



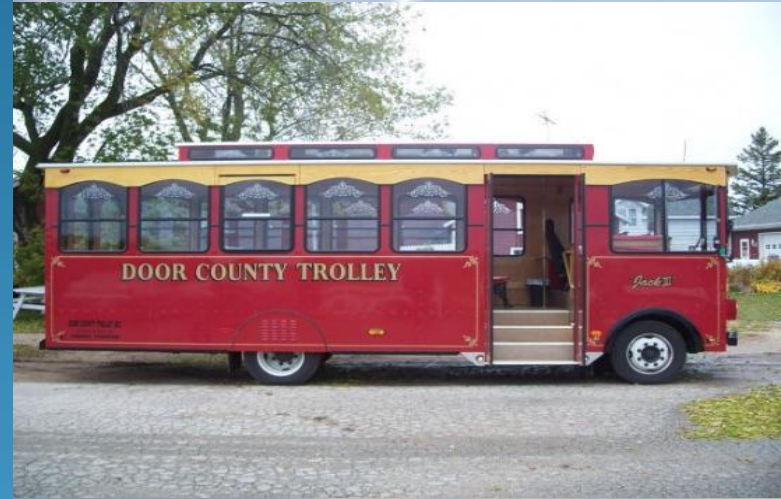
Laws and Rules on Government Expenditures

CLASSES OF EXPENDITURES

1. Personal Services
2. Maintenance and Other Operating Expenses
3. Capital Outlay
4. Financial Expenses

TRAVEL

EXPENSES



LEARNING OBJECTIVES

- Name and describe the types of official travels;
- Know the allowable travel expenses for both local and foreign travels;
- Know the documentary requirements for the payment of these travel expenses.

Travelling Expenses

- ✓ transportation, subsistence, lodging and travel per diems;
- ✓ hire of guides or patrol;
- ✓ transportation of personnel baggage or household effects;
- ✓ bus, railroad, airline and steamship fares, tips, transfers, etc., of persons while on official travel whether foreign or local;
- ✓ charter of boats, launches, automobiles, etc.;
- ✓ non-commutable transportation allowances,
- ✓ road tolls;
- ✓ parking fees; and
- ✓ all other similar expenses.

TYPES OF TRAVEL

- ▶ **Official Local Travel** - travel of government personnel within the Philippines
- ▶ **Official Foreign Travel** - travel of government personnel outside the Philippines

COA Circular No. 2001-005

GENERAL GUIDELINES

- Both official local and foreign travels shall be treated and accounted for as cash advances
- Official local travel shall no longer be treated as direct charges to appropriations or allotments
- The Accountant shall obligate all cash advances granted

GENERAL GUIDELINES

- No cash advance shall be granted to any official or employee unless a proper accounting of the previous cash advance for travel given to him is first made or the same is first liquidated and/or settled

GENERAL GUIDELINES

- Cash advances granted for purposes of official travel, both local and foreign, shall not require bonding of the traveling official or employee.

Specific Guidelines

- Executive Order No. 248 and 248A, as amended by EO 298 dated March 23, 2004

SPECIFIC GUIDELINES - LOCAL TRAVEL

- Approval of Travel Order
 - less than 30 days
 - Head of Office/Bureau or equivalent
 - 30 days or more -
 - by the Department Secretary or his equivalent

SPECIFIC GUIDELINES - LOCAL TRAVEL

- Approved Itinerary of Travel detailing the transportation expenses and travel expenses to be incurred as basis for determining the amount of cash advance

**APPENDIX A
ITINERARY OF TRAVEL**

Name _____

Position _____

Monthly Salary _____

Official Station: _____

Purpose of Travel _____

Date	Places to be Visited	TIME		ALLOWABLE EXPENSES				
		Arrival	Departure	Transp.	Meals	Lodging	Inc. Exp.	TOTAL
	TOTAL							

Certified by: (Immediate Supervisor)

Prepared by : (Official/Employee)

Approved by: (Head of the Agency)

SPECIFIC GUIDELINES - LOCAL TRAVEL

- The amount of transportation expenses allowable shall be the actual rates of the authorized means of transportation from the permanent official station to the destination or place of work or assignment in the field and back, **plus other incidental expenses**:
 - ✓ From the office or residence to the point of embarkation;
 - ✓ From the point of embarkation to the point of debarkation in the place of destination;
 - ✓ From the point of debarkation to the office of destination or temporary residence in the place of assignment in the field and return.

