

UNIVERSITY OF THE PHILIPPINES
Quezon City

OSU, UNIV. OF THE PHIL.

RECORD ADM
CHARTER (CHA CHA)

Excerpt from the Minutes of the 1232nd Meeting of the Board of Regents held on 30 May 2008 at the Audio Visual Room, U.P. Visayas Cebu College, Lahug, Cebu City

XII. MATTERS FOR INFORMATION OF THE BOARD

The Board NOTED the following:

- B. Certified Copy of Republic Act No. 9500 dated 29 April 2008 entitled "AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY"

(Pease see attached.)

CERTIFIED CORRECT:

Lourdes E. Abadingo
LOURDES E. ABADINGO
Secretary of the University
and of the Board of Regent

2 June 2008

- cc: * The Chancellor, U.P. Diliman
* The Chancellor, U.P. Manila
* The Chancellor, U.P. Los Baños
* The Chancellor, U.P. Visayas
* The Chancellor, U.P. Baguio
* The Chancellor, U.P. Open University
* The Chancellor, U.P. Mindanao

<i>UB</i>	<i>6/10</i>
<i>6/10/08</i>	<i>6-11</i>
<i>6/10/08</i>	<i>6/11/08</i>
<i>6/10/08</i>	<i>6/10/08</i>

Note: All Chancellors will please see to it that copies of this excerpt are furnished to all units/persons concerned.

Office of the President
of the Philippines
Malacañang

MALACAÑANG RECORDS OFFICE



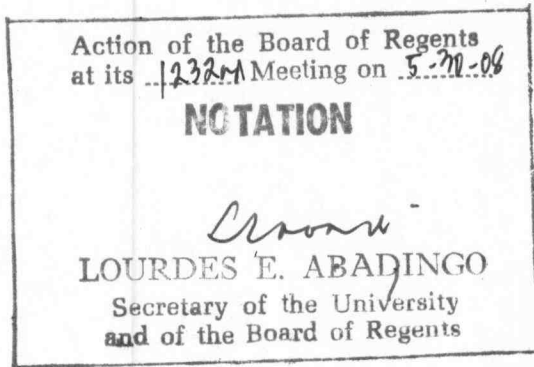
Manila, May 5, 2008


HON. EMERLINDA R. ROMAN
President
University of the Philippines System
Diliman, Quezon City

Madam :

I have the honor to transmit for your information and guidance, a certified copy of Republic Act No. 9500 dated April 29, 2008 entitled **“AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES AS THE NATIONAL UNIVERSITY”**.

Very truly yours,




MARIANITO M. DIMAANDAL
Director IV
Malacañang Records Office

080739

S. No. 1964
H. No. 2845

Republic of the Philippines
Congress of the Philippines
Metro Manila
Fourteenth Congress
First Regular Session

Begun and held in Metro Manila, on Monday, the twenty-third day of
July, two thousand seven.

[REPUBLIC ACT NO. 9500]

AN ACT TO STRENGTHEN THE UNIVERSITY OF THE
PHILIPPINES AS THE NATIONAL UNIVERSITY

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

SECTION 1. *Title.* — This Act shall be known as “The
University of the Philippines Charter of 2008.”

SEC. 2. *Declaration of Policy.* — The University of the
Philippines is hereby declared as the national university.

The State shall promote, foster, nurture and protect the
right of all citizens to accessible quality education. Toward
this end, it is the policy of the State to strengthen the
University of the Philippines as the national university.

