

UNIVERSITY OF THE PHILIPPINES  
Quezon City

OFFICE OF THE PRESIDENT

July 8, 1983

Executive Order No. 10

Implementing Rules and Regulations on Fiscal Autonomy

WHEREAS, President Ferdinand E. Marcos issued Executive Order No. 714 dated August 1, 1981 granting fiscal autonomy to the University of the Philippines;

WHEREAS, the University of the Philippines (UP), the Office of Budget and Management (OBM), and the Commission on Audit (COA) signed a memorandum on "Fiscal Control and Management of the Funds of the University of the Philippines;"

WHEREAS, there is a need to promulgate the implementing rules and regulations on fiscal autonomy to facilitate the processing of papers and also for the information and guidance of all concerned;

WHEREAS, the Board of Regents at its 956th meeting on December 17, 1982 renewed the authority of the University President to formulate and adopt recommendations necessary and proper to effect reform of the academic programs as well as the reorganization of the structure and operations of the University of the Philippines;

NOW, THEREFORE, I, Edgardo J. Angara, President of the University of the Philippines, by virtue of the powers vested in me by the Board of Regents do hereby issue this implementing rules and regulations on fiscal autonomy.

SECTION 1. *Functions of the President's Advisory Council.* The President's Advisory Council shall:

- (a) conduct financial review and evaluation of past years' operations and performance of each of the autonomous campuses; and
- (b) assess expected income receipts and government subsidy for the coming budget year and set budget guideline, priorities and ceilings.

Upon submission of the budget proposals of the autonomous campuses to UP-Central Administration, the President's Advisory Council shall review the respective budget proposals before their integration and subsequent transmittal to the University President for the approval by the Board of Regents.

SECTION 2. *Budget Preparation.* To enable the Board of Regents of the University to submit the budget estimates for the Budget Year on or before March 15 as stipulated in Section 3.1 of the Memorandum of Agreement, the following procedures are hereby adopted in the preparation of the University budget.

SECTION 3. *Budget Call.* a) A budget call shall be issued to each autonomous campus every November 15 defining the University targets, expenditure priorities and ceiling for the budget forms for the preparation of the Budget Estimates which shall be submitted on or before January 31.

b) Upon receipt of the University budget call, each autonomous campus shall issue a sub-budget call to all its units/institutions which shall be the basis of their budget preparation.

SECTION 4. *Classification of Programs and Projects.* The autonomous campuses shall review and modify the respective budget estimates of the units/institutions to conform with the set budget guidelines, priorities and ceilings and subsequently package the total budget estimates of the autonomous campus level, classified into the following Programs and Projects structures of the University System when and wherever applicable:

(a) *Current Operating Expenditures*

Program 1.0 Formal Instruction and Other Services

Project 1.1 Advanced and Higher Education

Project 1.2 Research and Publication

Project 1.3 Extension

Project 1.4 Medical and Health Services

Project 1.5 Auxiliary Services

Project 1.6 General Administration and Support Services

(b) *Capital Outlay*

Program 2.0 Capital Outlay

Project 2.1 Land and Land Improvement Outlay

Project 2.2 Construction of Permanent Improvements

Project 2.3 Acquisition of Equipment

Project 2.4 Investment Outlay

**SECTION 6. *Funding Sources***

1. Government Subsidy
2. Income Receipts
3. Non-Income Receipts
4. Proceeds from Loans

**SECTION 7. *Budget Authorization.*** Upon approval of the General Appropriations Act, the President's Advisory Council shall recommend to the Board of Regents the allocation of the government subsidy and income to each autonomous campus based on the following order of priority:

**(a) *Current Operating Expenditures***

1. Specific authorized appropriations, e.g., foreign-assisted projects
2. Ongoing activities
3. Provisions for inflation of ongoing activities
4. Deficiency/expansion of ongoing activities/new activities

**(b) *Capital Outlay***

1. Specific authorized appropriations, e.g., foreign-assisted projects
2. Ongoing capital projects for completion of construction
3. Deficiency, e.g., equipment.
4. New capital outlays.

