

[LETTER OF INSTRUCTIONS NO. 760, October 30, 1978]

RELATIVE TO THE ANALYSIS OF THE BUDGET OF THE ARMED FORCES OF THE PHILIPPINES

TO: The Minister of National Defense
 The Minister of the Budget
 The Chief of Staff

WHEREAS, the budget of the Armed Forces of the Philippines is one of the largest single components of the national government budget;

WHEREAS, the financial position of the Philippine government and the anticipated difficulties that the economy faces in the next few years makes it necessary to review the cost of all government programs;

WHEREAS, the existing practice of a uni-budget for the various Military Services does not allow full evaluation of the cost of the various military activities.

Now, Therefore, I, Ferdinand E. Marcos, President of the Philippines, do hereby Order and instruct:

1. The Chief of Staff shall prepare a work and Financial Plan for each of the Services of the Armed Forces of the Philippines, including the General Headquarters, identifying cost estimates for each Program, Project and Activity as listed in the General Appropriations Act.
2. The estimated cost of major sub-activities shall also be specified, including the amount earmarked for intelligence activities in each Program/Project/Activity. The Minister of National Defense shall prepare a list of the major sub-activities to be included by the Chief of Staff in the Work and Financial Plan.
3. The cost of each Program, Project, Activity and Sub-Activity shall be identified by Command.
4. Amounts withheld by GHQ and the Services as budgetary reserves corresponding to each Program/Project/Activity/Sub-Activity shall be identified as such.
5. The total cost of each Program/Project/Activity/Sub-Activity shall be identified by object of expenditure, specifically noting the cost of personal services, maintenance and operating expenses, equipment, land acquisition, and construction.
6. The format of the Work and Financial Plan herein required shall be prepared jointly by the Minister of National Defense and the Minister of the Budget.
7. The Work and Financial Plan shall be prepared by the Chief of Staff, reviewed by the Minister of National Defense and the Minister of the Budget, and submitted to the President for final approval prior to the release of funds at the beginning of each budget year.
8. Deviations from the approved Work and Financial Plan and from the implementing budgetary releases shall be subject to the approval of the Minister of National Defense acting upon guidelines issued by the President: Provided, That no increase in compensation, allowances and fringe benefits