

Republika ng Pilipinas  
(Republic of the Philippines)  
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS  
(DEPARTMENT OF EDUCATION, CULTURE AND SPORTS)  
UL Complex, Pasig, Metro Manila

February 24, 1992

DECS O R D E R  
No. 20, s. 1992

DIRECTING THE CONTINUED ADOPTION OF ECONOMY MEASURES  
IN GOVERNMENT OPERATIONS FOR CALENDAR YEAR 1992

To: Undersecretaries  
Assistant Secretaries  
Bureau/Cultural Agency Directors  
Regional Directors  
Directors of Services/Centers and Heads of Units  
Schools Superintendents  
Presidents, State Colleges and Universities  
Vocational School Superintendents/Administrators

1. Inclosed is a copy of Administrative Order No. 265 dated January 31, 1992, of the Office of the President of the Philippines, directing the continued adoption of economy measures in government operations for calendar year 1992.

2. Immediate dissemination of this Order is desired.

(SGD.) ISIDRO D. CARINO  
Secretary

Incl.:  
As stated

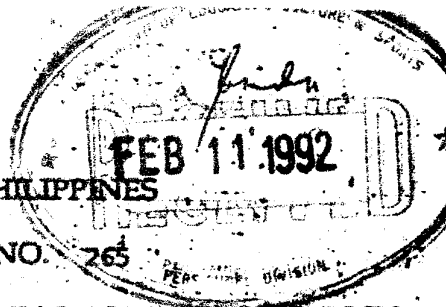
Reference:  
DECS Order: No. 56, s. 1990

Allotment: 1-2-3--(M.O. 1-87)

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

BUREAUS & OFFICES  
FUNDS  
OFFICIALS  
TEACHERS

MALACANANG  
MANILA



BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 265

**DIRECTING THE CONTINUED ADOPTION OF ECONOMY MEASURES IN  
GOVERNMENT OPERATIONS FOR CALENDAR YEAR 1992**

WHEREAS, it is imperative that the public sector deficit be limited to 2.7 percent of the GNP in order to achieve the goals of the economic stabilization program for Calendar Year 1992;

WHEREAS, revenue collections in CY 1992 are expected to be ₱12 billion less than that originally projected in the light of recent economic developments;

WHEREAS, there is a need for the Government to maintain prudence in government spending and to continue to streamline its operations in view of the limited resources; and

WHEREAS, pending the identification of alternative revenue resources, some ₱12 billion of disbursements of all agencies of government have to be deferred/withheld;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order

**SECTION 1.** All national agencies, including government-owned and controlled corporations, are hereby directed to set aside a 5% reserve from their programmed non-personal services appropriations under R.A. No. 7180 or the 1992 General Appropriations Act (GAA), pursuant to Section 67 of the said Act. Appropriations for school and hospital buildings as well as road maintenance funds under the Department of Public Works and Highways and the Internal Revenue Allotment shall be exempted from this reserve.

In addition, all agencies shall set aside another 5% reserve from their non-personal appropriations in the GAA. For purposes of this additional reserve, the following appropriations shall be exempt: Congress of the Philippines, the Judiciary, Constitutional Offices, Internal Revenue Allotment, the International Commitments Fund and the Reconstruction and Rehabilitation Fund.

These reserves shall be augmented by a 10% reserve from programmed expenditures under all other appropriations sources, including the Public Works Act, except debt service, net lending, payment of internal revenue taxes and customs duties (Section 15, R.A. No. 7180) and expenditures funded from grants (Section 8, R.A. No. 7180) and sale of unserviceable equipment (Section 6, R.A. No. 7180).

In determining the sources of the reserves, however, estimated savings in personal services may be offered. Department secretaries have the flexibility to determine the distribution of the reserve imposition among its attached agencies, including corporations, so long as the aggregate amount of reserves targetted from the department is met. No reserves shall be released except upon specific approval of the President.

SEC. 2. Government-owned and controlled corporations and local government units shall likewise impose a 10% reserve on their non-personal services expenditures for 1992, including those funded from internally generated resources. For purposes of this Section, the Internal Revenue Allotment shall be considered local funds. However, local governments shall fully observe the restrictions under Section 3 hereof pursuant to the 1992 GAA.

In determining the sources of the reserves, government corporations and local government units may offer estimated savings in personal services. Said reserves shall continue to form part of their respective funds.