**SECTION 8. *Budget Implementation.*** The autonomous campuses shall prepare the details of their respective Internal Operating Budgets for approval by the President using as ceiling the government subsidy and the estimated income allocated by the Board of Regents.

**SECTION 9. *Work and Financial Plan.*** (a) Upon receipt of the Obligational Ceilings from the Office of Budget and Management (OBM), the President's Advisory Council shall apportion the obligational ceilings among the autonomous campuses, which shall be the basis for the preparation of the Work and Financial Plan.

(b) The Work and Financial Plan shall be submitted to the UP-Central Administration not later than two (2) weeks after the receipt of the Obligational Ceilings for consolidation and submission to the OBM.

**SECTION 10. *Allotment of Funds.*** (a) Upon receipt of the Advice of Allotment and Cash Disbursement Ceiling, the UP-Central Administration shall sub-allot the obligational ceilings among the autonomous campuses.

(b) The autonomous campus with regional units shall, upon receipt of the sub-allotment of funds from central administration draw funding checks

to cover sub-allotment of funds covered by cash disbursement ceiling for the regional units and/or credit memo advices to cover sub-allotment of funds not covered by cash disbursement ceiling.

(c) Pending the approval of the Internal Operating Budgets for the current year, the basis of obligation of the autonomous campuses shall be their IOB's of the immediately preceding year.

**SECTION 11. *Realignment of Funds under the General Fund.*** As provided in Sec. 3.2.3 of the Memorandum of Agreement among the UP, the Office of Budget and Management, and the Commission on Audit, the Board of Regents shall have the authority to realign at least once during the year funds that have been appropriated and allocated for projects which for some reasons could not be pursued as envisioned, and apply them for some other purposes.

**SECTION 12. *Realignment of Funds Subject to Approval of the Office of Budget and Management.*** The following realignments shall need the OBM approval after the approval of the Board of Regents:

1. From Capital Outlays to Current Operating Expenditures
2. From Maintenance and Other Operating Expenditures to Personal Services
3. From Capital Outlays such as land/land improvement; and construction outlays to another item of capital outlays such as equipment outlays, investment outlays and loan outlays, or vice-versa.

**SECTION 13. *Realignment of Funds Subject to the Approval of the Board of Regents.*** The realignment of savings of the following funds from one project to another shall need only the approval of the Board of Regents. Such action shall be forwarded to OBM and COA for information purposes ten (10) working days from date of realignment.

- a) From Personal Services to other Personal Services;
- b) From Maintenance and Other Operating Expenditures to another Maintenance and Other Operating Expenditures;
- c) From Personal Services to Maintenance and Other Operating Expenditures;
- d) From Current Operating Expenditures to Capital Outlay;
- e) From one type of equipment to another; and
- f) From one construction project to another.

**SECTION 14. *Realignment of Funds Subject to the Approval of the President.*** Realignment of funds from one unit/institution to another within the same project structure shall only need the approval of the President of the University.

SECTION 15. *Procedure on Realignment.* (a) Requests for realignment that need only Board of Regents approval shall be submitted to UP-Central Administration on the 15th day of the last month of every quarter.

(b) Requests for realignment that need further OBM approval shall be submitted to UP-Central Administration at most twice a year, May 31 and September 30.

SECTION 16. *Delegated Authority of the Chancellors.* The Chancellor of autonomous campuses shall continue to discharge/exercise their delegated authority particularly on finances of their respective campuses as granted to them by the Board of Regents.

SECTION 17. *Standing Committee on Finances.* A standing finance committee composed of the Heads of the Budget Offices and the Accounting Offices and/or their equivalents, in each autonomous campus shall insure the uniformity of budget and accounting actions and the implementation of financial procedures, rules and regulations throughout the system. To carry out this objective, the Committee is hereby tasked to come up with a standard operating procedures on budgeting and accounting.

It shall convene regularly at least once every two months.

