

EXPENDITURES

Sec. 15. Use of Government Funds. Government funds shall be utilized in accordance with the appropriations authorized for the purpose. Moreover, departments, bureaus, offices or agencies, including GOCCs and LGUs shall ensure that utilization of government funds comply with applicable laws, rules and regulations, such as, but not limited to the following:

- (a) Purchase of goods, infrastructure projects, and consulting services, including common-use supplies shall be made in accordance with the provisions of R.A. No. 9184 and its Revised Implementing Rules and Regulations;
- (b) Purchase of motor vehicles shall be made in accordance with pertinent laws, rules and regulations;
- (c) Payment of foreign travel expenses to any government official or employee for training, seminar or conference abroad when the officials and other personnel of the foreign mission cannot effectively represent the country therein, and travels necessitated by authorized international commitments: PROVIDED, That no official or employee, including uniformed personnel of the DILG and DND, may be sent to foreign training, conference or attend international commitments when they are due to retire within one year after the said foreign travel;
- (d) Provisions for fuel, parts, repair and maintenance of government vehicles properly identified as such and which carry its official government plate number: PROVIDED, That in case of transport crisis, such as that occasioned by street demonstrations, *welgang bayan*, floods, typhoons and other emergencies, government vehicles of any type shall be made available to meet the emergency and may be utilized to transport for free the commuters on a round-the-clock basis; and
- (e) Grant honoraria and other allowances authorized by law.

Sec. 16. Lease-Purchase Agreements. National government agencies are authorized to use its annual rental appropriations for office space or building for the acquisition of its office building under a lease-purchase agreement: PROVIDED, That the annual appropriations for the purpose at any given year shall not exceed the annual rental appropriation at the time of signing of the lease-purchase agreement.

Sec. 17. Purchase of Supplies, Materials and Equipment Spare Parts for Stock. The inventory of supplies, materials and equipment spare parts to be procured out of available funds shall at no time exceed the normal three-month requirement, subject to pertinent rules and regulations issued by competent authority: PROVIDED, That heads of agencies of the government may increase their inventory of critical supplies and materials in anticipation of cost increases, or if necessitated by a national emergency or of an impending shortage in the items concerned, specifying maximum quantities of individual items. Unless otherwise approved by the President of the Philippines, upon the joint recommendation of the Secretary concerned and the Chairman of the COA, these stocks shall not exceed one year's requirement.

Sec. 18. Emergency Purchases. Agencies of the government are authorized to make emergency purchases of supplies, materials and spare parts of motor transport equipment when there is an unforeseen contingency requiring immediate purchase, subject to the conditions prescribed under R.A. No. 9184 and its Revised Implementing Rules and Regulations.

Sec. 19. Procurement of Domestic and Foreign Goods. All appropriations for the procurement of equipment, supplies and materials, and other products and services authorized in this Act shall be used in accordance with the provisions of Commonwealth Act No. 138, Section 43 of R.A. No. 9184 and its Revised Implementing Rules and Regulations (IRR). Accordingly, all departments, bureaus, offices, agencies and instrumentalities of the government, including LGUs and GOCCs, shall give preference to domestic entities and domestic bidders, subject to the following:

- (a) A domestic entity can only claim preference if it secures a certification from the DTI, if a sole proprietorship, or the Securities and Exchange Commission (SEC), if a corporation or partnership, that it has all the qualifications required under C.A. No. 138, R.A. No. 9184 and its Revised IRR;

- (b) A domestic bidder can only claim preference if it secures from the DTI a certification that the goods forming part of its bid are substantially composed of articles, materials, or supplies grown, produced, or manufactured in the Philippines:

PROVIDED, That purchases under foreign military sales agreements, heavy equipment imports for infrastructure projects, and other importations of agencies which are financed by foreign borrowings may be made, subject to the requirements of LOI No. 880 dated June 21, 1979 and to pertinent budgeting, accounting and auditing laws, rules and regulations.

Further, in the utilization of the amounts appropriated herein for infrastructure projects to be undertaken either by administration or by contract, preference shall be given to locally-produced and manufactured materials in accordance with the preceding paragraph, including foreign-assisted projects whose covering loan agreements expressly allow or do not prohibit the same.