SEC. 3. In conjunction with Sections 1 and 2, all agencies shall comply strictly with Section 14 of the General Provisions of the 1992 GAA which mandates that no government funds shall be used for the following:

a. To purchase motor vehicles, except medical ambulances, military and police patrol vehicles, other utility vehicles, those used for mass transport when necessary in the interest of the public service, and those specifically authorized in the 1992 GAA;

b. To defray the foreign travel expenses of any government official or employee, except in case of training, seminar or conference abroad when the officials and other personnel of the foreign mission cannot effectively represent the country therein and in case of travel necessitated by international commitments;

c. To provide fuel, parts, repair and maintenance to any government vehicle which is not permanently marked "FOR OFFICIAL USE ONLY" with the name or logo of the agency, nor otherwise properly identified as a government vehicle and does not carry its official government plate number, except official vehicles assigned to the President, Vice-President, Senate President, Speaker of the House of Representatives, Chief Justice of the Supreme Court and Chairmen of the Constitutional Commissions and those used by personnel performing intelligence and national security functions: PROVIDED, That in case of any transport crisis, such as that occasioned by street demonstrations, mass protest actions, floods, typhoons and other emergencies, all government vehicles of any type whatsoever, whether

motor cars or utility vehicles, shall be made available to meet the emergency and utilized to transport for free the commuters on a round-the-clock basis;

d. To pay the honoraria, allowances or other forms of compensation to any government official or employee, except those specifically authorized by law; and

e. To be invested in non-government securities, money market placements and similar investments or deposited in private banking institutions.

The implementing rules and regulations of Section 14 of the General Provisions of R.A. No. 7078 as prescribed under the COA-DBM Joint Circular No. 1 dated September 3, 1991 are hereby reiterated and adopted as the rules and regulations governing the implementation of the above section.

SEC. 4. Likewise, all agencies of the government are directed to implement other cost-saving and austerity measures, including the following:

a. Deferment of the implementation of all new non-infrastructure projects appropriated in 1992; except hospital buildings; Hall of Justice buildings; school buildings, including academic buildings of state universities and colleges; those related to rehabilitation, reconstruction and other works for disaster-stricken areas; those funded under the Countrywide Development Fund; those already contracted as of the effectivity of this Administrative Order; and those covered by grant agreements;

b. Limiting the filling of positions to only 25% of vacant positions as of 31 December 1991 on condition that the Staff Reduction Program mandated by Administrative Order No. 205 dated 3 January 1991 and reiterated by Administrative Order No. 227 dated 26 June 1991 has been duly complied with;

c. Suspension of gift givings, donations and contributions as well as the conduct of seminars, conventions, annual and anniversary celebrations, athletic, cultural and sports activities, official entertainments and public relations activities. However, athletic meets and activities conducted by public schools and state universities and colleges, activities covered by international commitments, and those conducted by agencies whose basic functions involve the above functions shall be allowed. Furthermore, donations and contributions to areas and victims affected by calamities shall be allowed;

d. Disallowance of paid media advertisements, except those concerned with the issuance of agency guidelines, rules and regulations, and public biddings as well as those concerned with public announcements;

e. Suspension of the hiring of additional consultants, contractuels and casuals, except for foreign-assisted projects; and

f. Disallowance of overtime payments except as may be authorized by the Department Secretary or the head of agency concerned pursuant to the provisions of Memorandum Order No. 228, series of 1989.

SEC. 5. All requests for the use of savings and the realignment of funds shall be limited to the funding of deficiencies in salary standardization and bonus requirements, separation and retirement benefits, and to those specifically authorized under the Special Provisions governing agency appropriations in the 1992 GAA.

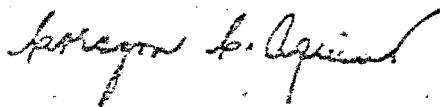
SEC. 6. The internal guidelines to implement the foregoing economy measures shall be issued and enforced by the agency head. A report on the estimated savings to be generated from such measures shall be submitted to the Office of the President through the Department of Budget and Management on or before 15 February 1992.

SEC. 7. The Department of Budget and Management shall release advices of allotment based on the respective approved work and financial plans submitted by the agencies in compliance with the foregoing economy measures.

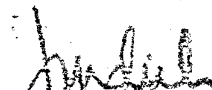
SEC. 8. All other issuances on economy measures and the corresponding rules and regulations inconsistent with the provisions of this Administrative Order are hereby repealed and/or modified accordingly.

SEC. 9. This Administrative Order shall take effect immediately.

Done in the City of Manila, this 31st day of January, in the year of Our Lord, nineteen hundred and ninety two.



By the President



FRANKLIN M. DRILON  
Executive Secretary