

## General Provisions

1. A mandatory reserve of 15% shall be imposed on all maintenance and operating expenditures and on all Special Purpose Appropriations except on the following accounts wherein no reserves shall be imposed:
  - a. MOOE, all departments and offices:
    - i. Gasoline, Oil and Lubricants
    - ii. Telephone expense – Landline
    - iii. Telephone Expense – Mobile
    - iv. Food Supplies Expense
    - v. Drug & Medicines Expense
    - vi. Medical & Dental & Laboratory Expense
    - vii. Consultancy Services
    - viii. Environmental & Sanitary Services
    - ix. General Services
    - x. Confidential Expense
    - xi. Intelligence Expense
  - b. Special Purpose Appropriations:
    - i. Barangay Empowerment Fund
    - ii. Programs and Projects for Essential Community Services
    - iii. All items under Statutory Obligations and Other Obligations

No reserves shall be imposed on capital outlay and on Local Development Fund.
2. Release of all or part of the 15% reserves may be made after the declaration by the Department of Budget and Management of the final internal revenue allotment for Naga City and only upon determination by the Local Finance Committee, made thru a resolution, that the total of the estimated revenue for 2012 is sure of collection. The LFC shall make sure that all statutory obligations including those anticipated for personal services are adequately covered.
3. Savings and underestimated income shall be appropriated in accordance with the following order of priorities:
  - a. To provide for personnel benefits regularly enjoyed by city government personnel, or as mandated by the President, or by laws, rules and regulations, if existing appropriations for the purpose are deemed inadequate, subject to the salary ceiling.
  - b. To fund public infrastructures scheduled for the year upon full satisfaction of the budgetary requirements for personnel benefits.
  - c. To augment existing appropriations for maintenance and other operating expenses, repair of buildings, or procurement of new equipment subject to adequate and measurable justification as to how such expenditures will contribute to the delivery of desired results.
  - d. To fund other items subject to adequate and measurable justification as to how such expenditures will contribute to the delivery of desired results.
4. Donations and financial assistance other than those for individuals in crisis situations shall be in accordance with the guideline set by Ordinance No. 2005-029. Donations in accordance with the said ordinance shall not require prior action by the sangguniang panlungsod. Donations in excess of the limitations under the said ordinance shall be subject to prior sanggunian authority unless covered by a duly ratified memorandum of agreement and funded under this annual budget.
5. In order to deter mendicancy, encourage productive endeavors, and broaden the beneficiary base, assistance to individuals in crisis situations shall be strictly screened and may not exceed once per individual or household per quarter. For this purpose and in consultation with the i-Serve program officer, the CSWDO shall maintain a database of

beneficiaries and institute a reliable identification system to deter multiple availments. Individuals under extreme emergency as defined under existing rules and regulations or where life or limb is threatened as determined by the the City Social Welfare and Development Office shall be exempt from the above limitation.

6. No personnel hired on a job order, contractual, or consultant basis may be charged against Special Purpose Appropriations.
7. The number of members and the level of honorarium of existing boards or councils charged against Special Purpose Appropriations shall remain at their 2010 levels. Honorariums for new or reactivated boards or councils charged against Special Purpose Appropriations shall not be higher than the highest level already granted to existing boards or councils and in no case shall exceed P500 per meeting per person, or P1,000 per month per person if meetings are held more than once a month. Release of honorariums shall be contingent on the delivery or completion of the targetted results for the period.
8. Honorariums granted to barangay volunteer workers shall follow the rates funded in this budget, or as may be subsequently fixed in an ordinance rationalizing their rates.
9. Honorarium for certain national government officials and employees working in Naga City shall be subject to the rates approved by the city mayor and the total shall not exceed the appropriation for each office as set forth under Protective Services of the Special Purpose Appropriations. Similarly, continuation of existing financial assistance to national agencies with offices in Naga City for equipment and for maintenance and other operating expenses is subject to availability of funds and presentation of the funding or assistance they receive from other levels of government. No new national government agency shall be added to recipients of honorarium or regular financial assistance from the city government.
10. Appropriations shall be released quarterly by the City Budget Office on the basis of a Work and Financial Plan (WFP) and a Project Procurement Management Plan (PPMP) following the format required by the said office and duly approved by the city mayor or the city vice mayor. However, appropriations for personal services, and those for statutory obligations and other obligations under Items "H" and "J" of Special Purpose Appropriations, may be released in their entirety at the beginning of the year as they are controlled by a fixed payment schedule. In the absence of a WFP and PMPP prepared in the required format and approved by the city mayor in the case of executive offices, and by the city vice mayor in the case of the sanggunian, only the appropriations for personal services of the deficient office may be released and only for the first month of 2012. Subsequent releases shall be subject to compliance with the WFP and PPMP requirements.
11. Procurements shall be in accordance with the Project Procurement Management Plan of each department or each project as required by Republic Act No. 9184 otherwise known as the Government Procurement Reform Act.
12. Second quarter and subsequent releases to departments as well as to units or projects funded out of Special Purpose Appropriations shall be made only upon receipt of a quarterly accomplishment report, duly received by the city mayor and the chairperson of the concerned sanggunian committee, detailing therein the results accomplished by the department, office or project during the quarter and the cost incurred. Said report shall be the basis of the Local Finance Committee and the Project Monitoring Committee in evaluating the performance of each department and in making recommendations to the city mayor and the sangguniang panlungsod for the purpose of continuously improving city government operations and services. The same quarterly accomplishment reports