Sec. 20. Contracting Multi-Year Projects. In the implementation of multi-year projects where the total cost is not provided in this Act, agencies shall request the DBM for the issuance of a Multi-Year Obligational Authority following the guidelines under DBM Circular Letter No. 2004-12 dated October 27, 2004. Notwithstanding the issuance of a Multi-Year Obligational Authority, the obligation to be incurred in any given calendar year, shall in no case exceed the allotment released for the purpose during said calendar year.

Sec. 21. Printing and Publication Expenditures. Departments, bureaus, offices or agencies are hereby given the option to engage the services of private printers in their printing and publication activities, subject to public bidding in accordance with R.A. No. 9184, its Revised Implementing Rules and Regulations, and to pertinent accounting and auditing rules and regulations: PROVIDED, That the printing of accountable forms, sensitive, high quality, or high volume printing requirements shall only be undertaken by recognized government printers, namely: Bangko Sentral ng Pilipinas, National Printing Office and Asian Productivity Office Production Unit, Inc.

Implementation of this section shall be subject to the guidelines issued by the GPPB.

Sec. 22. Extraordinary and Miscellaneous Expenses. Appropriations authorized herein may be used for extraordinary expenses of the following officials and those of equivalent rank as may be determined by the DBM, not exceeding:

- (a) P220,000 for each Department Secretary;
- (b) P90,000 for each Department Undersecretary;
- (c) P50,000 for each Department Assistant Secretary;
- (d) P38,000 for each head of bureau or organization of equivalent rank, and for each head of a Department Regional Office;
- (e) P22,000 for each head of a Bureau Regional Office or organization of equivalent rank; and
- (f) P16,000 for each Municipal Trial Court Judge, Municipal Circuit Trial Court Judge, and Shari'a Circuit Court Judge.

In addition, miscellaneous expenses not exceeding Seventy-Two Thousand Pesos (P72,000) for each of the offices under the above named officials are herein authorized.

For the purpose of this section, extraordinary and miscellaneous expenses shall include, but shall not be limited to expenses incurred for:

- (a) Meetings, seminars and conferences;
- (b) Official entertainment;
- (c) Public relations;
- (d) Educational, athletic and cultural activities;
- (e) Contributions to civic or charitable institutions;
- (f) Membership in government associations;
- (g) Membership in national professional organizations duly accredited by the Professional Regulations Commission;
- (h) Membership in the Integrated Bar of the Philippines;
- (i) Subscription to professional technical journals and informative magazines, library books and materials;
- (j) Office equipment and supplies; and

(k) Other similar expenses not supported by the regular budget allocation.

No portion of the amounts authorized herein shall be used for salaries, wages, allowances, confidential and intelligence expenses. In case of deficiency, the requirements for the foregoing purposes shall be charged against savings of the agency.

These expenditures shall be subject to pertinent accounting and auditing rules and regulations.

Sec. 23. Travelling Expenses. Officials and employees of the government may be allowed payment of claims for reimbursement of travelling and related expenses incurred in the course of official travel, certified by the head of the agency concerned as absolutely necessary in the performance of an assignment, and supported by receipts, chargeable to available allotment for travelling expenses, subject to the provisions of E.O. Nos. 248 and 248-A, s. 1995, as amended by E.O. No. 298, s. 2004.

Sec. 24. Cultural and Athletic Activities. Of the appropriations authorized in this Act for the MOOE of each department, bureau, office or agency, an annual amount not exceeding One Thousand Two Hundred Pesos (P1,200) per employee-participant may be used for the purchase of costume or uniform, and other related expenses in the conduct of cultural and athletic activities.

Sec. 25. Science and Technology Research. The appropriations of departments, bureaus, offices, or agencies for research and development (R&D) in the natural, agricultural, technological and engineering sciences shall be released upon recommendation of the DOST and/or the DA in accordance with R.A. No. 8439 and R.A. No. 8435, respectively, with the primary objective of coordinating research agenda, optimizing the use of research funds, and encouraging private sector participation in R&D activities: PROVIDED, That research efforts shall be geared towards achieving a wider commercialization of new discoveries, accelerating technology transfer, and integrating agricultural and fisheries plans and programs: PROVIDED, FURTHER, That said government agencies shall submit an annual report, either in printed form or by way of electronic document, to the House Committee on Appropriations and Senate Committee on Finance. The report shall include the list of recipient private entities, status of research being undertaken, the amount released and utilized for each project, and the commercialization activities and technology transfer made.