SEC. 3. *Purpose of the University.* – As the national university, a public and secular institution of higher learning, and a community of scholars dedicated to the search for truth and knowledge as well as the development of future leaders, the University of the Philippines shall perform its unique and distinctive leadership in higher education and development. The University shall:

(a) Lead in setting academic standards and initiating innovations in teaching, research and faculty development in philosophy, the arts and humanities, the social sciences, the professions and engineering, natural sciences, mathematics, and technology; and maintain centers of excellence in such disciplines and professions;

(b) Serve as a graduate university by providing advanced studies and specialization for scholars, scientists, writers, artists and professionals, especially those who serve on the faculty of state and private colleges and universities;

(c) Serve as a research university in various fields of expertise and specialization by conducting basic and applied research and development, and promoting research in various colleges and universities, and contributing to the dissemination and application of knowledge;

(d) Lead as a public service university by providing various forms of community, public, and volunteer service, as well as scholarly and technical assistance to the government, the private sector, and civil society while maintaining its standards of excellence;

(e) Protect and promote the professional and economic rights and welfare of its academic and non-academic personnel;

(f) Provide opportunities for training and learning in leadership, responsible citizenship, and the development of democratic values, institutions and practice through academic and non-academic programs, including sports and the enhancement of nationalism and national identity;

(g) Serve as a regional and global university in cooperation with international and scientific unions, networks

of universities, scholarly and professional associations in the Asia-Pacific region and around the world; and

(h) Provide democratic governance in the University based on collegiality, representation, accountability, transparency and active participation of its constituents, and promote the holding of fora for students, faculty, research, extension and professional staff (REPS), staff, and alumni to discuss non-academic issues affecting the University.

SEC. 4. *The University System.* – The University of the Philippines is a university system and shall be composed of constituent universities established solely by its Board of Regents upon the recommendation of the President of the University. The University of the Philippines System is composed of its existing constituent universities, as follows: University of the Philippines Diliman; University of the Philippines Manila; University of the Philippines Los Baños; University of the Philippines Visayas; University of the Philippines Mindanao; University of the Philippines Baguio; University of the Philippines Open University; and those that may be created in the future. It is referred to in this law as the “National University.”

SEC. 5. *Academic Freedom.* – The national university has the right and responsibility to exercise academic freedom.

SEC. 6. *Academic Excellence.* – The national university has the responsibility to maintain and enhance its high academic standards in the performance of its functions of instruction, research and extension, and public service.

SEC. 7. *Commitment to National Development.* – The national university shall harness the expertise of the members of its community and other individuals to regularly study the state of the nation in relation to its quest for national development in the primary areas of politics and economics, among others, identify key concerns, formulate responsive policies regarding these concerns, and give advice and recommendations to Congress and the President of the Philippines.

The Congress of the Republic of the Philippines, the Supreme Court and other lower courts, other government agencies and instrumentalities as well as any constitutional body may request the national university to conduct research or provide advice on any matter involving public policy. The budget for such research or request for advice shall come from the appropriation of these public agencies.

SEC. 8. *Social Responsibility.* – The national university is committed to serve the Filipino nation and humanity. While it carries out the obligation to pursue universal principles, it must relate its activities to the needs of the Filipino people and their aspirations for social progress and transformation. The national university may provide venues for student volunteerism.

SEC. 9. *Democratic Access.* – The national university shall take affirmative steps which may take the form of an alternative and equitable admissions process to enhance the access of disadvantaged students, such as indigenous peoples, poor and deserving students, including but not limited to valedictorians and salutatorians of public high schools, and students from depressed areas, to its programs and services.

No student shall be denied admission to the national university by reason solely of age, gender, nationality, religious belief, economic status, ethnicity, physical disability, or political opinion or affiliation.

The national university recognizes the separation of Church and State. It shall guarantee religious freedom and shall not discriminate on the basis of religion.

SEC. 10. *Sports.* – The national university shall undertake and support comprehensive sports programs that promote physical education, uphold excellence and encourage competitive participation in sports activities, instill school identity and solidarity, cultivate pride, self-discipline and teamwork which serve as a foundation for fostering active participation in the national university, as well as in nation building.

SEC. 11. *Institutional Autonomy as the National University.* – To provide greater flexibility, it shall be treated in a manner consistent with its institutional requirements as the national university by the service-wide agencies in the exercise of their respective jurisdiction. Taking into account national goals and priorities, it shall exclusively determine its teaching, research and extension thrusts, plans, policies, programs and standards, and, on the basis of such determination, the national university shall recommend its annual budget to the President of the Republic of the Philippines and Congress.

