

[BATAS PAMBANSA BLG. 1, August 18, 1978]

AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES DURING THE PERIOD JANUARY ONE TO DECEMBER THIRTY-ONE, NINETEEN HUNDRED AND SEVENTY-NINE AND FOR OTHER PURPOSES.

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. *Appropriation of funds.*—The following sums, or so much thereof as may be necessary, are hereby appropriated out of any funds in the National Treasury of the Philippines not otherwise appropriated, for the operation of the Government of the Republic of the Philippines from January one to December thirty-one, nineteen hundred and seventy-nine except where otherwise specifically provided:

[For brevity, the enumeration under this Section of the funds appropriated for the operation of the Government had been deleted. Please refer to the unabridged copy of the General Appropriations Act for the details.]

GENERAL PROVISIONS

DEFINITIONS

SEC. 2. *Expenditure Components.*—Any provision of law to the contrary notwithstanding, any change or modification in the definition of items and objects of expenditure referred to in the General Appropriations Act and other Appropriation Laws or Executive issuances promulgated pursuant thereto shall require the concurrence of the Minister of the Budget.

RECEIPTS AND INCOME

SEC. 3. *Fees and Charges.*—Ministries, bureaus, offices or agencies are authorized to collect fees for services rendered in the exercise of their functions at such rates as may be approved by the Minister concerned. The income from such fees or charges shall accrue to the General Fund and shall be deposited with the National Treasury, unless otherwise provided by law.

SEC. 4. *Sale of Products*.—Ministries, bureaus, offices or agencies are authorized to sell output from agricultural, industrial or other projects, including official publications, with the proceeds thereof to accrue to the General Fund, unless otherwise provided by law.

SEC. 5. *Seminar Fees*.—Ministries, bureaus, offices or agencies which conduct training programs are authorized to collect seminar and conference fees from government and private agency participants, the rates of which shall be determined in accordance with Letter of Instructions No. 566. The proceeds derived therefrom shall be deposited with the National Treasury and shall be made available for expenditure to defray the costs incurred, including speakers' honoraria, handouts, meals and other incidental expenses, subject to Sections 40 and 52 of P.D. No. 1177.

SEC. 6. *Loan Proceeds*.—The proceeds from foreign or domestic borrowings, whether in cash or in kind, shall not be utilized unless covered by an appropriation that is programmed for expenditure.

SEC. 7. *Donations*.—Any provision of law to the contrary notwithstanding, Ministries, bureaus, offices or agencies are authorized to accept donations, contributions, grants, bequests, or gifts, in cash or in kind. The proceeds thereof, if in cash, shall be deposited with the National Treasury in a Special Account and shall be used or expended only in accordance with the wishes of, and purposes specified by the benefactor or donor, subject to Section 40, P.D. No. 1177: *Provided, however*, That if such donations, contributions or gifts are in kind and their storage or distribution to intended beneficiaries would entail an expenditure of more than forty percent of their current market value and that they are of a perishable nature, the same may be sold at public auction and the proceeds thereof shall be deposited in like manner as if they were in cash, if permitted by and subject to the conditions imposed by the donor; and, *Provided, finally*, That such receipts, including equipment and other fixed assets, shall be recorded in the books of government and subject to pertinent accounting and auditing rules and regulations.

SEC. 8. *Performance Bonds*.—Performance bonds filed or posted by private persons or entities with offices or agencies of the government shall be deposited with authorized government depository banks as trust liabilities of the office or agency concerned. Upon faithful performance of the undertaking or termination of the obligation for which the bond was required, any amount due shall be returned to the filing party and the office or agency concerned is authorized to withdraw said amount without the need for a Cash Disbursement Ceiling: *Provided*, That the interest accruing thereto, including any forfeited amount shall be recorded as income of the General Fund. This provision shall apply to all other bonds posted in cash, such as bidder's bonds, guarantee bonds, bail bonds, judicial bonds, and all

bonds required by law, rules or regulations to be posted to insure the faithful performance of an activity or undertaking.

