

MALACAÑAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER No. 178

DIRECTING THE HEADS OF DEPARTMENTS AND CHIEFS OF BUREAUS AND OFFICES NOT TO INCUR EXPENDITURES BEYOND THE APPROPRIATIONS AUTHORIZED BY LAW FOR THEIR RESPECTIVE DEPARTMENTS, BUREAUS OR OFFICES AND PRESCRIBING PROCEDURE TO AVOID OVERDRAFTS.

WHEREAS, during the past years some administrative officials have authorized or countenanced the incurrence of expenditures beyond the amounts appropriated by law for their respective departments, bureaus or offices, thereby necessitating the submission to Congress of requests for deficiency appropriations; and

WHEREAS, the Constitution provides that "no money shall be paid out of the Treasury except in pursuance of an appropriation made by law";

Now, THEREFORE, I, Elpidio Quirino, President of the Philippines, by virtue of the powers vested in me by law, do hereby order and direct all heads of Departments, chiefs of bureaus and offices and other administrative officials concerned not to incur or authorize the incurrence of expenditures in excess of the amounts appropriated by law for their respective departments, bureaus or offices. Parties responsible for the incurrence of overdrafts shall be held personally liable therefor.

To prevent the incurrence of deficits, all heads of departments, and chiefs of bureaus and offices shall submit to the Office of the President, through the Commissioner of the Budget, on or before August 1st of every year a statement of the quarterly allotments of each item of appropriation for their departments, bureaus or offices. The allotments must take into account the fluctuation of expenditures due to seasonal and other causes. Unless due to unavoidable circumstances, expenditures during each quarter must be limited to the allotments for each item. The excess of expenditures over the quarterly allotments shall be covered by reduction of expenditures for succeeding quarters.

On or before the last day of the next month following every quarter, except the last, the heads of departments, and chiefs of bureaus and offices shall submit to the Budget Commission, for consolidation and submission to the Office of the President, a quarterly report of expenditures, showing the increase or decrease of the expend-

itures, as compared with the allotment. In case expenditures have exceeded the allotments by more than 10 per cent, the reasons for such increase should be given as well as the steps to be taken to keep the total of the yearly expenditures within the appropriation.

The Commissioner of the Budget shall watch carefully the trend of income and expenditures. Whenever the income shows a tendency to drop below the estimates to such a level that a deficit in funds may result, the Commissioner of the Budget shall recommend to the President such curtailment of expenditures as may be necessary to keep the expenditures within the actual income.

The Budget Commission shall implement the provisions of this Administrative Order and prescribe the necessary forms therefor.

Done in the City of Manila, this 6th day of February, in the year of Our Lord, nineteen hundred and fifty-two, and of the Independence of the Philippines, the sixth.

ELPIDIO QUIRINO

*President of the Philippines*

By the President:

MARCIANO ROQUE

*Acting Executive Secretary*