

[ADMINISTRATIVE ORDER NO. 236, January 08, 1996]

PRESCRIBING RULES AND REGULATIONS ON THE COLLECTION, REMITTANCE AND UTILIZATION OF SALES PROCEEDS UNDER REPUBLIC ACT NO. 7227 AS AMENDED BY REPUBLIC ACT NO. 7917

1.

PURPOSE

This Order is issued to prescribe the rules and regulations covering the collection, remittance and utilization of proceeds from the sale of government lands and other properties transferred to the Bases Conversion Development Authority pursuant to RA No. 7227 as amended by RA No. 7917.

2.

COVERAGE

This Order covers the Bases Conversion Development Authority (BCDA) and all agencies, national, local or government corporation, designated as beneficiaries, implementors or conduits, hereafter referred to as agencies, of the proceeds of the sale of government lands and other properties in accordance with the provisions of RA No. 7227 as amended by RA No. 7917.

3.

GENERAL GUIDELINES

3.1 Pursuant to the "one fund" concept in government budgeting and accounting, consistent with the provisions of Section 29 (1) of Article VI and Section 22 of Article VII of the Constitution, as implemented by Sections 44 and 45, Book VI of EO No. 292 and Sections 65 and 66 of the Government Auditing Code, all income, fees, charges, assessments, and other receipts or revenues collected by government offices and agencies shall be deposited in the National Treasury and shall accrue to the General Fund of the National Government.

3.2 Section 1 of RA 7917 provides that "The proceeds from any sale, after deducting all expenses related to the sale, of portions of Metro Manila military camps as authorized under this Act, shall be deemed appropriated for the purposes herein provided. . .". This means that the funds are automatically appropriated and their utilization shall be in accordance with the purposes enumerated therein, subject however, to budget programming based on the approved government fiscal program

for the year.

4.

SPECIFIC GUIDELINES

4.1 The proceeds from the sale of government lands and other properties pursuant to Section 8 of RA 7227 as amended by RA 7917 are hereby declared government funds and shall be remitted to the National Treasury and shall accrue to the General Fund of the Government.

4.1.1 The treatment and deposit of interest earnings from the proceeds of sale of government lands and other properties transferred to BCDA pursuant to R.A. No. 7227, as amended by R.A. No. 7917, shall be determined by the Committee created under paragraph 4.2 hereof in consultation with the Bureau of the Treasury and the Commission on Audit.

4.2 BCDA shall remit to the National Treasury, the proceeds from the sale, net of the expenses directly incurred in the sale of the land or property, within two weeks after receipt of actual payment from the buyer. The direct expenses incurred shall pertain to those expenses that are directly attributable to the sale of the land or property such as the appraisal/valuation of the properties, marketing expenses and relocation/replication costs or those which would not have been incurred by BCDA and AFP if the decision to sell were not made, with the latter to be determined jointly by a Committee herein created composed of representatives from the Bases Conversion Development Authority (BCDA), Department of National Defense (DND) and Department of Finance (DOF).

4.3 In accordance with Section 1 of RA 7917, 2.5% of the sales proceeds of Fort Bonifacio, net of the direct expenses defined in the preceding section, shall be deducted to cover the share to be divided equally among the City of Makati and the Municipalities of Taguig and Pateros. The Bureau of the Treasury shall establish a separate Special Account for the Department of Budget and Management which shall act as conduit and administrator of the fund intended for the City of Makati and the Municipalities of Taguig and Pateros.

4.4 The Purposes enumerated in RA 7917 shall be interpreted as follows:

4.4.1 The Modernization Program referred to under Section 1 (1) shall include not only the modernization program of the Armed Forces of the Philippines but also the modernization program of the Government Arsenal as determined by the Secretary of National Defense;

4.4.2 Section 1 (3) shall mean the National Shelter Program as implemented by the National Housing Authority, National Home Mortgage Finance Corporation and Home Insurance Guaranty Corporation as endorsed by the Housing and Urban Development Coordinating Council;

4.4.3 Section 1 (5) shall mean critical infrastructure projects for areas surrounding the former bases as recommended by the BCDA and forwarded to the Department of Public Works and Highways (DPWH) and Department of Transportation and Communications (DOTC) for implementation;

4.4.4 Section 1 (9) shall mean the multi-year program of the prosecution service being implemented by the Office of the Secretary of the Department of Justice (DOJ) and the Ombudsman;

4.4.5 Section 1 (10) shall mean the improvement of prison facilities undertaken by the Bureau of Jail Management and Penology and the Bureau of Corrections.

4.4.6 Section 1 (11) shall mean the judicial reform programs of the Judiciary;

4.4.7 Section 1 (12) shall mean the pre-school program of the Department of Education, Culture and Sports (DECS) and day care centers as determined by the Department of Social Welfare and Development (DSWD);

4.4.8 Section 1 (14) shall mean the construction of Senior Citizens Centers as determined by the DSWD; and

4.4.9 Section 1 (15) shall mean programs and projects to meet emergency and contingent needs of the areas devastated by the Mount Pinatubo eruptions as determined by the Mt. Pinatubo Commission for implementation by the appropriate agencies.

4.5 The Bureau of the Treasury shall record the net proceeds, i.e., after deducting the expenses and shares stipulated in Section 4.2 and Section 4.3, respectively, separately as a Special Account in the General Fund. For this purpose, a separate Special Account shall be established for each of the individual agencies, as follows.

4.5.1 35% for the account of the Armed Forces of the Philippines and the Government Arsenal;

4.5.2 27.5% for the account of the Bases Conversion Development Authority;

4.5.3 12% for the account of the National Housing Authority, National Home Mortgage Finance Corporation and Home Insurance and Guaranty Corporation;

4.5.4 3% for the account of the Philippine Health Insurance Corporation;

4.5.5 5% for the account of the Department of Public Works and Highways and Department of Transportation and Communications;

4.5.6 2% for the account of the Philippine Veterans Affairs Office;

4.5.7 1% for the account of the Commission on Higher Education;

4.5.8 2% for the account of the Department of Science and Technology;

4.5.9 1% for the account of the Office of the Secretary, Department of Justice and the Ombudsman;

4.5.10 2%, but not to exceed two billion pesos, for the account of the National Bureau of Investigation, Bureau of Corrections, Philippine National Police, and