SAVINGS

SEC. 9. *Use of Savings.*—The President (Prime Minister) of the Philippines is authorized to use savings in the current appropriations for the Ministries provided in this Act for the settlement of the following obligations incurred during the budget year:

a. Payment of gratuity or separation pay of employees who are entitled thereto under existing law or are laid off as a result of the elimination of their positions under authorized procedures;

b. Payment of the share of the National Government in the salaries of officials and employees in newly created and/or reclassified local government units where no appropriation has been provided in this Act or where the authorized appropriation is not sufficient to cover the salaries of the said officials and employees;

c. Payment of hazard pay to officials and employees who are authorized to receive such pay under existing law;

d. Provision of social and economic opportunities and such other activities intended for the welfare of the national minorities as may be undertaken by the Presidential Assistant on National Minorities;

e. Rural improvement and community development projects such as feeder roads, artesian wells, spring development, river and flood control, sea walls, communal irrigation, schoolhouses, bridges, environmental sanitation, and other agricultural and health projects to promote the economic well-being of the rural areas;

f. Organization, activation, training and operation of military units for the purpose of implementing agency development projects in areas adversely affected by peace and order problems, including salaries and allowances of all military personnel assigned thereto;

g. Payment of obligations of the National Government or any of its Ministries or agencies arising from perfected and valid contracts or international agreements;

h. Payment to the Government Service Insurance System of annual life insurance premiums of barangay officials and Kabataang Barangay chairmen as authorized by law;

i. Purchase of equipment, including motor vehicles, to replace those lost through theft or robbery, accident, fire or typhoon and other natural calamities, and to replace unserviceable and condemned items;

j. Expansion of essential facilities and services, including the opening of additional classes in elementary, secondary and vocational schools, as may be approved by the President (Prime Minister);

k. Funding of foreign exchange requirements of foreign-assisted projects; and

l. Implementation of the provisions of Proclamation No. 1081, dated September 21, 1972 and all Presidential Orders, Decrees and Instructions issued as a consequence of said Proclamation.

Any provision in this Act to the contrary notwithstanding, the authority granted in the special provisions of the budgets of the different Ministries, offices or agencies under the Executive Branch to utilize, by way of transfer, savings in appropriations to augment other items of appropriation in the same Ministry, office or agency, shall be subject to the approval of, or upon authority by, the President (Prime Minister), pursuant to Section 45, P.D. No. 1177 and Letter of Implementation No. 29.

SEC. 10. *Transfer of Salary Savings.*—The provisions of Section 7(c) of C.A. No. 186, as amended, to the contrary notwithstanding, no savings from personal services shall be transferred to the Government Service Insurance System for payment of benefits.

AUTHORIZED EXPENDITURES

SEC. 11. *Key Budgetary Inclusions.*—The Key Budgetary Inclusions (KBI) of Ministries, bureaus, offices or agencies shall be released and used only for the indicated purposes and conditions, except as may be otherwise approved by the Minister of the Budget: *Provided*, That the amounts of loan proceeds or donations shall be released only to the extent of actual draw downs or receipts, as the case may be, and shall not be used for any purpose other than that specified.

SEC. 12. *Funding for Contracts.*—Ministries, bureaus, offices or agencies concerned, before entering into a contract requiring government funding, including contracts of lease, equipment rental, construction of partitions or improvements in a leased building or contracts involving an increase or in excess of authorized appropriations, and contracts for services or consultancy, shall secure a certification of availability of funds for the purpose, subject to applicable rules and regulations as may be issued by the Ministry of the Budget, and to Section 64, P.D. No. 1177.

SEC. 13. *Foreign Exchange Requirements.*—Except as otherwise provided in this Act, the appropriations for Ministries, bureaus, offices, or agencies allotted for maintenance and other operating expenses may be used to pay for foreign exchange requirements of duly approved activities.

SEC. 14. *Seminar Expenses.*—Ministries, bureaus, offices or agencies are authorized to conduct seminars, workshops, conferences, and in-service training courses for their respective staff members, including employees of other government agencies and private sector. The expenses incurred shall be chargeable to the appropriations allotted for maintenance and other operating expenses of their respective offices and to the proceeds from fees collected under Section 5 hereof. Per diems and allowances of employees attending such courses may be withheld to the extent paid by the agency for board, lodging and/or transportation from its appropriations.

SEC. 15. *Dues to International Organizations.*—Except as otherwise provided in this Act, appropriations allotted for maintenance and other operating expenses may be used for the payment of dues to international organizations, membership in which is duly approved by competent authority.

SEC. 16. *Repair of Buildings.*—Ministries, bureaus, offices, or agencies, including public schools, courts of justice and hospitals, are authorized to use their appropriations allotted for maintenance and other operating expenses for minor repairs of their offices and buildings.

SEC. 17. *Cultural and Athletic Activities.*—Except as otherwise provided in this Act, appropriations allotted for maintenance and other operating expenses not exceeding P10,000 per annum for each non-regionalized bureau, office or agency, or P25,000 for each regionalized bureau, office or agency, may be used for cultural and athletic