

**[ REPUBLIC ACT NO. 3500, June 16, 1962 ]**

**AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES DURING THE PERIOD FROM JULY FIRST, NINETEEN HUNDRED AND SIXTY-TWO TO JUNE THIRTIETH, NINETEEN HUNDRED AND SIXTY-THREE, AND FOR OTHER PURPOSES.**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. **Appropriation of funds.**—The following sums, or so much thereof as may be necessary, are appropriated out of any funds in the Philippine Treasury not otherwise appropriated for the operation of the Government of the Republic of the Philippines during the period from July first, nineteen hundred and sixty-two to June thirtieth, nineteen hundred and sixty-three, except where otherwise specifically provided:

**[Itemized portions on salaries and wages and other expenditures are omitted for lack of space]**

**GENERAL PROVISIONS**

SEC. 2. **Personnel in the classified Civil Service not to be affected by the adoption of the Performance Budget.**—The adoption of the budgetary system based on functions, activities and projects in terms of expected results shall neither result in any manner in the laying off of personnel in the classified Civil Service except for cause as provided by law nor in the reduction of actual salaries of incumbents or demotion in rank or change of status.

SEC. 3. **Authority to use savings in appropriations to cover deficits.**—Except as otherwise provided in this Act, any savings in the regular appropriations authorized in this Act for any Executive Department for "personal services," for "maintenance and other operating expenses," and for "equipment" of the bureaus and offices under the same Department may, with the approval of the President, be used to cover a deficit in any other item of the regular appropriations except for personal services, under the same Department: PROVIDED, That whenever authorized positions are transferred from one program to another within the same Department, the corresponding amounts appropriated for personal services are also deemed transferred, without increasing the total outlay for personal services of the Department concerned. In no case, however, shall any item of appropriations be augmented, pursuant to the authority granted in this section by more than thirty per centum of the original appropriation provided in this Act for such item.

**SEC. 4. Quarterly report to Congress on transfers of appropriations and accomplishments of bureaus and offices.**—The Auditor General and the Commissioner of the Budget shall submit separately to the Congress a quarterly report of any transfer of appropriation made to cover a deficit, the report to specify the items and the amounts involved and shall furnish copies to each member of Congress in his office. The heads of bureaus or offices whose appropriations are based on the Performance Budget shall likewise submit separately to each member of Congress a quarterly report of their accomplishments.

**SEC. 5. Authority to use savings for other purposes.**—The President of the Philippines is authorized to use any savings in the appropriations provided in this Act for the Executive Departments for the settlement of the following obligations incurred during the current fiscal year and/or previous fiscal years, the limitation in section 7-I(27) of Commonwealth Act Numbered Two hundred forty-six, as amended, notwithstanding: (1) claims under section 699 of the Revised Administrative Code, as amended, and the Workmen's Compensation Act, whichever is applicable, of officers, employees and laborers who died or were injured in line of duty; (2) commutation of the money value of the additional leave, extended leave and accrued leave earned by American and deceased Filipino officers and employees, or by Filipino officers and employees separated from the service except for cause, for service rendered prior to November twenty-ninth, nineteen hundred and thirty-six; (3) purchase of equipment to replace those that may be lost through accident, fire or other calamity, or may have been damaged through the same cause, the disposal of which is deemed reasonable and necessary, if it would be more expensive to have them repaired, and purchase, with the approval of the President, of equipment, including motor vehicles, to replace unserviceable ones condemned by the Auditor General; (4) payment of salaries of suspended employees who have subsequently been exonerated; (5) payment of the share of the National Government in the salaries of national officials in newly created cities and provinces where no appropriation has been provided therefor; (6) three per cent contribution of the Government to the Government Service Insurance System for the employee's insurance premiums corresponding to the period from December thirty-first, nineteen hundred and forty-one to February twenty-eight, nineteen hundred and forty-five, pursuant to section four of Republic Act Numbered One hundred thirty-two, the provisions of section 7(c) of Commonwealth Act Numbered One hundred eighty-six, as amended, to the contrary notwithstanding; (7) commutation of vacation and sick leave of employees who may be retired under existing laws; (8) additional compensation to government nurses assigned to public health nursing at P50 a month in lieu of quarters, subsistence and laundry allowances as provided under section three of Republic Act Numbered Six hundred forty-nine; (9) purchase or rental of accounting machines to carry out the plan of mechanizing the accounting system of the Government; (10) cash commutation of the accumulated vacation and sick leave of employees who voluntarily resign or are separated from the service thru no fault of their own, in accordance with the provisions of Republic Act Numbered Six hundred eleven, as amended by Republic Act Numbered One thousand eighty-one; (11) printing of briefs in cases appealed by the Government; (12) improvement of food rations in government hospitals and leprosaria; (13) rural improvement; (14) payment of premiums for the insurance of government properties; (15) payment of gratuities of employees who are laid off as a result of the elimination of their positions in this Act and the government reorganization under Republic Act No. 997; as amended, at a rate equivalent to one month salary for every year of continuous satisfactory service rendered but not

