

[Commonwealth Act No. 246, December 17, 1937]

AN ACT PRESCRIBING THE FORM OF THE BUDGET AND REGULATING THE EXPENDITURE OF AUTHORIZED APPROPRIATIONS.

Be it enacted by the National Assembly:

SECTION 1. Title. — This Act shall be known as the "Budget Act."

SEC. 2. Definition of terms used in this Act. — The Budget is the financial program of the National Government for a designated fiscal year, consisting of statements of estimated receipts and expenditures for the fiscal year for which it is intended to be effective, based on the results of operations during the preceding fiscal years.

Ordinary income consists of the proceeds of the collection of taxes and other kinds of revenues and receipts regularly accruing to the Philippine Treasury by virtue of the operation of existing laws. Receipts which do not regularly accrue to the Government, the collection of which is indefinite, or does not depend entirely on the authority of the Government of Commonwealth of the Philippines shall be classified as extraordinary income.

Ordinary expenditures are those that are necessary for the ordinary operation of the Government and are continuous or recurring in nature. All other kinds of expenditures shall be classified as extraordinary expenditures, including public works constructions, special projects, and investments.

SEC. 3. Form of the Budget. — The Budget which shall be prepared and submitted to the National Assembly in accordance with the provisions of section 9, Article VI of the Constitution, shall comprise the general fund and all classes of special and trust funds under the care and control of the different branches or offices of the National Government.

The receipts accruing to any fund and the expenditures therefrom shall be shown in detail in conformity with the classification of accounts prescribed by the Auditor General, segregated into ordinary and extraordinary income and expenditures.

The appropriations for salaries and wages shall specify the positions, the number of each class, the respective designations, the salary rates authorized for the current year and those proposed for the ensuing year, and the items shall be grouped by bureaus and offices. The items of appropriations for each class of sundry expenses, furniture and equipment, and those for special purposes for the different bureaus and offices shall be consolidated for each corresponding department. Together with the proposed appropriations for each department, there shall be shown the amount of the actual expenditures for the preceding year and the estimated expenditures for the current and ensuing years from appropriations that are authorized by existing laws and from the special and trust funds.

SEC. 4. Authority of the President to change the form of the Budget. — The President is authorized to change, subject to the requirement of the Constitution, ,

the form of the Budget or any feature thereof, to suppress any existing feature and to add any new feature, data or information which in his opinion,, may help toward a clearer presentation of the needs of the Government and the condition of its finances: Provided, That such changes shall be valid and subsisting while the Assembly does not provide otherwise.

SEC. 5. Budget to be balanced. — The ordinary income shall be used primarily to provide for the ordinary operating expenses of the Government. Except in case of a national emergency or serious financial stress, the existence of which has been duly proclaimed by the President, the total authorized appropriations for the ordinary expenditures shall not exceed the ordinary income; and, unless extraordinary circumstances justify it, the total estimated ordinary income shall not only cover the total estimated ordinary expenditures, but it shall leave a reasonable surplus besides. No appropriations for the ordinary operating expenses of the Government may be proposed, unless the amount thereof is covered by the ordinary income, and, likewise, no appropriation for any extraordinary expenditure, the amount of which is not covered by the estimated income from the existing sources of revenues or available current surplus, may be proposed, unless it be supported by a proposal creating an additional source of fund sufficient to cover the same.

SEC. 6. Accrual of income to unappropriated general fund of the National Government. — Unless otherwise specifically provided by law, all income accruing to bureaus, offices, and other units of the National Government by virtue of the provisions of existing laws, orders, and regulations shall be deposited in the Philippine Treasury or in any duly authorized depository of the Government by the officers or employees receiving them, and, except the receipts pertaining to special and trust funds, shall accrue to the unappropriated general fund of the National Government.

All receipts due the Government by virtue of the provisions of section two thousand and fifty-three of the Administrative Code, section ten of Act Numbered Forty-one hundred and sixty-six, and section forty-three of Commonwealth Act Numbered Eighty-three, shall accrue to the unappropriated general funds in the Philippine Treasury, any provision of law to the contrary notwithstanding.

