

[LETTER OF INSTRUCTIONS NO. 981, February 04, 1980]

DIRECTING THE IMPLEMENTATION OF ECONOMY MEASURES IN GOVERNMENT, FOR PURPOSES OF GENERATING CONTINGENCY RESERVES

TO: All Heads of national Government, Ministry, Bureau, office or Agency, including state Universities and Colleges

All Heads of Government Owned or Controlled Corporations

All Heads of Local Government Units, including Local School Boards

The Chairman, Commission on Audit

Whereas, the international energy crisis and uncertainties abroad require government to engage in contingency planning;

Whereas, it is necessary for government to accumulate budgetary reserves in order to allow it to anticipate the funding requirements of any contingencies;

Whereas, budgetary reserves of P1.6million have already been imposed on agency programs of expenditure for CY 1980, an amount that needs to be further increased;

NOW, THEREFORE, I, FERDINAND E. MARCOS, do hereby Order and Instruct the following economy measures in government as a means of building contingency reserves:

1 .0 Voluntary Measures

1.1 All agencies of government are enjoined to adopt internal economy measures so as to ensure maximum service with limited government resources. They shall pay particular attention to eliminating red tape in government operation and other improvements in systems and procedures, economy in the utilization of supplies and materials, voluntary restraint on foreign and domestic travel, and generally on the elimination of unnecessary expenditures.

1.2 Agencies shall review their respective budget programs and shall identify such activities as may be postponed or eliminated for the purpose of identifying and offering additional savings of no less than ten (10) per cent of current operating expenditures and capital outlays, in addition to reserves earlier imposed. The guidelines issued under LOI No. 828 dated March 14, 1979 are hereby reissued and reiterated.

2 0 Mandatory Measures

The following measures are hereby directed for implementation for agencies who fail to identify/generate the ten (10) per cent savings mentioned in item no. 1.2 hereof:

2.1 New position items for administrative/clerical positions created for CY 1980 shall not be filled, except for hospitals:

2.2 Casuals, temporary and emergency personnel, including consultants and contractual personnel, shall not be hired without the prior approval of a Personnel Effectiveness Review Committee consisting of the Chairman of the Civil Service Commission and the Minister of the Budget;

2.3 The Minister of the Budget shall withhold/withdraw salary savings of agencies and shall add these to budgetary reserves. Actual personnel services costs shall be determined (net of salary lapses and savings due to vacant positions) and withheld/withdrawn accordingly;

2.4 No substitutionary appointments shall be issued to fill temporary vacancies that arise for periods of less than three months

2.5 Government funds may not be spent for attendance in conventions, seminars, workshops and other similar activities conducted by private groups. Attendance of government officials and staff may be authorized at no expense other than the salary of the persons concerned, the payment of fees, per diems and transportation expenses being prohibited;

2.6 The purchase of equipment shall be suspended, except for urgently needed items that shall not aggregate twenty five thousand pesos per agency and except for library and museum specimens:

3.0 General Requirements/Policies

3.1 The organization and staffing of new organizational unit is hereby suspended, except as may be authorized in accordance with the recommendations of the Ad Hoc Committee on Organizational Unit created under LOI No. 728;

3.2 The creation of new Inter-Agency Committees with additional compensation to members and/or technical or support staff is hereby prohibited. Existing Committees shall be abolished in accordance with the recommendations of the Committee created under LOI No. 728.;

3.3 The Commission on Audit shall enforce Executive Order No. 228 and revert to the general fund, unsubstantiated Accounts Payable recorded in agency books and Accounts Payable remaining unpaid after two (2) years from the date of obligations:

3.4 The purchase of motor vehicles is banned, except when funded from proceeds of sale of old vehicles and subject to the provisions of LOI No. 29;

3.5 The Ministry of the Budget shall conduct a review of the so-called peso