

ADMINISTRATIVE ORDER NO. 47

**AMENDING ARTICLE 417 OF THE RULES AND REGULATIONS  
IMPLEMENTING THE LOCAL GOVERNMENT CODE OF 1991 APPROVED  
AND ADOPTED BY ADMINISTRATIVE ORDER NO. 270 (1992)**

WHEREAS, there is a need to amend Article 417 of the Rules and Regulations Implementing Republic Act No. 7160, otherwise known as the "Local Government Code 1991", prescribed by Administrative Order No. 270 (1992), regarding the allowable changes in the local annual budgets;

WHEREAS, the Oversight Committee, constituted pursuant to Section 533 of Republic Act No. 7160, recommends the amendment of Article 417 of the Implementing Rules and Regulations;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Article 417 of the Rules and Regulations Implementing the Local Government Code of 1991 is hereby amended to read as follows:

"Art. 417. Changes in the Annual Budget. - Changes in the annual budget may be done through supplemental budgets.

"No ordinance providing for a supplemental budget shall be enacted except for the following:

(a) When supported by funds actually available as certified by the local treasurer:

Funds actually available refer to the amount of money actually collected as certified by the local treasurer at any given point during the fiscal year which is over and above the estimated income collection for that point in the year. Thus, funds are actually available when realized income exceeds estimated income as of any given day, month or quarter of the said fiscal year. Funds are likewise deemed actually available when there are savings. For this purpose, savings refer to

portions or balances as of any given point in the fiscal year of any programmed or allotted appropriation which remain free of any obligation or encumbrance and which are still available after the satisfactory completion or the unavoidable discontinuance or abandonment of the work, activity or purpose for which the appropriation was originally authorized, or which result from unobligated compensation and related costs pertaining to vacant positions and leaves of absence without pay.

b If created by new revenue source(s)

New revenue source refers to money measures not otherwise considered during the preparation and enactment of the annual budget. Such new revenue measures include ordinance passed by the *Sanggunian* during the fiscal year but after the annual budget had already been enacted into law which imposes new local taxes, charges, fees, fines or penalties, or which raises existing local taxes, charges, fees, fines or penalties. Such revenue sources also include new or higher remittances, contributions, subsidies or grants in aid from the National Government or from government corporations and private entities which have not been included in the estimate of income which served as basis for the annual budget.

"An ordinance providing for a supplemental budget may also be enacted in times of public calamity by way of budgetary realignment to set aside appropriations for the purchase of supplies and materials or the payment of services, which are exceptionally urgent or absolutely indispensable to prevent imminent danger to, or loss of, life and property, in the jurisdiction of the local government unit or in other areas declared in a state of calamity by the President. Such ordinance shall clearly indicate the sources of funds available for appropriations, as certified under oath jointly by the local treasurer and the local accountant and attested by the local chief executive, and various items of appropriations affected, and the reasons for the changes."

SEC. 2. Provisions of the Rules and Regulations Implementing the Local Government Code of 1991 not affected hereby shall remain in full force and effect.

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This Administrative Order shall take effect  
the City of Manila, the 12th day of April, the  
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Date

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City Legal Counsel

  
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