

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON AT KULTURA
(MINISTRY OF EDUCATION AND CULTURE)
Maynila

February 21, 1979

MEC O R D E R
No. 14, s. 1979

DIRECTING THE LIMITATION OF GOVERNMENT EXPENDITURES

To: Bureau Directors
Cultural Agency Directors
Regional Directors
Chiefs of Services and Heads of Units
Schools Superintendents

1. Inclosed, for immediate compliance, is Letter of Instructions No. 805, dated February 8, 1979, directing the limitation of government expenditures. Attention is invited to its provisions with respect to compensation, allowances, honoraria, etc. for personnel; attendance in conventions, seminars, workshops, and the like; holding of meetings; fund-raising campaigns; and purchase of equipment.
2. Particular attention is also invited to paragraph 1 of the said LOI. It is suggested, in this connection, that only such casual and contractual employees as are needed be hired on a project basis, pursuant to LOI No. 806, dated February 9, 1979. Since the appointment of these employees shall have the prior approval of the Personnel Effectiveness Review Committee, it is requested that proposals for their appointment be sent to this Committee, through this Office, early enough to avoid disruption of essential services.
3. Proposals from the regional offices, however, may be sent direct to the Personnel Effectiveness Review Committee.
4. Paragraph 5 on substitutionary appointments will not apply in the case of teachers actually handling classes.
5. The cooperation of all concerned will be highly appreciated.

(SGD.) JUAN L. MANUEL
Minister of Education and Culture

Incl: ~~:~~

As stated

References:

MEC Order: No. 30, s. 1978

~~Department Memorandum: No. 190, s. 1975~~

~~Allocation: 1-2-3--(D.O. 1-76)~~

To be indicated in the Perpetual Index
under the following subjects:

~~APPOINTMENT, EMPLOYMENT, REAPPOINTMENT
COMMITTEE
EMPLOYEES
EQUIPMENT
HONORARIUM
LEGISLATION
RULES & REGULATIONS
TRAINING PROGRAM~~



MALACANANG
Manila

LETTER OF INSTRUCTIONS NO. 805

DIRECTING THE LIMITATION OF GOVERNMENT EXPENDITURES

TO: All Concerned

WHEREAS, it is necessary for Government to anticipate potential shortfalls in revenue arising from the effects of the projected oil price increase and of possible economic slowdowns abroad;

WHEREAS, government expenditures can be reduced through elimination or reduction of the less essential activities;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct all agencies of the government to reduce their expenditures to the minimum necessary levels

Personal Services

1. New position items created for CY 1979 under Letter of Implementation No. 76, shall not be filled, except for hospitals, schools and state universities and colleges.
2. Casuals, temporary and emergency employees, including consultants and contractual personnel, shall not be hired without the prior approval of a Personnel Effectiveness Review Committee consisting of the Chairman of the Civil Service Commission and the Minister of the Budget.
3. The Minister of the Budget shall withhold/withdraw salary savings of agencies and shall add these to budgetary reserves. Actual personnel services costs shall be determined (net of salary lapses and savings due to vacant positions) and withheld/withdrawn accordingly, in accordance with procedure as may be approved by the President.
4. The payment of hazard duty pay in strife-torn or embattled areas shall be authorized only when a state of emergency in the municipality/city where the government employee works, is declared as such by the Minister of National Defense.
5. No substitutionary appointments shall be issued to fill temporary vacancies that arise for period less than three months.

6. No additional compensation shall be authorized other than for meal allowances, except in cases where a deadline for the accomplishment of the tasks involved is fixed by law or Executive Order.

7. The Civil Service Commission shall review the Rural Service Program, with the aim of limiting expenditures and of authorizing only the most beneficial aspects of the Program.

Maintenance and Operating Expenses

8. Government funds may not be spent for attendance in conventions, seminars, workshops and other similar activities conducted by private groups. Attendance of government officials and staff may be authorized at no expense other than the salary of the persons concerned, the payment of fees and per diems for attendance being prohibited.

9. Government agencies may conduct training programs when they are so empowered by law or Executive Order. Fees charged shall, however, be limited to actual costs incurred, subject to Sec. 5 of B.P. No. 1

10. The Ministry of Public Information shall review the publications of agencies, for the purpose of eliminating/combining these for an optimal information program of government.

