

[PRESIDENTIAL DECREE NO. 1374, May 16, 1978]

AUTHORIZING THE REVERSION TO THE GENERAL FUND OF DORMANT OR UNNECESSARY SPECIAL AND FIDUCIARY FUNDS

WHEREAS, the proper allocation of government resources calls for the comprehensive review of government planning objectives and priorities, in conjunction with aggregate receipts and resources;

WHEREAS, the earmarking for specific purposes of proceeds from taxes, imposts or other revenues of government, tends to frustrate a comprehensive review of priorities and resources available;

WHEREAS, the initial operation and the implementation of certain priority activities may justify the creation of Special or Fiduciary Funds for a specified period of time;

WHEREAS, the transfer of dormant or unnecessary Special and Fiduciary Funds to the General Fund would facilitate the implementation of social economic programs and projects which will benefit and improve the welfare of the masses.

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. *Statement of Policy.*—All revenues of government shall accrue to the General Fund and thus be made available to support approved priority programs and projects. Earmarking of proceeds of special imposts, taxes, or other sources of revenues for specific uses is discouraged. Exceptions shall be made only in those cases where, for administrative or other reasons, earmarking of proceeds may be justified to support a major priority project with substantial funding requirements for a specified period of time.

SEC. 2. *Abolition of Special and Fiduciary Funds.* The President is authorized to abolish dormant or unnecessary Special or Fiduciary Funds and transfer all assets, liabilities, surpluses and appropriations pertaining thereto, to the General fund of the national government. The operations of all Special and Fiduciary Funds shall be reviewed by the Secretary of Finance, the Commissioner of the Budget and the Chairman of the Commission on Audit. They shall recommend to the President the abolition of Funds which are found to be dormant, or whose basis for creation no longer exists, or whose purposes are provided for by appropriations of the General Fund, thus rendering the said Special or Fiduciary Funds unnecessary.

SEC. 3. *Rules and Regulations.* The Secretary of Finance, the Commissioner of the Budget, and the Chairman of the Commission on Audit shall recommend for the approval and the issuance by the President, rules and regulations for the effective implementation of the provisions of this Decree.

SEC. 4. *Repealing Clause.* All existing laws, decrees and letters of instructions, as well as rules and regulations, which are inconsistent within the provisions of this Decree are hereby repealed and/or modified accordingly.

SEC. 5. *Effectivity.* This Decree shall take effect immediately.