SPECIFIC GUIDELINES - LOCAL TRAVEL

- The transportation expenses shall be in addition to the travel expenses defined under Section 6 of EO 248, as amended
- The allowable transportation expenses shall **not** include local or inland transportation and other expenses after arrival in the office or temporary residence in the place of assignment in the field which are contemplated to be covered by the travel allowance specified in Section 6(a) of EO 248

SPECIFIC GUIDELINES - LOCAL TRAVEL

- **Travel Expenses** - the amount authorized to cover hotel/lodging rate, meals and incidental expenses excluding transportation expense in going to and from.
- **Hotel/Lodging Rate** - the daily hotel/lodging cost includes the prescribed taxes and service charges
- The travel expenses of government personnel regardless of rank and destination shall be in the amount of Eight Hundred Pesos (P800.00) per day apportioned as follows:

Hotel/ Lodging	Meals	Incidental Expenses
50% - ₱400	30% - ₱240	20% - ₱160

Entitlement to travel expenses shall **start only upon arrival** at the place of destination and shall **cease upon departure** therefrom

Particulars	Percentage	To Cover
Arrival not later than 12:00 noon	100%	Hotel/lodging (50%); meals (30%) and incidental expenses (20%)
Arrival after 12:00 noon	80%	Hotel/lodging (50%); dinner (10%) and incidental expenses (20%)
Departure before 12:00 noon	30%	Breakfast (10%) and incidental expenses (20%)
Departure at 12:00 noon and later	40%	Breakfast (10%), lunch (10%) and incidental expenses (20%)

SPECIFIC GUIDELINES - LOCAL TRAVEL

- Only ordinary public conveyance or customary modes of transportation shall be used
- Exceptions may be made in meritorious cases and justified by prevailing circumstances
 - the Agency Head shall indicate in the travel authority, the mode or class of transportation and the kind of hotel/ lodging/pension houses to be taken, which in all cases shall be the most advantageous to the government from the standpoint of economy and efficiency

SPECIFIC GUIDELINES - LOCAL TRAVEL

- Claims for payment of travel expenses for official local travel, in the amount of P800 per day, shall not require the presentation of bills and receipts
- For actual travel expenses in excess of P800 per day, submission of the following shall be required:
 1. Bills and invoices with official receipts covering the whole amount claimed
 2. Certification of the head of agency concerned as to the absolute necessity of the expenses in the performance of an assignment.
- ✓ Certification or affidavit of loss shall not be considered as appropriate replacement for the required hotel/lodging bills and receipts.

SPECIFIC GUIDELINES - LOCAL TRAVEL

- When the official travel/assignment is to places **within the fifty (50) kilometer radius xxx wherein their permanent official station is located in the case of those outside the MMA** and the amount of travel expenses being claimed includes the hotel/lodging rate, the following shall be required:
 - Hotel room/lodging bills or invoices with official receipts to prove that they stayed in the place of destination or assignment and are not commuting daily from the place of assignment to the place of their residence or permanent official station

SPECIFIC GUIDELINES - LOCAL TRAVEL

- If they commute daily from the place of assignment to the place of residence or permanent official station, they shall be allowed only the reimbursement of actual fare at the prevailing rates of the authorized mode of transportation and a reasonable cost for meals and incidental expenses but **shall in no case** exceed P400.00 per day
- The presentation of bills and receipts covering the cost of meals shall no longer be required, except for the transportation tickets which shall form part of the evidence of the actual travel undertaken

SPECIFIC GUIDELINES - LOCAL TRAVEL

- In cases where government vehicles are used in the travel, the officials and employees concerned are **not** entitled to the transportation expenses
- no reimbursement of the cost of gasoline and oil or fuel issued to **privately-owned motor vehicles** shall be allowed
- the officials and employees concerned shall be entitled to the reimbursement of the equivalent cost of the customary mode of transportation