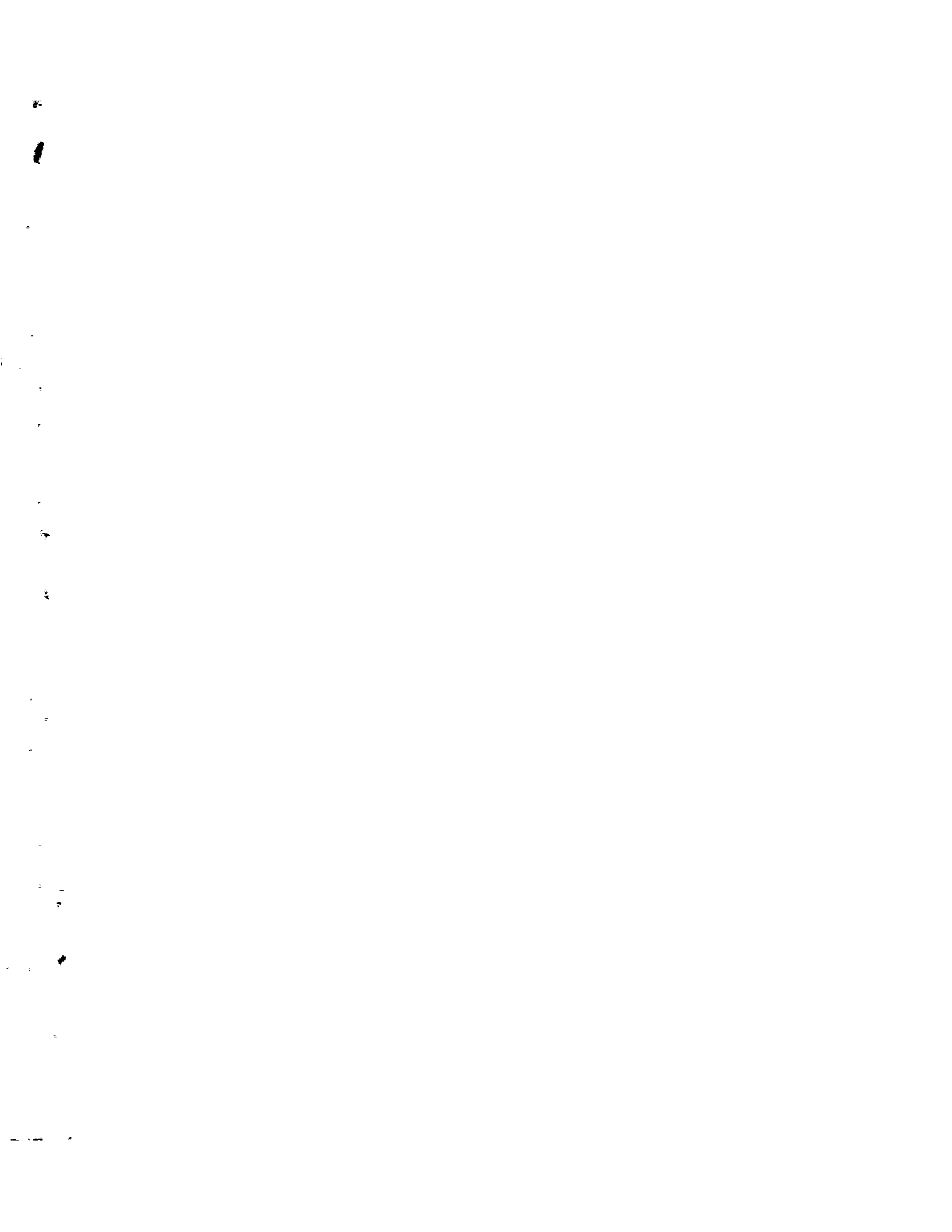
11. The Commission on Audit shall strictly enforce Executive Order No. 228 relative to the reversion to the General Fund of unsubstantiated Accounts Payable recorded in agency books.

12. Agencies shall not conduct meetings in expensive hotels and restaurants, except in unique cases as may be specifically authorized by the Ministry Head.

13. No agency shall pay compensation whether in the form of allowances, honoraria, or other form of compensation, to personnel of other agencies, except where authorized by law and with the permission of the Ministry Head of the paying agency and of the agency where the individual recipient is employed.

14. Agencies shall not utilize government funds as contributions to private fund raising campaigns, except when the fund raisers are expressly authorized by law to receive contributions from Government.