SECTION 18. *Policy on Accounting.* The University shall continue to account for all receipts and disbursements, including appropriations from the general fund, special account in the general fund, revolving fund and trust liabilities, in accordance with generally accepted accounting and auditing rules and regulations applicable to the University.

SECTION 19. *Books of Accounts.* Separate books of accounts shall be maintained for the general fund, the special account in the general fund and the revolving fund.

SECTION 20. *General Accounting Procedures.* The Central Administration, its autonomous units and their regional units shall observe procedures on home office and branch accounting, including accounting for receipt of allotments and sub-allotments, cash disbursement ceilings and sub-cash disbursement ceilings, funding checks, income and non-income receipts and disbursement of funds.

SECTION 21. *Manual of Accounting.* The University shall maintain a manual of accounting procedures, which should be updated and reviewed periodically.

SECTION 22. *Accounting Reports.* All necessary accounting statements and reports shall be prepared when and wherever required, including trial balances, statement of operation and balance sheet.

**SECTION 23. *Procedural Guidelines.*** The University shall adopt accounting entries for specific transactions enumerated in addition to the regular entries for ordinary government transactions covered by latest approved manual on government accounting procedures.

**SECTION 24. *Transitory Provisions.*** The following transitory procedures on the general fund are hereby adopted.

- a. The Cashier shall open bank accounts with a government depository bank.
- b. All CDC balances as of March 31 for CY 1983 shall be withdrawn from the National Treasury and deposited to the appropriate bank account.
- c. Effective April 1, 1983, an amount equivalent to one-third of the quarter's operating requirement shall be withdrawn monthly from the quarterly CDC in the National Treasury and deposited with the appropriate bank.
- d. Balances of all trust receipts under the general fund deposited with the National Treasury prior to E.O. No. 714 shall be transferred and deposited with the government depository bank under a separate bank account. Subsequent collections shall likewise be deposited with the same account.

**SECTION 25. *Special Account in the General Fund.*** The following transitory procedures on the special account in the general fund are hereby adopted:

- a. Pursuant to 6.1 of the Memorandum of Agreement, all account balances as of March 31, 1983 shall be closed and transferred to the revolving fund (fund code 161) in accordance with Joint Circular 3-82 dated 18 January 1982, except appropriations allotted for personal services of Diliman, as provided for under 6.3 of the same agreement and outstanding obligations as of March 31, 1983.
- b. The UP Diliman Cashier shall open a separate bank account for this fund's personal services.
- c. The University shall request the release of CDC for CY 1982 excess income by submitting a special budget.
- d. A request for revalidation shall be made for prior years' unliquidated obligations. Upon receipt of the revalidated CDC, a check shall be drawn against the National Treasury to transfer the amount to the government depository bank for the payment of said claims.

- e. The total Personal Services requirement shall be incorporated in the CY 1984 General Fund appropriations, and the corresponding amount shall be adjusted from the income of revenue-producing units.

SECTION 26. *Setting up the Revolving Fund.* a) The Cashier shall open a bank account with a government depository bank for the revolving fund.

b) As contained in the Memorandum of Agreement, the revolving fund shall be maintained in the autonomous unit level. Therefore, all regional units shall remit all collections (including all income from special activities), by telegraphic transfer, to the Cashier of the autonomous unit concerned at least once a month.

SECTION 27. *Policy on Personnel.* The University shall adopt a common position classification and compensation plan throughout the system as approved by the Board of Regents. Any change in the plan shall likewise be subject to Board approval/action.

SECTION 28. *Personnel Benefits.* In keeping with government practice and in accordance with existing laws, it shall be the policy of the University to insure that all its personnel shall enjoy the benefits granted to other government employees, e.g., GSIS Life and Retirement Insurance, Medicare, Employees' Compensation, HMDF (Pag-Ibig), Terminal Leave, Retirement Gratuity/Annuity, general salary adjustment/increase granted by the National Government, etc.