SEC. 12. *The Board of Regents.* –

(1) Composition – The governance of the national university is vested in a board of regents known as the “Board of Regents of the University of the Philippines System,” hereinafter referred to as the “Board,” composed of:

(a) The Chairperson of the Commission on Higher Education as Chairperson;

(b) The President of the University of the Philippines System as Co-Chairperson;

(c) The Chairperson of the Senate Committee on Education, Arts and Culture;

(d) The Chairperson of the House Committee on Higher and Technical Education;

(e) The President of the U.P. Alumni Association, to serve as Alumni Regent during his or her incumbency in that position;

(f) One Faculty Regent representing all teaching personnel, chosen in accordance with the rules and qualification set by the constituent university councils to serve for a term of two (2) years;

(g) One Student Regent, to serve for a term of one (1) year, chosen by the students from their ranks in accordance

with rules and qualifications approved in a referendum by the students;

(h) One Staff Regent representing the full-time permanent research, extension, and professional staff (REPS) and administrative personnel, and chosen by them from their ranks in accordance with the rules and qualifications set by their duly recognized organizations, to serve for a term of two (2) years; and

(i) Three other Regents who have distinguished themselves in their professions or fields of specialization, to be appointed by the President of the Philippines, considering the recommendation of the Board. At least two (2) of these Regents should be alumni. All these Regents shall each serve for a term of two (2) years: *Provided*, That the Regents holding office as members of the Board at the time of the effectivity of this Act shall continue to serve until the expiration of their appointments as provided in Executive Order No. 204-A, issued by the President of the Philippines on July 15, 1987.

(2) Vacancy – In case of vacancy in the Board, except for the President of the University, such vacancy shall be filled in the same manner as provided for the predecessor, and such appointee shall hold office for the unexpired portion of the term. In case of a sectoral Regent, membership in the Board ceases upon suspension, separation, or recall.

(3) Compensation – Members of the Board shall serve without compensation other than reimbursement for actual and necessary expenses incurred in attendance to meetings of the Board or other official business authorized by the Board.

(4) Meetings; Quorum – The Board shall convene regularly. The Chairpersons of the Board may call a special meeting whenever necessary: *Provided*, That members are notified in writing at least ten (10) working days prior to the meeting: *Provided, further*, That the notice shall contain a brief description of the agenda items to be discussed.

A majority of all members of the Board holding office at the time the meeting is called shall constitute a quorum for Board meetings.

In no case shall any and all members of the Board appoint representatives to act on their behalf: *Provided*, That the *ex-officio* members of the Board coming from Congress may participate and vote through teleconferencing or equivalent verifiable means of communication.

SEC. 13. *Powers and Duties of the Board of Regents.*
– The administration of the national university and the exercise of its corporate powers are vested in the Board of Regents.

The Board shall exercise the following specific powers and duties:

(a) To define in general terms the thrusts of the national university and adopt broad policy guidelines to ensure their implementation;

(b) To preserve the integrity of the national university;

(c) To approve the institution, merger or abolition of academic programs, upon recommendation of the University Council of the constituent university concerned, through the President of the University;

(d) To approve the graduation of students and grant of honors, as recommended by their respective University Councils through the President of the University;

(e) To confer honorary degrees upon persons in recognition of learning, statesmanship, or eminence in literature, science, or art, upon recommendation of a committee created by the President of the University: *Provided*, That such degrees shall not be conferred in consideration of any payment, gift or other valuable consideration;

(f) To approve the rules on student discipline recommended by the University Councils through the President of the University, with the Board retaining the power to review and pass final judgment on student disciplinary cases;

(g) To create, organize, reorganize, merge or abolish constituent universities, colleges, institutes, and other academic and administrative units of the national university;