Except in the case of receipts accruing to special funds derived from proceeds of taxes and fees specially imposed for specific purposes and to the revolving funds created by law, all unexpended balances of receipts collected by bureaus and offices of the National Government by virtue of laws which authorize expenditures payable therefrom, shall revert to the unappropriated general fund in the Philippine Treasury at the end of the fiscal year in which collected.

SEC. 7. Provisions governing the expenditure of authorized appropriations. — Unless otherwise expressly provided in the law authorizing an appropriation, the following general and special provisions shall govern the expenditure of appropriations authorized by any annual General Appropriation Act and other acts:

I. — GENERAL PROVISIONS

(1) Appropriations to be spent only for purposes for which appropriated. — Unless otherwise expressly provided, all sums set aside in the appropriations shall be expended solely for the specific purpose for which appropriated, and for no

other.

(2) Reduction of expenditures. — The President may order the reduction of the expenditures chargeable to appropriations authorized for the executive departments and their respective bureaus, offices, and dependencies whenever, in his opinion, the public interest so requires: Provided, however. That in case of reduction of salaries 2nd wages, such reduction shall be general and based on the existing rates of salaries and wages, and the percentage of reduction shall be uniform for similar rates of salaries and wages.

(3) Certification as to availability of funds. — No funds shall be disbursed, and no requisition or order for the purchase of supplies and materials and for the purchase, manufacture, or repair of furniture and equipment chargeable to any appropriation or fund shall be made by any chief of bureau or office without first securing the certification of the corresponding Accounting Officer as to the availability of funds or appropriation against which the expenditure or obligation may properly be charged.

(4) Allotment of lump-sum appropriations and special and other funds; plantilla of personnel. — The provisions of any law to the contrary notwithstanding, expenditures from lump-sum appropriations authorized for any executive department in any annual General Appropriation Act tor other act and from all special, bond, trust, and other funds shall be made in accordance with a budget to be approved by the President, which shall include the plantilla of personnel, showing the number of each kind of positions, the designations, the salary proposed for the fiscal year for which the appropriation is intended and the salary actually received. This provision shall be applicable to all revolving funds, receipts which are automatically made available for expenditure for certain specific purposes, aids and donations for carrying out certain activities, or deposits made to cover the cost of special services to be rendered to private parties.

Except when stipulated otherwise as a condition for the expenditure of an aid or donation, and in the case of officers and employees receiving higher rates at the time of the approval of this Act, no officer or employee whose salary, not being fixed by law, is paid from any lump-sum appropriation or from any special, bond, trust, revolving, or other fund, shall receive a compensation of more than twelve pesos per day or more than three hundred pesos per month. This limitation shall not apply to the appropriations for "expert and technical personnel" under the Office of the President and the various executive departments.

In the case of any lump-sum appropriation for salaries and wages of temporary laborers and employees provided in any General Appropriation Act or other act, the expenditure of such appropriation shall be limited to the employment of laborers paid by the month, by the day, or by the hour, and of emergency employees other than laborers, who, except those authorized for the National Assembly, the office of the President, the Bureau of Health, the craftsmen, helpers, and other employees of the Bureau of Printing, the justices of the peace, the,officers and employees of the Bureau of Public Works whose salaries and wages are payable from appropriations for projects authorized in any act, and the officers and employees of the Bureau of Quarantine Service, shall, in no case, be paid a salary in excess of forty-pesos per month, nor shall their employment continue for more than six months.

(5) Reversion of unexpended balances of appropriations. — Except appropriations for the national defense pursuant to Commonwealth Act Numbered One, the unexpended balances of appropriations authorized in any annual General Appropriation Act shall revert to the un-appropriated general fund in the Philippine Treasury at the end of the fiscal year for which such appropriations are authorized, and shall not thereafter be available for expenditure except by subsequent legislative enactment.

SALARIES AND WAGES

(6) Determination of rate of compensation of positions. — Whenever a specific number of positions is provided in an item of an appropriation authorized in any act, the sum appropriated in such item shall be understood to be equally divided among the positions so provided, and the maximum rate of compensation per annum of each position is thereby determined.

