

Use of funds in violation of this section shall be void, and shall subject the erring officials and employees to disciplinary action in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

Sec. 20. Confidential and Intelligence Funds. No amount in this Act shall be released or disbursed for confidential and intelligence activities unless approved by the President of the Philippines, or specifically identified and authorized as such confidential or intelligence fund in this Act.

Confidential and Intelligence funds provided for in the budgets of departments, bureaus, offices or agencies of the National Government, including amounts from savings authorized by special provisions to be used for intelligence and counter-intelligence activities, shall be released only upon approval of the President of the Philippines: PROVIDED, That at least eighty percent (80%) of confidential and intelligence funds shall be used for field operations.

All departments, bureaus, offices or agencies shall submit to the Speaker of the House of Representatives, the Senate President and the Chairman of the COA, a quarterly report on the accomplishments in the use of confidential and intelligence funds, copy furnished the Senate Committee on Finance and the House Committee on Appropriations.

Sec. 21. Purchase of Supplies, Materials and Equipment Spare Parts for Stock. The inventory of supplies, materials and equipment spare parts to be procured out of available funds shall at no time exceed the normal three-month requirement, subject to pertinent rules and regulations issued by competent authority: PROVIDED, That heads of departments, bureaus, offices or agencies may increase their inventory of critical supplies and materials in anticipation of cost increases, or if necessitated by a national emergency or of an impending shortage in the items concerned, specifying maximum quantities of individual items. Unless otherwise approved by the President of the Philippines, upon the joint recommendation of the Secretary concerned and the Chairman of the COA, these stocks shall not exceed one year's requirement.

Sec. 22. Emergency Purchases. Unless otherwise provided in this Act, departments, bureaus, offices or agencies are authorized to make emergency purchases of supplies, materials and spare parts of motor transport equipment when there is an unforeseen contingency requiring immediate purchase, subject to the conditions prescribed under R.A. No. 9184 and its Revised Implementing Rules and Regulations.

Sec. 23. Procurement of Domestic and Foreign Goods. All appropriations for the procurement of equipment, supplies and materials, and other products and services authorized in this Act shall be used in accordance with the provisions of C.A. No. 138, Section 43 of R.A. No. 9184 and its Revised Implementing Rules and Regulations (IRR). Accordingly, all departments, bureaus, offices, agencies and instrumentalities of the government, including LGUs and GOCCs, shall give preference to domestic entities and domestic bidders, subject to the following:

- (a) A domestic entity can only claim preference if it secures a certification from the DTI, if a sole proprietorship, or the Securities and Exchange Commission, if a corporation or partnership, that it has all the qualifications required under C.A. No. 138, R.A. No. 9184 and its Revised IRR;
- (b) A domestic bidder can only claim preference if it secures from the DTI a certification that the goods forming part of its bid are substantially composed of articles, materials, or supplies grown, produced, or manufactured in the Philippines:

PROVIDED, That purchases under foreign military sales agreements, heavy equipment imports for infrastructure projects, and other importations of agencies which are financed by foreign borrowings may be made, subject to the requirements of LOI No. 880 dated June 29, 1979 and to pertinent budgeting, accounting and auditing laws, rules and regulations.

Further, in the utilization of the amounts appropriated herein for infrastructure projects to be undertaken either by administration or by contract, preference shall be given to locally-produced and manufactured materials in accordance with the preceding paragraph, including foreign-assisted projects whose covering loan agreements expressly allow or do not prohibit the same.

Sec. 24. Contracting Multi-Year Projects. In the implementation of multi-year projects where the total cost is not provided in this Act, agencies shall request the DBM for the issuance of a Multi-Year Obligational Authority following the guidelines under DBM Circular Letter No. 2004-12 dated October 27, 2004. Notwithstanding the issuance of a Multi-Year Obligational Authority, the obligation to be incurred in any given calendar year, shall in no case exceed the allotment released for the purpose during said calendar year.

Sec. 25. Printing and Publication Expenditures. Departments, bureaus, offices or agencies are hereby given the option to engage the services of private printers in their printing and publication activities, subject to public bidding in accordance with R.A. No. 9184, its Revised Implementing Rules and Regulations, and to pertinent accounting and auditing rules and regulations: PROVIDED, That the printing of accountable forms, sensitive, high quality, or high volume printing requirements shall only be undertaken by recognized government printers, namely: Bangko Sentral ng Pilipinas, National Printing Office and APO Production Unit, Inc.