SPECIFIC GUIDELINES - LOCAL TRAVEL

- The travel allowance shall not be allowed in cases where the fare paid for transportation includes meals and quarters en route, or where meals and lodging are paid for or furnished by the government
- Where the cost of meals and lodging paid for by the government does not exceed P800 per day or where either meals or lodging only is furnished by the government, the difference shall be paid to the official or employees concerned to take care of local or inland transportation and other incidental expenses while in the place of assignment
- If the costs of meals and lodging furnished by the government is equal to or exceeds P800 per day, no travel expenses shall be paid by the government

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- The cash advance for travel shall be liquidated by the official/employee concerned strictly within **30 days** after his return to his official station, otherwise, payment of his salary shall be suspended until he complies therewith

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- The official/employee concerned shall prepare a Liquidation Report to be supported by the following:
 - a. Certificate of travel completed (Appendix B);
 - b. Plane, boat or bus tickets covering actual transportation fare from the official station or residence to the place of destination and back and boarding passes

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- c. In the case of electronic tickets issued on flights of any airline company, the Itinerary/Receipt (electronic ticket) purchased from any airline company ticket office and/or its authorized travel agencies, together with the used boarding pass shall be submitted

COA Circular No. 2005-003 dated Sept. 22, 2005

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- d. Certification of the head of the agency as to the absolute necessity of the expenses together with the corresponding bills and receipts, if in excess of P800
- e. Hotel room/lodging bills with official receipts in the case of official travel to places within the fifty (50) kilometers radius, if the travel allowance being claimed includes lodging

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- f. Certificate of appearance or a copy of the report on the accomplishment of the purpose of the travel duly noted by the agency head or his authorized representative

- g. Certificate of appearance shall no longer be required in the case of travels of agency heads within their area of jurisdiction

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

Refunds

- ✓ where a trip is cancelled, the amount paid in advance shall be refunded in full
- ✓ where the trip is cut short or terminated in advance of the itinerary, the excess payment shall be refunded
- ✓ refund shall be made immediately upon cancellation or termination of the trip

LIQUIDATION OF CASH ADVANCE - LOCAL TRAVEL

- When a trip exceeds the approved itinerary, the additional travel expenses shall be paid upon satisfaction of the following requirements:
 - a. written justification satisfactory to the agency head or his authorized representative
 - b. an additional itinerary for the extension of the trip

SPECIFIC GUIDELINES FOREIGN TRAVEL

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- ✓ Foreign travels and assignments shall cover only those which are
 - ✓ urgent and extremely necessary,
 - ✓ will involve the minimum expenditure
 - ✓ expected to bring immediate benefit to the country, such as:
 - ❖ To attend conferences or seminars sponsored by foreign government organizations to which the Philippine Government is committed or invited to send representatives or participants;

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- b) To attend conferences or seminars sponsored by private organizations, invitations to which have been sent through their respective governments to the Philippine Government;
- c) To conduct examinations or investigations of Philippine Government agencies or affairs; and
- d) To undertake any other official mission which cannot be assigned to any other Philippine government official or officials already abroad.

(EO 248-A dated 05/11/1990)

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

1. Approved Office Order/Travel Order
2. Duly approved Itinerary of travel detailing the transportation expenses and travel expenses including pre-departure expenses to be incurred as basis for determining the amount of cash advance
 - The commutable pre-departure expenses of P1,500 shall cover miscellaneous/incidental expenses such as taxi fare, passport, photographs, immunization, visa fees, tips, porterage and airport terminal fees

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

3. Letter of Invitation of host/ sponsoring country/organization
4. Quotations of three travel agencies for plane fare
5. Flight itinerary issued by the airline
6. Copy of UNDP rate for DSA for the country of destination
7. Document to show \$ rate at the date of the cash advance
8. Authority from the OP, if applicable

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- The amount of transportation expenses shall be the actual rates of the authorized means of transportation:
 - From the point of embarkation to the point of debarkation in the place of destination
 - From the point of debarkation to the office of destination or temporary residence in the place of assignment in the foreign country and return

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❖ The transportation expenses shall be in addition to the Travel Allowance as provided for under Section 12 of EO 248, as amended
- ❖ Officials and employees authorized to travel not provided with transportation by the host country or sponsoring organization or agency, shall be **allowed official transportation, which shall be of restricted economy class unless otherwise authorized by the President of the Philippines.**