(h) To establish professorial chair awards;

(i) To provide fellowships, scholarships and grants, including athletic grants and to award the same to faculty, staff and students having special evidence of merit, especially those who are poor and deserving individuals;

(j) To elect the President of the University for a single term of six (6) years following a process of democratic consultation with the university community based on standards and guidelines set by the Board. In the event of a vacancy, the Board shall elect a president who shall serve a full term. A Chancellor chosen by the Board may act as Officer-in-Charge of the national university when the search process is in progress. In no case shall the search and election of the next President be longer than ninety (90) calendar days from the date when the vacancy occurs;

(k) To appoint faculty members and other officials and employees, to draw up a position classification and compensation plan for its faculty and staff, and, any law to the contrary notwithstanding, to fix and adjust salaries and benefits of the faculty members and other employees: *Provided*, That salaries and other benefits of the faculty shall be equivalent to those being received by their counterparts in the private sector; to determine the hours of service of faculty and staff, and such other terms and conditions of employment as it may deem proper; to grant leave of absence under such regulations as it may promulgate, any other provisions of law to the contrary notwithstanding; and to remove them for cause as provided by law after due investigation and proper hearing;

(l) To extend, with their consent, the tenure of faculty members of the national university beyond the compulsory retirement age, any other provision of law to the contrary notwithstanding, on recommendation of the units upon endorsement of the President of the national university, whenever their services are especially needed: *Provided*,

however, That no extension of tenure shall be made beyond the age of seventy (70);

(m) To fix the tuition fees and other necessary school charges, as the Board may deem proper to impose, after due and comprehensive consultation with the students concerned. Such fees and charges, including government support and other income generated by the national university, shall constitute special trust funds and shall be deposited in an authorized government depository bank. Any and all interest that shall accrue therefrom shall form part of the same funds for the use of the national university.

Notwithstanding any provision of law to the contrary, all incomes generated by the national university or by its subsidiaries shall, upon their collection, be retained by the national university and disbursed at the discretion of the Board for the professional growth and development, health, welfare, and other benefits of the students, faculty members and other personnel; for the acquisition, construction, maintenance and repair of urgently needed instructional and auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

If the national university, for reasons beyond its control, shall not be able to pursue any project for which funds have been appropriated and allocated under its approved program of expenditures, the Board may authorize the use of said fund for any reasonable purpose for which it deems necessary and urgent for the attainment of the objectives of the national university: *Provided*, That funds collected from students for a specific purpose shall not be reprogrammed to other expenditures;

(n) To receive and appropriate all sums as may be provided by law for the support of the national university to the ends specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the national university;

(o) To authorize the construction, maintenance or repair of its buildings, machinery, equipment and other facilities, and

the purchase and acquisition of real and personal properties, including necessary supplies, materials and equipment;

(p) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to administer and dispose the same when necessary for the benefit of the national university and subject to the instructions of the donor, if any;

(q) Notwithstanding any provision of law to the contrary, to authorize its faculty and staff to travel abroad to study, deliver papers, attend conferences and disseminate research: *Provided*, That the fellowship, scholarship or grant is authorized by the Board: *Provided, finally*, That research and other activities funded by the national university shall likewise undertake research in fields or topics that have promising commercial applications, and that the faculty and staff involved in said research be allowed to participate in its financial or economic benefits;

(r) To exercise the general powers set out in the Corporation Code;

(s) To delegate any of its powers to the President of the University or other officials or officers as it may deem necessary;

(t) To prescribe rules for its own government and the discipline of the faculty and other personnel and to enact for the government of the national university such general policies, rules and regulations, not contrary to law, as are consistent with its purposes; and

(u) To exercise such powers as may be proper and necessary to carry out the objectives of this Act.

SEC. 14. *The President of the University.* – The President of the University is the chief academic officer, head of the university faculty and the chief executive officer of the University. The President of the University shall exercise the powers specifically provided for in this Act, those determined by the Board, those which pertain to the office of the president of a university, and those which are related or necessary to its functions. The Board shall determine the compensation of the President of the University.

