

[LETTER OF INSTRUCTIONS NO. 1115, March 18, 1981]

REGARDING THE INVESTMENT OF GOVERNMENT FUNDS

TO: The Minister of Local Government and Community Development
 The Minister of the Budget
 The Minister of Finance
 Provincial, City and Municipal treasurers
 The Heads of Government Owned or Controlled Corporations

WHEREAS, national government agencies and local government units and government owned or controlled corporations sometimes have temporarily unneeded funds that may be available for investment purposes;

WHEREAS, it is essential to safeguard public funds to the fullest extent possible;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct:

1. Funds of national government agencies that have been released to them and already withdrawn from the Treasury Current Account (TCAA) and funds received as trust, fiduciary, special fund or other receipts may be deposited only in demand, savings or time deposit accounts with government financial institutions, except as may be authored by the President or by the Monetary-Board, in cases where there are no branches of government banks able to service their requirements or for other justifiable reason.
2. Funds of government owned or controlled corporations other than the government financial institutions and of local government units may be deposited only in demand, saving or time deposit accounts with government financial institutions. They may however be placed in trust with such financial institutions in cases where funds are expected to be available for investment purposes for a relatively long period of time.
3. The amount held in trust or otherwise managed/advised for and in behalf of government owned or controlled corporations or of local government units shall be invested only in securities issued by the Treasury, the Central Bank or other government owned or controlled corporations.
4. Government owned or controlled corporations and local government units may not lend their funds to any private individual, company, cooperative, or other forms of enterprise except there specifically authorized by law.
5. The Chairman, Commission on Audit, the Ministry of Finance, the Minister of Local Government and Community Development and the Minister of the Budget shall issue the necessary rules and regulations to implement these Instructions and the phase out deposits/investments/placement which do not observe these Instructions.

DONE in the City of Manila, this 18th day of March, nineteen hundred and eighty one.