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❖ **Allowable Travel Expenses** - Government personnel who travel abroad shall be entitled to the Daily Subsistence Allowance (DSA) as provided under the UNDP Index, which can be secured from the DFA
- ❖ The DSA shall be apportioned as follows unless otherwise stated in the UNDP Index:
 - ❖ (a) 50% for hotel/lodging;
 - ❖ (b) 30% for meals; and
 - ❖ (c) 20% for incidental expenses
- ❖ When the country of destination is not listed in the said Index, the DSA for the nearest country shall be adopted

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- reimbursement of **actual** travel expenses in excess of the authorized DSA may be allowed
 - ☑ upon certification by the head of agency as **absolutely necessary** in the performance of an assignment
 - ☑ presentation of bills and receipts
 - ☑ Subject to the approval of the approving authority

Daily Subsistence Allowance

Particulars	Percentage	To Cover
Arrival not later than 12:00 noon	100%	Hotel/lodging (50%); meals (30%) and incidental expenses (20%)
Arrival after 12:00 noon	80%	Hotel/lodging (50%); dinner (10%) and incidental expenses (20%)
Departure before 12:00 noon	30%	Breakfast (10%) and incidental expenses (20%)
Departure at 12:00 noon and later	40%	Breakfast (10%), lunch (10%) and incidental expenses (20%)

GRANT AND UTILIZATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❖ Where the official or employee traveling abroad is provided by the host government or institution with per diem or allowance lower than that prescribed in EO 248, as amended, he shall be entitled to the difference

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

The cash advance for travel shall be liquidated by the official/ employee concerned strictly within sixty (60) days after his return to the Philippines otherwise, payment of his salary shall be suspended until he complies therewith

Section 16, of EO 248, as amended

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

Liquidation Report

- ❖ Certificate of travel completed (Appendix B)
- ❖ Plane tickets covering actual transportation fare from the point of embarkation in the Philippines to the place of destination and back
- ❖ Itinerary/Receipt (electronic ticket) purchased from any airline company ticket office and/or its authorized travel agencies, together with the used boarding pass

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❖ Bills and receipts covering representation expenses incurred, if the official concerned has been authorized to incur the same;
 - ☑ non-commutable representation expenses upon prior approval of the President, may be allowed as shall be **absolutely necessary** to enable them to uphold the prestige of the RP, to represent the country with dignity and distinction, and to carry out their functions and objectives more effectively_not exceeding US\$1,000
 - ☑ Representation expenses may be incurred for necessary entertainment, contributions, flowers, wreaths, and the like, when justified by circumstances and in conformity with the generally accepted customs, usages and practices.

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❖ Bills and receipts covering insurance premium, if the official concerned has been authorized to incur the same
 - Reimbursement of premium for accident insurance coverage, not exceeding P200,000 for the duration of the official travel shall be allowed duly supported by bills or receipts
 - Premiums on insurance of personal or household effects belonging to any official or employee on official travel shall **not** be charged to government funds

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- Hotel room bills with ORs, regardless of whether or not the amount exceeds the prescribed rate per day
- Where the actual travel expenses exceeds the prescribed rate, the certification of the head of the agency concerned as to its **absolute necessity**, duly approved by the President, shall also be required in addition to the presentation of the hotel room bills with official receipts
- Airport Terminal Fee Stub - Reimbursement of the payment of the airport terminal fee at the point of embarkation to go back to the Philippines upon completion of the official trip abroad is authorized

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- After Travel Report with recommendations on the conference or seminar attended, examination or investigation conducted, or mission undertaken
 - In case of a delegation, a report of the delegation shall be submitted to the President of the Philippines through the department head concerned copy furnished the DFA **not later than 30 days** after the closing of the conference or convention
 - Any member of the delegation may also submit a supplementary report.