15. Existing regulation pertaining to limitations on foreign travel are hereby reiterated.



16. Agency heads shall establish a mechanism in their respective agencies, for the review and control of purchases and inventories of supplies and material and other stocks.

Equipment

17. Existing regulations limiting the purchase of equipment, particularly transport equipment, are hereby reiterated. Loan proceeds may not be utilized for the purchase of transport equipment, except as may be authorized under Letter of Implementation No. 29.

Construction

18. The release of funds for capital outlays shall be limited only to ongoing and/or foreign assisted projects, and to the extent necessary to render such projects usable.

General

19. The organization and staffing of new organizational units is hereby suspended, except as may be authorized in accordance with the recommendations of the Ad Hoc Committee on Organizational Units created under NOI No. 728.

20. The reation of new Inter-Agency Committees with additional compensation to members and/or technical or support staff is hereby prohibited. Existing Committees shall be abolished in accordance with the recommendation of the Committee created under LOI No. 728.

21. Existing directives for the delegation of authority to regional and field offices are hereby reiterated. Transactions with members of the public or other agencies of government shall be conducted at such regional or field offices.

22. Agency heads shall carefully program consultations with their field/regional personnel so as to limit travel to and from Manila.

23. Agencies and the Commission on Audit shall accelerate the collection of accounts receivable including unliquidated cash advances.

24. The Minister of the Budget and the Minister of Finance shall issue regulations to limit the nature of receipts collected and recorded as Trust Liabilities.

25. The National Economic and Development Authority shall review the program of the government to subsidize commodities, with the aim of reducing expenditure to government for this purpose.

Applicability

These Instructions shall apply to all Ministries, Bureau, Officer, and Agencies of the National Government, including state universities and colleges and government owned or controlled corporations. The only exceptions shall be those given prior approval by the President.

Effectivity

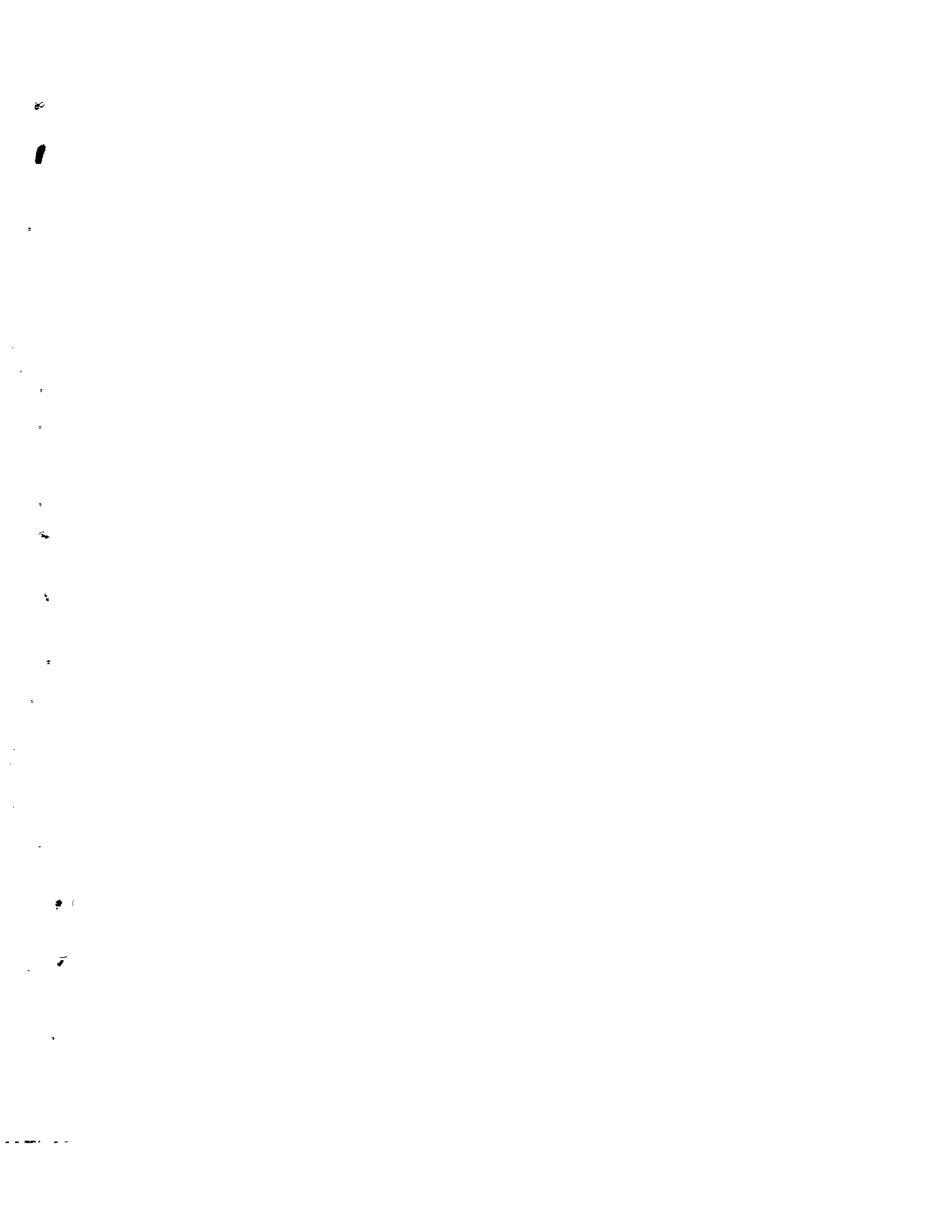
These Instructions shall be effective immediately and shall apply for Calendar Year 1979.

