


13th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

'04 JUL -6 10 '08

RECEIVED BY: 

SENATE

S. Bill. No. 1319

Introduced by Senator Ralph G. Recto

EXPLANATORY NOTE

Revolving funds are akin to a personal checking account. You deposit income into your account. The purchase of goods and services necessary for daily sustenance serve to diminish the fund. In order to ensure that particular expenditures are met given the limited funds available, it becomes all the more necessary and proper to keep the fund balanced, *i.e.*, the expenditures do not exceed the income or revenue. By keeping your account "in the black," and by looking for ways to stretch your capital further, you are exercising sound financial management

Experience has shown that, time and again, earmarking of public funds for specified purposes in the form of a special fund has proven unreliable due to the delay if not non-release of the funds for the particular purposes they were established and created. Thus, the wisdom of creating special funds has been seriously debated and questioned.

The bill eliminates earmarking by promoting a "*one-fund concept*" wherein all proceeds and shares accruing to the government shall be directly remitted to the General Fund of the National Government. This system will dispense with the need for various special funds created as fund sources for specified government undertaking and public purposes.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


RALPH G. RECTO

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AN ACT

INSTITUTING THE ONE FUND CONCEPT IN THE GOVERNMENT BY PROVIDING THAT ANY AND ALL SHARE OR PERCENTAGE OF AN INCOME, EARNING, COLLECTION OR REVENUE OF A GOVERNMENT AGENCY, CORPORATION OR ACTIVITY THAT IS EARMARKED BY LAW FOR DIRECT REMITTANCE TO ANOTHER AGENCY, SHALL ACCRUE TO THE NATIONAL TREASURY

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. *Statement of Policy* - Any share or percentage of an income,
2 earning, collection, or revenue of a government agency, corporation, or activity that is
3 earmarked by law for direct remittance to another agency, which shall form part of its
4 operating fund, shall henceforth accrue to the National Treasury and shall be made
5 available by Congress for the general purposes of the government in the annual General
6 Appropriations Act; *Provided*, that the annual budget of the agency affected by this Act
7 shall include, over and above its regular appropriations, at least 25 percent of the income
8 it had lost due to the diversion of its entitlement to the National Treasury.

9
10 SEC. 2. *Separability Clause*. - If any part or provisions of this Act shall be
11 held unconstitutional or invalid, other provisions hereof which are not affected thereby
12 shall continue to be in full force and effect.

13
14 SEC. 3. *Repealing Clause*. - All laws, decrees and executive orders
15 inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

1 SEC. 4. *Effectivity.* - This Act shall take effect fifteen (15) days after its
2 publications in the Official Gazette or in any two (2) national newspapers of general
3 circulation.

4 Approved,