The GPPB shall issue the guidelines to implement this section.

Sec. 26. Extraordinary and Miscellaneous Expenses. Appropriations authorized herein may be used for extraordinary expenses of the following officials and those of equivalent rank as may be determined by the DBM, not exceeding:

- (a) P220,000 for each Department Secretary;
- (b) P90,000 for each Department Undersecretary;
- (c) P50,000 for each Department Assistant Secretary;
- (d) P38,000 for each head of bureau or organization of equivalent rank, and for each head of a Department Regional Office;
- (e) P22,000 for each head of a Bureau Regional Office or organization of equivalent rank; and
- (f) P16,000 for each Municipal Trial Court Judge, Municipal Circuit Trial Court Judge, and Shari'a Circuit Court Judge.

In addition, miscellaneous expenses not exceeding Seventy-Two Thousand Pesos (P72,000) for each of the offices under the above named officials are herein authorized.

For the purpose of this section, extraordinary and miscellaneous expenses shall include, but shall not be limited to expenses incurred for:

- (a) Meetings, seminars and conferences;
- (b) Official entertainment;
- (c) Public relations;
- (d) Educational, athletic and cultural activities;
- (e) Contributions to civic or charitable institutions;
- (f) Membership in government associations;
- (g) Membership in national professional organizations duly accredited by the Professional Regulations Commission;
- (h) Membership in the Integrated Bar of the Philippines;
- (i) Subscription to professional technical journals and informative magazines, library books and materials;
- (j) Office equipment and supplies; and
- (k) Other similar expenses not supported by the regular budget allocation.

No portion of the amounts authorized herein shall be used for salaries, wages, allowances, confidential and intelligence expenses. In case of deficiency, the requirements for the foregoing purposes shall be charged against savings of the agency.

These expenditures shall be subject to pertinent accounting and auditing rules and regulations.

Sec. 27. Travelling Expenses. Officials and employees of the government may be allowed payment of claims for reimbursement of travelling and related expenses incurred in the course of official travel, certified by the head of the agency concerned as absolutely necessary in the performance of an assignment, and supported by receipts, chargeable to available allotment for travelling expenses, subject to the provisions of E.O. Nos. 248 and 248-A, s. 1995, as amended by E.O. No. 298, s. 2004.

Sec. 28. Cultural and Athletic Activities. Out of the appropriations authorized in this Act for MOOE of each department, bureau, office or agency, an annual amount not exceeding One Thousand Two Hundred Pesos (P1,200) per employee-participant may be used for the purchase of costume or uniform, and other related expenses in the conduct of cultural and athletic activities.

Sec. 29. Science and Technology Research. The appropriations of departments, bureaus, offices, or agencies for research and development (R & D) in the natural, agricultural, technological and engineering sciences shall be released upon recommendation of the DOST and/or the DA in accordance with R.A. No. 8439 and R.A. No. 8435, respectively, with the primary objective of coordinating research agenda, optimizing the use of research funds, and encouraging private sector participation in R & D activities: PROVIDED, That research efforts shall be geared towards achieving a wider commercialization of new discoveries, accelerating technology transfer, and integrating agricultural and fisheries plans and programs: PROVIDED, FURTHER, That the said government agencies shall submit an annual report to the House Committee on Appropriations and the Senate Committee on Finance. The report shall include the list of recipient private entities, status of research being undertaken, the amount released and utilized for each project, and the commercialization activities and technology transfer made.

Sec. 30. Human Resources Development and Training Programs. Departments, bureaus, offices or agencies shall review and formulate their human resource development and training programs to make the same responsive to the organizational needs and manpower requirements of agencies and the need to train personnel in appropriate skills and attitudes. They shall likewise include in their human resource development and training programs measures to promote morale, efficiency, integrity, responsiveness, progressiveness, courtesy as well as nationalism and patriotism in the civil service. Such training programs shall be consistent with the rules and regulations issued by the CSC for the purpose.