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- ❑ Where a trip is cancelled, the amount paid in advance shall be refunded in full
- ❑ In cases where the trip is cut short or terminated in advance of the itinerary, the excess payment shall likewise be refunded
- ❑ The head of the agency shall see to it such refunds are enforced promptly

LIQUIDATION OF CASH ADVANCE - FOREIGN TRAVEL

- Refund of excess cash advance may be made either in US dollars, if allowed by the Department concerned, or in Philippine currency computed at the **prevailing rate at the day of refund**
- In the case of the latter, a bank certification or newspaper clipping on the bank rate should be submitted

Restrictions on the Use of Government Funds for foreign travel

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

Additional Guidelines - Foreign Travel

continued adoption of austerity measures in the government shall remain in full force and effect

- ❖ All foreign travels, except for (i) ministerial meetings, and (ii) scholarship/trainings that are grant-funded or undertaken at no cost to the government
- ❖ All foreign travels of Presidential appointees must first be cleared by the Office of the President
- ❖ All agencies shall submit a monthly report to the Office of the President, stating the names of officials or employees who travelled abroad, the reasons for such travel, and the cost incurred by the government

Section 3, EO 459

Administrative Order No. 103, dated August 31, 2004

Additional Guidelines - Foreign Travel

- All those empowered to approve travels abroad are authorized to approve up to 75% of their allocated travel budget
- in excess, they are required to secure authorization from the Office of the President to utilize the balance.

Section 5, EO 459

Additional Guidelines - Foreign Travel

MC No. 007 dated 11/19/2011

- No representation allowance will be granted to officials who will travel abroad for speaking engagements or for training/study
- Except for long-haul travel, or flights beyond four (4) hours, airfares shall be limited or restricted to economy class
- Private individuals and consultants shall not be issued travel authorities and shall not be entitled to government funding when they go abroad

Training Expenses

This account is used to recognize the costs incurred for the participation/attendance in and conduct of trainings, conventions and seminars/workshops.

It includes training fees, honoraria of lecturers, cost of hand outs, supplies, materials, meals, snacks and all other training related expenses.

Scholarship Grants/Expenses

This account is used to recognize the costs of scholarships granted by the government to individuals in the pursuit of further learning, study or research.

Training and Scholarship Expenses

Training Expenses

- Participation/attendance in training, conventions & seminars/workshops.
- Training related
 - honoraria to lecturers
 - hand outs/training materials/handbooks/manuals
 - supplies and materials used
 - meals and snacks
 - Rental for venue/facilities

Scholarship Grants/Expenses

- For scholarships granted to government personnel

Training and Scholarship Expenses

Obligations of Grantees

- Report with recommendation on the conference or seminar attended within 30 days after returning to official station
- The trainee/scholar binds himself to:
 1. **Live up to the terms and conditions of the grant**
 2. Conduct himself in such a manner as not to bring disgrace or dishonor to himself or the country
 3. Keep up with the standards of scholarship or accomplishments
 4. **Submit to the head of office and the Committee his official transcript of grades at the close of each quarter or semester**
 5. Return immediately upon the termination of scholarship/training
 6. Submit a report within 60 days after return to duty
 7. Submit a re-entry plan or proposal for the application of newly-acquired skills or expertise (for at least six months study/training)
 8. Serve the Office for the specified service obligation

Training and Scholarship Expenses

Obligations of Grantees

- Failure to fulfil #s 1-4 obligations shall be a sufficient cause for the cancellation of the scholarship and recall
- If failure to comply is due to his fault or wilful neglect, the trainee/scholar shall refund in full the amount as maybe determined either by the DepEd, CHED or TESDA
 - Proportionate refund of monetary value of grantee's service obligation when he has served at least 75% of the total service obligation
 - The amount and mode of payment shall be determined by Agency and confirmed by the DepEd, CHED or TESDA
 - Paid within 3 years from effectivity of the arrangement between the trainee and the Agency evidenced by an affidavit of undertaking duly secured by a bond

Training and Scholarship Expenses

Academic and Non-academic Programs	
Training/Scholarship Duration	Service Obligation
For every one year or fraction thereof not less than six months	2 years
A fraction of a year less than six months but not less than 2 months	1 year
A fraction of a year less than 2 months	6 months

Training and Scholarship Expenses

Obligations of Grantees

- Condonation may be allowed:
 - Abolition of the Office
 - Involuntary phase-out of the trainee or grantee
 - Death or permanent disability

Utility Expenses

REQUIREMENTS

- **Bills/Statement of Account**
- **Rates are those allowed under existing regulations**
- **Any significant increase in consumptions should be caused by operations and not by defect in the service**