Done in the City of Manila, this 8th day of February, in the year of Our Lord, nineteen hundred and seventy-nine.

(SGD) FERDINAND E. MARCOS
President of the Philippines

gld

A True Copy



MALACAÑANG
Manila

LETTER OF INSTRUCTIONS NO. 806

TO : All Heads of Ministries, Bureaus, Agencies and
Government-Owned and Controlled Corporations

Chairman, Civil Service Commission
Minister, Ministry of the Budget
Chairman, Commission on Audit

WHEREAS, the magnitude of the program thrusts adopted by the government in relation to available resources call for an economical, efficient and effective bureaucracy;

WHEREAS, it has been observed that the recruitment, selection and employment of personnel are frequently not responsive to actual personnel requirements as shown by many perceived instances of overstaffing, underutilization and imbalanced distribution of manpower; and

WHEREAS, it is felt that in view of these perceived problems, especially that of overstaffing, the different ministries, bureaus, agencies and corporations can afford not to recruit additional personnel in the meantime.

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 direct that:

1. PERSONNEL EFFECTIVENESS AUDIT. - The Civil Service Commission, Ministry of the Budget and Commission on Audit shall undertake a joint Personnel Effectiveness Audit to determine reasonable essential personnel requirements, including the setting of minimum and maximum personnel needs, of each ministry, bureau, agency or corporation.

2. MINISTRY/AGENCY ASSISTANCE. - All Ministers and heads of bureaus, agencies and corporations shall extend assistance to this Audit by initially making a report on their personnel requirements including justifications therefor which shall be submitted for the assessment of the Performance Effectiveness Audit Committee which shall be created by the three Commissions, designating as members thereof a key official to represent each Commission whose duties and responsibilities are related to the audit function.

3. The Committee shall exert efforts to complete the audit as expeditiously as possible, and shall give priority attention to those ministries, bureaus, agencies, and corporations which have been observed to be overstaffed,

particularly the Ministry of Education and Culture, Ministry of Public Highways, Ministry of Public Works, Transportation and Communications, Ministry of Labor, Ministry of Trade and those agencies directly dealing with the public, including the Bureau of Internal Revenue, Bureau of Customs, Bureau of Posts, and Land Transportation Commission.

4. NO HIRING OF PERSONNEL UNTIL COMPLETION OF AUDIT. -

Pending the formulation of such guidelines and the initiation of such actions that may be indicated by results of the Personnel Effectiveness Audit, no additional or new personnel of whatever category or nature of appointment shall be hired except at the Career Executive Service level. Casual and contractual employees may be hired only on a project basis, said project and required personnel components to be submitted to the Ministry of the Budget for evaluation, and only for the duration of the project which shall be stated specifically on the face of the appointment or contract.

5. The Civil Service Commission, the Ministry of the Budget and the Commission on Audit shall be jointly responsible for providing guidelines and overseeing the activities called for under this Letter of Instructions.

DONE in the City of Manila, this 9th day of February, in the year of Our Lord, nineteen hundred and seventy-nine.

(SGD) FERDINAND E. MARCOS
President of the Philippines

