

[**PRESIDENTIAL DECREE NO. 1777, January 14, 1981**]

AN ACT FURTHER AMENDING CERTAIN SECTIONS OF P.D. NO. 1177, AS AMENDED, ENTITLED REVISING THE BUDGET PROCESS IN ORDER TO INSTITUTIONALIZE THE BUDGETARY INNOVATIONS OF THE NEW SOCIETY

WHEREAS, the Presidential Decree No. 1177, as amended was promulgated; to improve national budget policy and practice, to institutionalize budgetary reforms and innovations realize during the New Society and to put into effect the chants in budget principles embodied, in the Constitution of 1973;

WHEREAS, there is need to further clarify certain provisions of the decree in order to further improve the budget process and. procedures in the light of experience in the application of P.D. No. 1177.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby Order and Decree:

SECTION 1. Parts of Section 2 of P.D. No. 1177, as amended by Section 1 of P.D. No. 1421, are hereby further amended to read as follows:

- a) "Budget" refers to the budget required to be prepared pursuant to Section Sixteen (1), article VIII of the Constitution, which contains the financial program of the National Government for a designated calendar year, consisting of statements of estimated, receipts from revenues and expenditures for the calendar year for which it is intended to be effective.
- b) "Government" means the National Government, including the Executive, the Legislative and the Judicial Branches, the Constitutional Commissions, regional commissions, and state universities and colleges. It includes among its instrumentalities, local government units and government-owned or controlled corporations.
- c) "Government-owned or controlled corporations" are corporations created by law as agencies of the state for narrow and limited purposes, either owned wholly by the state or wherein the Government is a majority stockholder, in cases of stock corporations, or otherwise, agencies so created where no stocks are issued but whose affairs are conducted by a duly constituted board and which perform proprietary functions. This term shall include all corporations, including financial institutions, owned or controlled by the National Government performing government and/or proprietary functions, but excluding state university and colleges.
- h) "Local Government Units" refer to the political subdivisions mentioned or authorized to be created under Article XI of the Constitution.
- j) "Appropriation" is an authorization under Acts of Congress, Presidential Decrees, or other legislatives enactment, allowing obligations to be incurred and payments to be made with funds of the government under specified conditions and/or for specified purposes.