SECTION 29. *University Personnel Committee.* A University Personnel Committee composed of the Heads of Personnel Offices, or their equivalents, in each autonomous unit, is hereby created to formulate and maintain standard manual of operating procedures on personnel, subject to approval by the President, and to insure uniformity of personnel actions and the implementation of rules and regulations throughout the System.

It shall convene regularly at least once every quarter.

SECTION 30. *Organization/Staffing Modification.* The Board of Regents shall have the final and exclusive authority to approve requests for organization/staffing modification, e.g., creation/abolition/merger/division of organizational units, reclassification/creation/abolition/splitting/consideration of items, change in unit name/position title.

SECTION 31. *Organizational Changes.* Requests for organizational changes, e.g., creation/abolition/merger/division of units/departments/sections, shall be submitted for evaluation of the Personnel Office and the Budget Office of each autonomous unit not more than once a year. Recommendations shall be submitted by the Chancellor through the President for approval by the Board of Regents.

SECTION 32. *Staffing Modification.* Requests for staffing modification shall be submitted by the Head of Unit for evaluation by the Personnel Office and the Budget Office. Recommendations shall be submitted by the Chancellor through the President for approval by the Board of Regents, subject to the following conditions:

- a) An item may be modified only once a year, and
- b) Units may request for staffing /modification not more than twice a year nor more than once per quarter.

SECTION 33. *Justification.* All requests for organization/staffing modification shall be supported by detailed justification (e.g., evidence in terms of advantage/benefits of the proposal, quantified whenever possible) prepared by the Dean/Director/Head of Unit in consultation with the appropriate personnel committees.

SECTION 34. *Deadline for Submission of Requests.* All requests for staffing modification should be submitted to Central Administration not later than ten (10) working days before the July meeting of the Board of Regents each year. Requests for organizational changes shall be incorporated in the annual budget proposals. Requests submitted after the aforesaid deadline shall be considered for the succeeding calendar year.

SECTION 35. *Reporting Requirements.* The University shall furnish the Office of Budget and Management and the Commission on Audit a copy of the annual approved Plantilla of Personnel as of 31 October on or before 31 December of each year. It shall also comply with other reporting requirements on personal services, both for external and internal use as deemed necessary and appropriate.

The University shall likewise inform the Office of Budget and Management and Commission on Audit of changes in the Common Position Classification and Compensation Plan as approved by the Board of Regents.

SECTION 36. *Plantilla of Personnel.* The Personnel Office of each autonomous unit shall submit to Central Administration and updated plantilla of personnel as of 31 October on or before 1 December each year.

SECTION 37. *Manpower Utilization Summary.* The Personnel Office of each autonomous unit shall submit to Central Administration within three (3) working days after the end of each quarter an inventory of actual manpower utilized during the preceding quarter, showing the details of hiring/employment, resignations/terminations/retirements/transfers, beginning and ending head count of personnel by category in terms of faculty, REPS and administrative personnel.

SECTION 38. *Realignment of Appropriations/Savings in Personal Services.* Appropriations and/or savings in personal services may be realigned



subject to final approval by the Board of Regents.

SECTION 39. *Timing of Requests for Realignment.* Requests for realignment shall be made subject to the conditions set forth in Sections 11-15.

SECTION 40. *Justification.* All requests for realignment should be supported by detailed justification, and a certification of savings jointly signed by the Personnel, Budget and the Accounting Officers of each autonomous unit whenever necessary.

SECTION 41. *Saving Clause.* These guidelines shall be without prejudice to the existing delegation of authority to the President and the Chancellors of autonomous units.

SECTION 42. *Repealing Clause.* All existing administrative orders, acts and administrative regulations or parts thereof, that are inconsistent with the provisions of this Administrative Order are hereby repealed or modified accordingly.

SECTION 43. *Effectivity.* — This order shall take effect immediately.

Done in Quezon City, this 8th day of July, in the year of our Lord Nineteen Hundred and Eighty-Three.

EDGARDO J. ANGARA  
President