shall be posted on the city government website to promote full accountability and transparency in the use of public funds. Due to the number of offices, programs and projects involved, the LFC and PMC shall prioritize as to which shall undergo performance evaluation and the frequency of the same.

13. Unexpended balance of appropriations for capital outlay for departments and offices shall be realigned to public infrastructures under the City Engineer's Office at the end of the second quarter. For this purpose, the City Budget Office shall submit to the city mayor a report of the unexpended balances for capital outlay of all departments and offices as basis for their re-alignment to public infrastructure. Not covered are capital outlay components under Special Purpose Appropriation and the Local Development Fund.
14. Appropriations for the procurement of foodstuffs and drinks, farm and other agricultural produce, handicrafts, native products, school bags, souvenirs, and other supplies and materials with locally-produced substitute of acceptable quality and price, are herein earmarked to non-government organizations, barangay-based enterprises, cooperatives, and workers or farmers associations based in Naga City subject to the conditions of Rule 53.11 and Rule 53.12 of the Implementing Rules and Regulations of Republic Act 9184, except when no such NGO or other grassroots entity in Naga City can provide such supplies and materials in the quality and quantity desired in which case other modes of procurement shall be resorted to for all or for a portion of the procurement.
15. The appropriation for Environmental Sanitary Services under the Solid Waste Management Office and the appropriation for the rehabilitation of irrigation facilities under the Local Development Fund and similar appropriations under the City Agriculture Office and SARIG Naga under Special Purpose Appropriation are herein earmarked to non-government organizations, barangay-based enterprises, cooperatives, and workers or farmers associations based in Naga City subject to the conditions of Rule 53.11 and Rule 53.12 of the Implementing Rules and Regulations of Republic Act 9184, except when no such NGO or similar grassroots entity in Naga City can provide such services in the quality and quantity desired in which case other modes of procurement shall be resorted to for all or for a portion of the procurement.
16. Procurement of bulbs, electrical devices and office equipment, vehicles and other motorized equipment, shall migrate the city towards energy-efficient devices, reduced carbon emission, and a substantial reduction in expenditures for electric power and fuel. This bias should be made evident in the PPMP of all concerned departments or projects.
17. Events, programs or activities by private entities not directly conceived or initiated by the city government shall not be exempt from the payment of taxes, fees, charges, and facility fees even if the same are billed as "co-sponsored by the city government" or "in partnership with the city government" or similarly tenored wording. Discounts may be granted by the city mayor but in no case greater than 25% and only if allowed by existing provisions of law or ordinance. To be deemed directly conceived or initiated by the city government, the event, program or activity must be specifically mentioned in the WFP of the concerned department or project and there is actual participation of manpower and deployment of resources of the city government in its conceptualization, detailed planning, preparation and actual conduct.
18. Incoming "Lakbay aral" or similar activities that require the use of city government manpower and resources shall be handled by the Naga City Governance Institute and billed at full cost except when such lakbay aral or similar activity is fully funded by the LGU and/or the individuals concerned.