

# [ LETTER OF INSTRUCTIONS NO. 925, August 31, 1979 ]

## RELATIVE TO THE ISSUANCE OF CASH DISBURSEMENT CEILINGS FOR GOVERNMENT OPERATIONS

TO: The Standing Committee of the Cabinet  
The Minister of Economic Planning  
The Minister of the Budget  
All Ministers and Heads of Bureau/Office/Agency  
of the National Government, including  
State Universities and Colleges  
The Chairman, Commission on Audit  
The National Treasurer  
The Regional Directors, MPW, MPH and MTC

WHEREAS, Cash Disbursement Ceilings are issued in order to ensure that agency disbursements are within the limits of cash availability in the Treasury;

WHEREAS, by their nature, Cash Disbursement Ceilings (CDC) should expire after a specified period of time;

WHEREAS, delays in CDC transmission hamper the prosecution of both infrastructure projects and current operations;

WHEREAS, specific allocation of CDC by project is necessary to ensure effective implementation of the Infrastructure Program;

NOW, THEREFORE, I, FERDINAND E. MARCOS, do hereby issue the following instructions to improve upon the CDC process, in the interest of facilitating government operations and project implementation, while maintaining adequate cash control in the Treasury:

### 1.0.0 Infrastructure Program

#### 1.1.0 Preparation and Contents

1.1.1 The NEDA Committee on Infrastructure shall prepare the infrastructure program of an incoming year no later than October 15 of the immediately preceding year. The Standing Committee of the Cabinet shall review the infrastructure program and shall submit its comments and recommendations to the President not later than November 15, The Minister of the Budget shall release obligational authority and CDC on peso costs of the infrastructure program for the entire year within three (3) weeks of the President's approval.

1.1.2 The infrastructure program and the fund release documents shall contain the quarterly cash requirements of individual projects, corresponding to the schedule of payment for work accomplished during the quarter or for prior years' accomplishments. These shall be determined by the MPW, MPH or MTC as the case may be, with the

participation of their respective planning and finance officers and in coordination with NEDA, the Treasury and the Ministry of the Budget.

1.1.3 The infrastructure program shall include adequate lump sums to cover the following requirements that are not identified by projects: (a) payments of accounts payable for work accomplished in prior years which are not otherwise listed, including payments of amounts retained to answer for defects/damages on completed projects, (b) revalidation of lapsed CDC, and (c) unused portions of allotments released in previous years. Charges to these lump sums shall be considered by the Standing Committee of the Cabinet on the basis of a comprehensive list prepared by MPW, MTC or MPH, as soon after the beginning of the year as possible.

#### 1.2.0 Fund Release Schedule

1.2.1 Immediately after the President's approval of the infrastructure program and upon the request of the Ministry concerned, the Minister of the Budget shall release in advance of the budget year, (a) all funds specifically provided for preliminary and/or detailed engineering work and (b) the equivalent of up to five percent (5%) of the total CDC requirements for the budget year for new projects wherever such engineering work has not as yet been undertaken. These releases shall be charged to the infrastructure program of the immediately preceding year, which shall specifically provide for such costs. Likewise, the infrastructure program of the budget year shall provide for such requirements of the following year.

1.2.2 Within ten days from receipt of the CDC from the Ministry of the Budget, the Ministries concerned shall issue sub-CDC specifying therein the covered projects, to their respective Regional Offices which in turn shall issue within five days sub-CDC to their respective District Offices, likewise specifying the covered projects, in order to effect prompt payments of accounts in accordance with existing laws, policies and accounting and auditing rules and regulations.

1.2.3 The Central Office of the Ministry of the Budget shall immediately send copies of the comprehensive CDC releases and any subsequent releases thereafter, to its Regional or District Offices for monitoring purposes, as well as to the Assemblymen and Governors concerned, as basis of checking the progress of agency releases of sub-CDC and of project implementation within their respective regions.

1.2.4 The Minister of the Budget shall make such adjustments as may be necessary to see to compliance with necessary funds releases for foreign-assisted projects.

#### 1.3.0 Cash Disbursement Ceiling Validity Period

1.3.1 The validity of CDC shall extend into all succeeding quarters of the same calendar year. The validity of any CDC unused as of December 31 shall automatically extend into the first quarter of the next succeeding year, but shall be used only for the payment of accounts payable incurred