Judiciary, Commission on Elections, Commission on Audit, Civil Service Commission, Commission on Human Rights and Office of the Ombudsman.

2.2 Reserves on Congressional Initiatives (CIs) — Congressional Initiatives of departments and agencies and Special Purpose Funds shall be imposed the following budgetary reserves, except agencies with fiscal autonomy:

2.2.1 100% on all Personal Services components except veterans pensions;

2.2.2 100% on subsidy contributions to government — owned and controlled corporations (GOCCs);

2.2.3 20% on all Maintenance and Other Operating Expenses; and

2.2.4 25% on all Capacity Outlays.

3. The Imposition of the Reserves