exceeding twelve months, on the basis of the last salary received: PROVIDED, That if said employees are entitled to gratuity or pension under any retirement law, they shall select either such gratuity or pension or the gratuity herein provided; (16) unpaid claims for commutation of maternity leave of absence under the provisions of Republic Act No. 1564; (17) opening of additional primary classes; (18) adjustment of salaries of national officials and employees resulting from the reclassification of provinces and municipalities; (19) payment of the gratuities of officers and employees who retire under the provisions of paragraph (c) of Section twelve of Commonwealth Act Numbered One hundred eighty-six, as amended, and further amended by Republic Act Numbered One thousand six hundred sixteen and Republic Act Numbered Three thousand ninety-six (20) payment of salary adjustments of officials and employees resulting from the re-classification and/or reallocation of their positions to a higher class or salary range, and those whose positions have not been included in the salary adjustments provided in this Act; (21) payments of the difference between the salary already received by an official or employee during the preceding fiscal year and the amount appropriated for his item in this Act; (22) for aid to the Provinces of Southern Leyte and Catanduanes, P300,000 each; (23) for the implementation of the rural health program provided in Republic Act No. 1082, as amended; (24) payment of prior years obligations of any bureau or office of the National Government with the Bureau of Printing; (25) for aid to the Provinces of Surigao del Norte, Surigao del Sur, and Davao, P300,000 each; (26) for additional expenses incident to the purchase of foreign exchange; (27) covering any deficit in the Salary Adjustment Fund; (28) for aid to the municipalities of Batanes Province, P50,000; (29) for aid to the Catanduanes Provincial High School, P75,000; and (30) payment of expenses for the celebration of the anniversary of the Independence of the Philippines on June Twelfth or July Fourth, nineteen hundred sixty-two but not to exceed P80,000: PROVIDED, That the amount may be spent before July first, nineteen hundred sixty-two.

**SEC. 6. Suspension of expenditures of appropriations and transfers thereof.**

—Except as otherwise provided in this Act and whenever in his judgment the public interest so requires, the President, upon notice to the head of office concerned, is authorized to suspend or otherwise stop the expenditure of any amount herein appropriated in any item or items for the Executive Departments for any purpose, except amounts for salaries of positions with incumbents, and thereupon the funds affected by such action shall become available for any other expenditures authorized in this Act for the Executive Departments as the President may determine, except for personal services: PROVIDED, That whenever authorized positions are transferred from one program to another, the corresponding amounts appropriated for personal services are also deemed transferred, without increasing the total outlay for personal services of the office concerned. In no case, however, shall any item of appropriation be augmented, pursuant to the authority granted in this section, by more than thirty per centum of the original appropriation provided in this Act for such item. The Auditor General and the Commissioner of the Budget shall report separately to the Congress within a period of thirty days any suspension or transfer of funds made by the President during the previous quarter and shall furnish copies to each member of Congress in his office.

**SEC. 7. Failure on the part of the Auditor General and the Commissioner of the Budget to make report.**—Failure on the part of the Auditor General and the Commissioner of the Budget to make the report herein required within the period specified therein shall automatically cause the suspension of the payment of their

salaries until they shall have complied therewith.

**SEC. 8. Provision for "excess of actual salary."**—Appropriations provided in this Act may be used for payment of excess of actual salaries to the incumbent of a position to which said "excess" pertains who is actually receiving the same "excess" as part of the salary granted to him upon his appointment to the said position before the reduction of the basic pay thereof to the amount provided: PROVIDED, HOWEVER, That if the position be vacated and the successor to its previous incumbent shall have previously received an equal salary plus the "excess of actual salary" in the same or any other branch of the government service, such excess shall be allowable to him.

**SEC. 9. Purchase of locally manufactured equipment, parts, accessories, supplies, and materials.**—All appropriations for the purchase of equipment, supplies and materials authorized in this Act shall be available only for locally manufactured equipment, parts, accessories, supplies and materials, except when none is available in the market, or when the prices of the locally manufactured article exceed those determined by the Flag Law by ten per cent.

