

INFO: READ/FILE

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC # 72, s. 1991

MEMORANDUM CIRCULAR

*fiat*  
T O : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS,  
DEPARTMENT MANAGERS, STAFF HEADS, REGIONAL IRRIGATION  
MANAGERS, OPERATIONS/PROJECT MANAGERS, IRRIGATION  
SUPERINTENDENTS/PROVINCIAL IRRIGATION ENGINEERS  
AND ALL OTHERS CONCERNED  
This Agency

SUBJECT : Commission on Audit and Department of Budget & Management  
Joint Circular No. 1 dated September 3, 1991

Quoted hereunder in full is Joint Circular No. 1 of the  
Commission on Audit and the Department of Budget and Management  
dated September 3, 1991 for your information and guidance.

"COMMISSION ON AUDIT  
DEPARTMENT OF BUDGET AND MANAGEMENT

JOINT CIRCULAR NO. 1  
September 3, 1991

T O : HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF  
THE NATIONAL GOVERNMENT; GOVERNMENT-OWNED AND/OR  
CONTROLLED CORPORATIONS, INCLUDING GOVERNMENT FINANCIAL  
INSTITUTIONS; LOCAL GOVERNMENT UNITS; AND ALL OTHERS  
CONCERNED

SUBJECT : IMPLEMENTING RULES AND REGULATIONS FOR SECTION 14 OF  
THE GENERAL PROVISIONS OF REPUBLIC ACT NO. 7078 WHICH  
PREScribes RESTRICTIONS IN THE USE OF GOVERNMENT FUNDS.

1.0 PURPOSE

This Joint Circular is issued to prescribe the rules and  
regulations to implement Section 14 of the General Provisions  
of R.A. No. 7078, the CY 1991 General Appropriations Act, pres-  
cribing restrictions on the use of Government Funds.

2.0 COVERAGE

The provisions of this Joint Circular shall apply to the  
national government agencies, local government units, political  
sub-divisions, and government-owned and/or controlled corpora-  
tions as defined by Executive Order No. 518.

3.0 RULES AND REGULATIONS

3.1 Restrictions on the Purchase of Motor Vehicles.

No government funds shall be utilized 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 public service, and those specifically authorized in  
this Act.

- 3.1.1 The general phrase/clause "other utility vehicles" shall be construed to include only those motor vehicles of the same class and nature as medical ambulances, military and patrol vehicles. For this purpose, all motor vehicles for management and staff use and all the motor transport equipment covered by LOI No. 667 are not considered as "utility vehicles."
- 3.1.2 The words "mass transport" shall be construed to refer to buses, trains or any other public motor transport procured under the Mass Transportation Program of the Government.
- 3.1.3 The phrase "and those specifically authorized in this Act" shall be construed to refer to those appropriations specifically intended for the purchase of motor vehicles and included as part of the Lumpsums provided for "Equipment Outlays" of the agencies concerned under their respective "Capital Outlays" Programs authorized by R.A. No. 7078 and those covered by international agreement.

### 3.2 Restrictions of Foreign Travel.

No government funds shall be utilized to defray foreign travel expenses of any government official or employee except in the case of training, seminar, or conference abroad when the officials and other personnel of the foreign missions cannot effectively represent the country therein, and travels necessitated by international commitments.

- 3.2.1 Consistent with Section 2 of Executive Order No. 401, the authority/responsibility to ascertain the incapacity or inability of the officials and personnel of the foreign missions to effectively represent the country in foreign seminars and conferences shall remain lodged in the Office of the President.
- 3.2.2 The foreign travel covered by the restrictions under this Circular includes those enumerated under Executive Order No. 401, to wit:
- 3.2.2.1 To attend conferences or seminars sponsored by foreign governments or international government organizations to which the Philippine Government is committed or invited to send representatives or participants.
- 3.2.2.2 To attend conferences or seminars sponsored by private organizations whether international or not, invitations to which have been sent through their respective Governments to the Philippine Government.
- 3.2.2.3 To conduct examination or investigation of Philippine Government agencies or affairs.
- 3.2.2.4 To undertake any other official mission which cannot be assigned to any other Philippine Government official or officials already abroad.

### 3.3 Restrictions on the Use of Government Funds for the Purchase of Fuel, Parts, Repair and Maintenance of Government Vehicles.

No government funds shall be utilized 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 and Chief Justice of the Supreme Court and those used by personnel performing intelligence and national security functions.

#### 3.3.1 For purposes of this Circular, the following shall be considered as proper identification as government vehicles:

- 3.3.1.1 Vehicles which are marked "For Official Use Only" with the name or logo of the agency.
- 3.3.1.2 Vehicles with "Red Plate Numbers" with the name or logo of the agency.
- 3.3.1.3 Vehicles with "Blue Plate Numbers" (Diplomatic Plates) with the name or logo of the agency.
- 3.3.1.4 Vehicles with "Green Plate Numbers" (Security Plates) upon submission of authenticated copy of either the LTO Registration Certificate or the NICA Certificate to the Resident Auditor concerned.

### 3.4 Use of Government Vehicles during Emergencies and Transport Crisis.

In case of transport crisis, such as that occasioned by street demonstrations, welgang bayan, floods, typhoons and other emergencies, all government vehicles or any type whatsoever, whether luxury 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.

#### 3.4.1 Consistent with the legislative intent of Section 4, the Department of Transportation and Communications shall determine and coordinate the utilization of government vehicles for the transportation of commuters free of charge during transport crisis.

#### 3.4.2 For purposes of this Circular, the existence of transport crisis is presumed when there is a welgang bayan, street demonstrations, floods, typhoons and other emergencies.

### 3.5 Restrictions on the Use of Government Funds for Payments of Honoraria, Allowances and Other Forms of Compensation.

No government funds shall be utilized to pay honoraria, allowances or other forms of compensation to any government official or employee except those specifically authorized by law.

3.5.1 For purposes of this Circular, the phrase "those specifically authorized by law" shall be construed to mean as follows:

3.5.1.1 That payment of the honoraria, allowances and other forms of compensation is authorized expressly by law; and

3.5.1.2 That payment of the honoraria, allowances and other forms of compensation was authorized in accordance with law (e.g. R.A. No. 6758, the Salary Standardization Law) or pursuant to authority granted by law (e.g. P.D. No. 985 and 1597) as specified on Section 2 (B) of Administrative Order No. 224 dated June 13, 1991.

### 3.6 Restrictions on the Use of Government Funds for Investment.

No government funds shall be utilized for investment in non-government securities, money marker placements, and similar investments or deposited in private banking institutions.

## 4.0 RESPONSIBILITY OF THE HEAD OF AGENCY

The head of Agency shall be responsible and personally liable for any disbursement and use of funds not in accordance with the provisions of this Circular, without prejudice, however, to legal action for refund under Section 43, Chapter 5, Book VI of the Administrative Code of 1987.

## 5.0 SAVING CLAUSE

Cases not covered by the provisions of this Joint Circular shall be jointly resolved by the Department of Budget and Management and the Commission on Audit.

## 6.0 EFFECTIVITY

This Circular shall take effect immediately.

(SGD.) GUILLERMO N. CARAGUE

Secretary

Department of Budget and Management

(SGD.) EUFEMIO C. DOMINGO

Chairman

Commission on Audit"

For compliance.

(SGD.) JOSE B. DEL ROSARIO, JR.  
Administrator

October 16, 1991