Sec. 26. Human Resources Development and Training Programs. All departments, bureaus, offices or agencies shall review and formulate their human resource development and training programs to make the same responsive to the organizational needs and manpower requirements of agencies and the need to train personnel in appropriate skills and attitudes. They shall likewise include in their human resource development and training programs measures to promote morale, efficiency, integrity, responsiveness, progressiveness, courtesy as well as nationalism and patriotism in the civil service. Such training programs shall be consistent with the rules and regulations issued by the CSC for the purpose.

Sec. 27. Programs and Projects Related to Gender and Development. All agencies of the government shall formulate a Gender and Development (GAD) Plan designed to address gender issues within their concerned sectors or mandate and implement applicable provisions under R.A. No. 9710 or the Magna Carta of Women, Convention on the Elimination of All Forms of Discrimination Against Women, the Beijing Platform for Action, the Millennium Development Goals (2000-2015), the Philippine Plan for Gender-Responsive Development (1995-2025), and the Philippine Development Plan (2011-2016).

The GAD Plan shall be integrated in the regular activities of the agencies, which shall be at least five percent (5%) of their budgets. For this purpose, activities currently being undertaken by agencies which relate to GAD or those that contribute to poverty alleviation, economic empowerment especially of marginalized women, protection, promotion, and fulfillment of women's human rights, and practice of gender-responsive governance are considered sufficient compliance with said requirement. Utilization of the GAD budget shall be evaluated based on the GAD performance indicators identified by said agencies.

The preparation and submission of annual GAD Plans and annual GAD Accomplishment Reports shall be guided by Joint Circular No. 2004-01 dated April 5, 2004 issued by the DBM, NEDA, and Philippine Commission on Women (*formerly the National Commission on the Role of Filipino Women*), as well as other guidelines on GAD Planning and Budgeting that may be issued by the appropriate oversight agencies.

Sec. 28. Programs and Projects Related to Senior Citizens and Differently-Abled. All agencies of the government shall formulate plans, programs and projects intended to address the concerns of senior citizens and differently-abled person, and integrate the same in their regular activities, which shall be at least one percent (1%) of their budgets.

Moreover, all government facilities, including infrastructure, non-infrastructure and civil works projects of the government, as well as office buildings, streets and highways, shall provide architectural facilities or structural features and designs that shall reasonably enhance the mobility, safety and welfare of differently-abled persons pursuant to B.P. Blg. 344 and R.A. No. 7277.

Sec. 29. Projects Related to Youth. All agencies of the government are encouraged to provide allocation for youth development projects and activities within the framework of the Philippine Medium-Term Youth Development Plan. The National Youth Commission, in coordination with the DBM and NEDA, shall formulate a set of guidelines for the implementation of projects related to youth.

Sec. 30. Productivity Development and Food Security. All agencies of the government shall plant rice and other crops whenever feasible on government lands in its possession to develop productivity and promote food security. Implementation of this section is subject to guidelines issued by the DA and other agencies concerned.

Sec. 31. National Greening Program. All agencies of the government shall plant trees in lands of the public domain in support of the National Greening Program under E.O. No. 26, s. 2011. Implementation of this section is subject to guidelines issued by the DENR.

Sec. 32. Disaster Prevention, Mitigation and Preparedness Projects. All agencies of the government are encouraged to implement projects designed to address disaster risk reduction and management activities under R.A. No. 10121. Implementation of this section is subject to guidelines issued by the National Disaster Risk Reduction and Management Council.

Sec. 33. Climate Change Mitigation. All agencies of the government shall integrate energy-savings solutions in the planning and implementation of all infrastructure projects to mitigate the effects of climate change pursuant to the provisions of R.A. No. 9729.