**SEC. 10. Renting of automobiles, jitneys or trucks for a continuous period exceeding fifteen days prohibited.**—No appropriation provided in this Act for the Executive Departments shall be used for renting automobiles, jitneys or trucks on the monthly basis nor on the daily basis for a continuous period exceeding fifteen days.

**SEC. 11. Authority to purchase motor vehicles.**—No appropriation authorized in this Act shall be used for the purchase of automobiles, jitneys, jeeps, station wagons, motorcycles and other motor vehicles unless otherwise specifically provided in this Act notwithstanding the authority given in Section fourteen hereof to the office concerned to use, operate and maintain government motor vehicles.

**SEC. 12. Officials entitled to government motor transportation.**—The following officials are entitled to use government motor transportation chargeable against the appropriations authorized in this Act except where otherwise provided in this Act or other special laws:

1. The President of the Philippines.
2. The Vice-President of the Philippines,
3. The President of the Senate,
4. The Speaker of the House of Representatives,
5. The President Pro-Tempore of the Senate,
6. The Majority Floor Leader of the Senate,
7. The Chairman, Committee on Finance of the Senate,
8. The Chairman, Committee on Ways and Means of the Senate,
9. The Chairman, Committee on Accounts of the Senate,
10. The Chairman, Committee on Foreign Relations of the Senate,
11. The Chairman, Committee on Public Works of the Senate,
12. The Minority Floor Leader of the Senate,
13. The Secretary of the Senate,
14. The Speaker Pro-Tempore of the House of Representatives,

15. The Majority Floor Leader and the Assistant Majority Floor Leader of the House of Representatives,
16. The Chairman, Committee on Appropriations of the House of Representatives,
17. The Chairman, Committee on Accounts of the House of Representatives,
18. The Chairman, Committee on Ways and Means of the House of Representatives,
19. The Chairman, Committee on Foreign Affairs of the House of Representatives,
20. The Chairman, Committee on Public Works of the House of Representatives,
21. The Chairman, Committee on Education of the House of Representatives,
22. The Minority Floor Leader of the House of Representatives,
23. The Secretary of the House of Representatives,
24. The Chief Justice of the Supreme Court,
25. The Presiding Justice of the Court of Appeals,
26. The Undersecretary of Foreign Affairs,
27. The Ambassadors, Ministers Plenipotentiary and Consuls in charge of consulates while in their respective stations abroad, and
28. The Chief of Staff and the Vice-Chief of Staff and the Commanding Officers of the other Major Services of the Armed Forces of the Philippines.

**SEC 13. Officials entitled to transportation allowance.**—The Department Secretaries, including the Executive Secretary, the Auditor General, the Administrator of Economic Coordination, the Commissioner of the Budget, the Public Information Secretary, the Chairman, Presidential Committee on Administration Performance Efficiency, the Technical Assistant on Local Governments and Civil Affairs, the Chairman, National Economic Council, the Chairman, Commission on Elections, the Social Welfare Administrator, the Chairman, Commission on National Integration, the Chairman, National Science Development Board, the Commissioner of Civil Service, and the Chairman and the members of the Reparations Commission, are hereby granted a commutable transportation allowance of two hundred fifty pesos each per month; the Department Undersecretaries, excluding the Undersecretary of Foreign Affairs, and officials with the same rank, including the Legal Adviser to the President, the Assistant Executive Secretaries, the Deputy Commissioner of the Budget, the Deputy Auditor General, the Deputy Administrator of Economic Coordination, the Deputy Commissioner of Civil Service, the Government Corporate Counsel, the Executive Judge, Court of Agrarian Relations, the Legislative Secretary, the Head Legislative Liaison Officer, the Presiding Judge, Court of Industrial Relations, the Presiding Judge, Court of Tax Appeals, the Commissioner, Land Registration Commission, the Public Service Commissioner, the Presiding Judge, Juvenile and Domestic Relations Court, the Chairman of Land Tenure Administration, the Administrator, Philippine Veterans Administration, the Vice-Chairman and the Auditor, National Science Development Board, the Commissioner, Philippine Atomic Energy Commission, the Commissioner, National Institute of Science and Technology, the Judicial Superintendent, the Department Legal Counsel, and the Chief Prosecuting Attorney, Department of Justice the Commissioner of Immigration, the Administrator of Social Security System, the Director of Labor Standards, as ex-officio Chairman of the Labor Standards Commission, the Director of Workmen's Compensation, as ex-officio Chairman of the Workmen's Compensation Commission, the Director of Labor Relations, the Director of Coast and Geodetic Survey, as ex-officio Chairman of the Lighthouse Board and ex-officio member of the Philippine Port Commission, the Executive Director of the National Economic Council, the Tariff Commissioner, the Agricultural Tenancy