

**[ EXECUTIVE ORDER NO. 431, May 30, 2005 ]**

**REVERTING ALL DORMANT ACCOUNTS, UNNECESSARY SPECIAL  
AND TRUST FUNDS TO THE GENERAL FUND AND FOR OTHER  
PURPOSES**

WHEREAS, the Commission on Audit, in its Annual Audit Report, confirm the existence of huge cash balances maintained by government agencies with authorized government depository banks;

WHEREAS, there is a need to look into the status of the aforementioned cash balances and the legal basis for maintaining the same outside the control of the Bureau of Treasury;

WHEREAS, Section 29(3), Article VI of the Constitution provides that once the purpose for which a special fund was created has been fulfilled or abandoned, the balance, if any, shall be transferred to the general funds of the government;

WHEREAS, Section 45, Chapter 5, Book VI of EO No. 292, otherwise known as the Administrative Code of 1987, mandates the Permanent Committee composed of the Secretary of Finance, the Secretary of Budget and Management and the Chairman of the Commission on Audit to monitor and evaluate the activities and balances of all Funds outside the General Fund and recommend to the President its reversion to the General Funds.

WHEREAS, Section 44, Chapter 5, Book VI of EO No. 292 and Section 65 of PD 1445 mandate all income accruing to the departments, offices and agencies to be deposited in the National Treasury or in any authorized depository of the government and shall accrue to the unappropriated surplus of the General Fund of the Government;

WHEREAS, EO No. 338, s. 1996, requires all government offices and agencies, unless otherwise specifically provided by law, to immediately transfer all public monies deposited with depository banks and other institutions to the Bureau of Treasury, regardless of income source;

WHEREAS, the transfer of these funds to the National Treasury would augment depleting funds of the National Government, which otherwise would be borrowed/loaned from outside sources, and greatly ease current fiscal pressures and facilitate the implementation of programs and projects enunciated under the 10 Point Agenda.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

*SECTION 1.* The Permanent Committee (PC), created pursuant to Sec. 45 Chapter 5, Book VI of the Administrative Code of 1987, consisting of the Secretary of Finance