All annual salaries shall be divided into twelve equal installments, one of which shall be the pay for each calendar month; and in making payment for part of a month the amount to be paid each day shall be determined by dividing the monthly pay into as many parts as there are days in the particular month.

(7) Filling of vacancy by appointment of person or persons in lower grade. — With the prior approval of the President of the Philippines, a vacancy in a position of any grade may be filled by the appointment of one person or more of a lower grade within the same service classification but in such case the aggregate of salaries paid shall not be greater than the salary authorized by law for that position.

(8) Authority to receive additional compensation. — Any provision of law to the contrary notwithstanding, officers and employees who are appointed or designated by competent authority to serve as chairman, members, or officers of the committee for the holding of bar examinations or of the examining boards mentioned in section ten of Act Numbered Four thousand and seven and the boards that have been established, or may hereafter be established, by law to govern the operation of government owned or controlled enterprises, may, in the discretion of the President, be allowed to receive compensations at rates which he shall fix and subject to such conditions as he may prescribe, in addition to the salary authorized for the regular position of each officer or employee concerned, such additional compensation shall be payable from the fees collected by the examining boards and from the special funds under the respective control of the other boards, as the case may be.

(9) Compensation of persons receiving pension. — A person receiving life pension, annuity, or gratuity from the Government of the Commonwealth of the Philippines or any province, city, municipality, or other subdivision thereof, or from any government owned or controlled entity or enterprise, who is reappointed to any position, the appropriation for the salary of which is provided from funds of the said Commonwealth Government or any province, city, municipality, or other subdivision thereof, or from any government owned or controlled entity or enterprise, shall have the option to receive either the compensation for the position or the pension, gratuity, or annuity; but in no case shall he receive both.

(10) Prohibition from acceptance of voluntary service. — No person shall be employed or appointed in the government service, under the guise of voluntary

service, without compensation but with privilege of reimbursement of traveling expenses, or receiving per diems, subsistence, or quarters payable from public funds, in the absence of a specific position therefor or specific legislation authorizing the creation of such position: Provided, That, in case of emergency find when authorized by the President, the application of this provision may be waived in the case of voluntary service in the Philippine Army, State Police, Office of .Adult Education, Bureau of Health, hospitals and penal institutions.

ALLOWANCES

(11) Subsistence. — No officer or employee of the National Government shall be given subsistence, the cost of which is payable from any public fund, except the following and only when an appropriation therefor is specifically provided:

(a) Marine officers, engineers and crew of the government vessels, launches, and motor boats, who shall take their meals in the mess on board the vessels, launches, or motor boats when on duty during meal time;

(b) Lightkeepers and other employees in light stations duly authorized by the head of department to receive subsistence, who shall be furnished raw, canned, or preserved food materials;

(c) Officers and employees who are required to render service within the premises of hospitals, prisons, Philippine Army barracks, training- schools, leper institutions, and other similar institution during a continuous period covering meal time allowing full subsistence when required to live in said premises to make their services available at any and all time: Provided, That said subsistence shall be furnished in kind, requiring those entitled thereto to take their meals in the mess provided therefor and maintained at the expense of the Government, and under no condition shall the same be commuted or paid in cash, except to the Director and the Assistant Director of Prisons and employees of the Bureau of Quarantine Service at such rates as may be provided for them in the annual General Appropriation Act; to enlisted men of the Philippine Army as provided in the Army Regulations; and to the following officers and employees who have, heretofore, been allowed such commutation, at rates not exceeding one-half of the maximum rates per diems authorized in paragraph (18), General Provisions, of this section:

(1) District nurses of the Bureau of Health and nurse social workers of the Bureau of Public Welfare in Manila while assigned to render service out side of hospitals or welfare institutions;

(2) Officers and employees in leper institutions;

(3) Physicians, pharmacists, dentists, sanitary inspectors, attendants, and nurses of the Bureau of Prisons while no available government quarters can be provided for them;

(d) In those cases where laborers are employed on work located in isolated or unsettled districts, they shall be furnished the usual rations or the equivalent in cash, at the expense of the Government.