Communication Expenses



1. Telephone rentals, cables and wireless charges must conform to prevailing rates
2. Long distance calls for official business shall be limited to those urgent and absolutely necessary
3. Postage stamps purchased for official use must be marked "OB"
4. Postage metering machine may be used by the agency for which a permit should be secured from the Postal Service Office

Rent Expense

1. Contract of lease shall be in accordance with the guidelines set forth in RA 9184
2. Contract of lease should be co-extensive with the period for which the appropriation is provided with a prohibition to pay rentals in advance except as maybe provided for

Rent Expense

3. The lease agreement should be signed by the contracting parties duly authorized to execute the contract and the witnesses thereto and acknowledged before a Notary Public
4. Terms and conditions are fixed and must not be disadvantageous to the government

Limitations and Use of Appropriations for Rental

- No appropriations shall be used for renting motor transportation for a continuous period of more than 15 days, except as authorized by the DBM Secretary (COA Circular 2012-003)
- Appropriations shall only be made available upon approval of the Dept. Head
- Loans for acquisition of land or construction of office building may be contracted with GFIs only when concurred by the DBM and the Finance Secretary
- Annual amortization of the loan/s shall be taken from the appropriations for rentals

FIDELITY BOND PREMIUMS

General Provisions

Employees accountable for funds and/or property in the amount of P5,000 or more shall be bonded with the Fidelity Bond of the Treasury of the Philippines

The Agency of the insured officers shall pay the whole premium on his bond

SUPPLIES and MATERIALS EXPENSES

- Expendable Supplies -
 - normally consumed within one year after being put into use
 - having a life expectancy of more than one year but which decrease in value after being put to use

SUPPLIES and MATERIALS EXPENSES

- Non-expendable Supplies -
 - Not consumed in use
 - Serviceable life more than 1 year
 - Below capitalization benchmark

Printing Expenditures

Agencies of the government shall engage the services of the National Printing Office, Bangko Sentral ng Pilipinas and APO Production Unit as recognized government printers (RGPs) for the printing of accountable forms and sensitive, high quality or high volume requirements, subject to the following:

- a. The RGPs shall undertake the printing requirements themselves and shall not sub-contract any portion thereof to other printers; and
- b. An agency may be allowed to engage private printers for the printing of accountable forms and sensitive, high quality or high volume requirements upon certification by the RGPs that they are unable to service the said requirements.

LEGAL EXPENSE

Public officers and employees may be allowed reimbursement but only upon acquittal of criminal cases filed against them in the performance of their official duties

- Reasonable attorney's fees
- Bail bond premiums

LEGAL EXPENSE

Requirements for reimbursement:

- application of the employee concerned approved by the agency head and concurred by the COA
- copy of decision exonerating him from administrative/criminal liability
- receipts of actual related expenses incurred
- certificate of availability of funds

LEGAL EXPENSE

Irregular:

- Hiring of private lawyers to handle cases and legal matters without prior written conformity and acquiescence of the Solicitor General or the Gov't Corporate Counsel, as the case may be, and the written concurrence of the COA

(COA Circular 2012-003 dated October 29, 2012)

Consultancy Service

Cost of services of one who is contracted to render professional service requiring highly specialized or technical expertise in a field of special knowledge or training which cannot be provided by the regular staff of the agency

Consultancy Service

Contract of consultancy services

- creates a professional-client relationship between the parties
- position is not found in the index of position titles approved by DBM
- duties enumerated in the consultancy contract are mainly advisory in nature
- Full-time or part-time basis

Guidelines on the Hiring of Individual Consultants/Experts

- Funds are available as certified by the agency accountant
- Consultant is a known expert in his field as manifested by his work experience and/or training
- Made through public bidding
- Engagement must be for a limited period only
- Specific vital activities or services cannot be provided by the regular staff of the agency

Hiring of Consultants - Irregular

- ▣ To perform functions that will exercise control and supervision over regular employees
 - (CSC Memo Circular No. 26 s. 1997)
- ▣ Continuous extension of services of a foreign consultant to undertake relatively simple supervisory work required for the final stages of the project that can be done by the implementing agency or a local consultant
 - (NHA vs. COA, GR. No. 101370 dated Sept. 2, 1993)
- ▣ Hiring of employees who had previously opted to retire as a result of rationalization within 5 years after retirement
 - (DBM Cir. Letter No. 2011-14 dated December 22, 2011)

TAXES, DUTIES AND FEES

payments and provisions for all taxes, duties and fees and licenses except income tax

Obligation for Payment

- All units of the government shall pay income taxes, customs duties and other taxes and fees as imposed by Revenue Regulations

Motor Vehicles Maintenance

cost of the repair and
maintenance of motor vehicles
owned by the government

Payment for Repairs

1. Approved request for repair and/or servicing of vehicle
2. Report of Waste Materials if the repair involves replacement of spare parts
3. Certification by the Property Officer that:
 - the vehicle belongs to and is used by the agency
 - Defect is incurred thru normal wear and tear and not due to fault or negligence

Payment for Repairs

4. In the case of major repair:

- Posting if the amount involved is more than P50,000.00
- Repair shop duly accredited by the DTI
- Job contract clear as to the specific job to be undertaken
- Warranty certificate of the repair shops clear as to coverage & period
- Certificate of acceptance stating that the work done is in conformity with specifications of the contract and accomplished within the period

GRANTS AND DONATIONS

These are the non-repayable transfers given to other levels of government , private sector, non-government organizations or international institutions

GRANTS AND DONATIONS

Examples are:

1. Aids for educational purposes
2. Grants for public health and sanitation
3. Grants for construction, maintenance and operations of hospitals and puericulture center
4. Aid to cultural minorities
5. Contributions to economic development projects to the UN and other international organizations

Confidential Funds

Sec. 75, 2017 GAA

- ❖ Released only upon approval of the Dept. Secretary
- ❖ Shall submit to the OP and both Houses of Congress a quarterly report on the accomplishments in the use of the fund
- ❖ Are expenses related to surveillance activities in civilian government agencies that are intended to support the mandate or operations of the agency
- ❖ Implementation shall be subject to COA-DBM-DILG-GDG-DND JC No. 2015-01 dated January 8, 2015

Intelligence Funds

Sec. 74, 2017 GAA

- ❖ release of Intelligence Fund is subject to the approval of the President of the Philippines
- ❖ expenses related to intelligence information gathering activities of uniformed and military personnel, and intelligence practitioners that have direct impact to national security
- ❖ Implementation shall be subject to COA-DBM-DILG-GDG-DND JC No. 2015-01 dated January 8, 2015

Extraordinary and Miscellaneous Expenses

This account is used to recognize the amount paid for expenses incidental to the performance of official functions, such as: meetings and conferences, public relations, educational, cultural and athletic activities, membership fees in government organizations, etc.

Extraordinary and Miscellaneous Expenses

- ❖ The amount fixed by the *GAA* for the offices and officials authorized shall be the basis for the disbursements
- ❖ No portion of the amounts authorized and fixed by law shall be used for salaries, wages, allowances, and intelligence and confidential expenses

Extraordinary and Miscellaneous Expenses

Rank	Amount	
	Extraordinary	Miscellaneous
Dept. Secretary	P264,000	P72,000
Dept. Undersecretary	108,000	72,000
Dept. Asst. Secretary	60,000	72,000
Head of Bureau & Regional Office	45,600	72,000
Bureau Regional Office	26,400	72,000
MTC/MCTC/SCC Judge	19,200	72,000

Sec. 42, 2017 GAA

Depreciation Expense

The gradual allocation of the cost of the use of PPE for the accounting period

- shall be recorded in the books as expense
- credited to the accumulated depreciation account as deduction from the PPE account to which it relates

Factors involved in the computation of depreciation

- Asset cost - purchase amount of the asset
- Estimated salvage value - estimated amount that the asset can be sold at the end of its estimated life
- Estimated useful life - estimated period that the agency can make use of the asset

Computation of Annual Depreciation

$$\frac{\text{Asset Cost} - \text{Estimated Salvage Value}}{\text{Estimated no. of years of useful life}}$$

Asset cost - acquisition cost

Estimated salvage value - 5% of asset cost

Estimated useful life - as determined by COA

FINANCIAL EXPENSES

Financial Expenses

Management Supervision/Trusteeship Fees

Interest Expenses

**Interest Paid to Residents other than General
Government**

**Interest Paid to other General Government
Units**

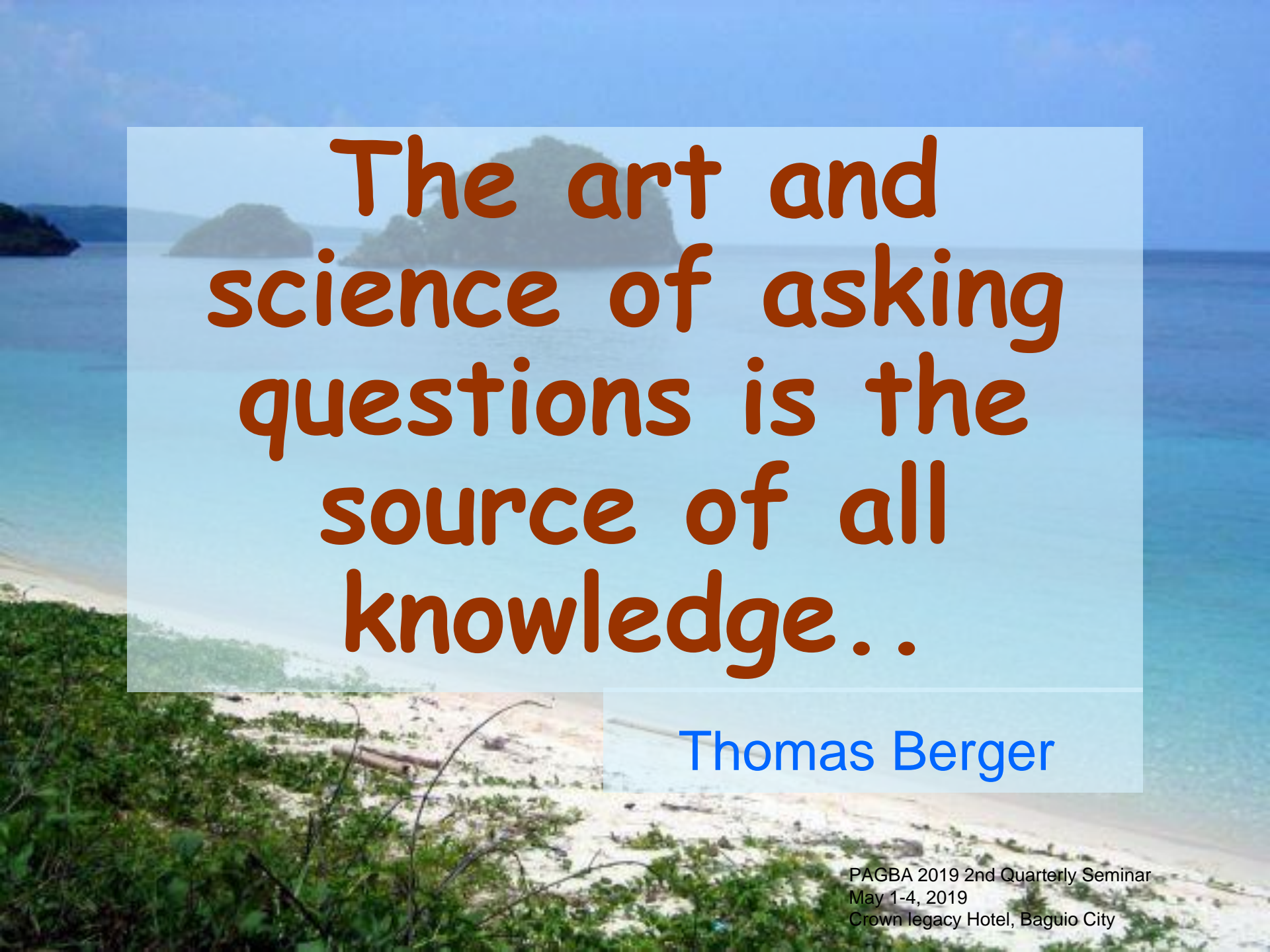
Guarantee Fees

Bank Charges

Commitment Fees

Other Financial Charges

FAITHFUL
truly



The art and
science of asking
questions is the
source of all
knowledge..

Thomas Berger