The President of the University shall be appointed by the Board and shall serve for a single term of six (6) years.

SEC. 15. *The Secretary of the University and of the Board of Regents.* – There shall be a Secretary of the University appointed by the Board, who shall also be the Secretary of the Board, and who shall keep such records of the University as may be designated by the Board.

SEC. 16. *The University Council.* – There shall be in each constituent university a University Council consisting of the Chancellor as Chairperson, and all faculty members in the constituent university holding the rank of assistant professor and higher as members.

SEC. 17. *Powers of the University Council.* – The University Council shall be the highest academic body of each constituent university and shall exercise the following powers:

(a) Fix the requirements for admission to any college or unit, graduation, and the grant of honors subject to the minimum system-wide requirements;

(b) Prescribe the academic programs including their institution, revision, abolition and merger, subject to the approval of the Board;

(c) Recommend to the Board the graduation of students and the grant of honors;

(d) Exercise disciplinary power over the students, through the Chancellors or their appropriate committees, subject to review by the President of the University according to the limits prescribed by system-wide rules on student discipline;

(e) Undertake the periodic review of academic courses, programs, standards, thrusts and policies; and

(f) Adopt internal rules of procedure consistent with the provisions of this Act.

SEC. 18. *The Chancellor of the Constituent University.*

– The Administration of each constituent university is vested in the Chancellor insofar as authorized by the Board and the President of the University. The Chancellor of the constituent university shall be elected by the Board upon nomination of the President of the University, following a process of consultation with the constituents of the constituent university based on standards and guidelines set by the Board. The Chancellor shall report to the President of the University, and shall perform the duties and functions elsewhere stated in this Act, and all the usual, necessary and related functions of the Office of the Chancellor, subject to the policies and rules prescribed by the Board. The Board shall determine the term and compensation of the Chancellor. If a Chancellor fails to complete his/her term, the President shall appoint an acting Chancellor while a search process is in progress. In no case shall the search and election of the next Chancellor be longer than sixty (60) calendar days from the date when the vacancy occurs.

SEC. 19. *The Faculty.* – The teaching staff of each college shall constitute its faculty. The College Faculty shall be presided over by a Dean. The Dean shall be elected by the Board upon nomination of the President of the University and recommendation of the Chancellor of the constituent university, following a process of consultation with the constituents of the college based on standards and guidelines set by the Board.

If a Dean fails to complete his/her term, the Chancellor shall appoint an acting Dean while a search process is in progress. In no case shall the search and election of the next Dean be longer than sixty (60) calendar days from the date when the vacancy occurs.

SEC. 20. *Appointment Requisites and Practice of Profession.* – Faculty members, as well as research, extension and professional staff (REPS) of the national university, shall be exempt as such from any civil service examination or regulation as a requisite to appointment. The provisions of existing law to the contrary notwithstanding, licensing

requirements for professional regulatory boards shall not affect appointments to faculty positions. In the appointment of faculty members, no religious test shall be applied, nor shall the religious or political opinions or affiliations of the faculty members of the national university be made subject of examination or inquiry.

SEC. 21. *Student Affairs.* – (a) There shall be established in the national university the following student councils: for every college and degree-granting institute, a college or institute student council; and for every constituent university, a university student council; and for the University System, a general assembly of all student councils.

The student council shall be composed of elected students of a definite academic unit of the national university. Each member of the student council shall serve for a term of one (1) year, without prejudice to reelection.

The student council shall serve as the primary student body that shall advance the interests, welfare, and aspirations of the students of the national university. It shall have the power to adopt internal rules of procedure consistent with the provisions of this Act.

(b) Subject to due and comprehensive consultation with the students, there shall be a student publication established in every constituent unit and college to be funded by student fees. Freedom of expression and autonomy in all matters of editorial and fiscal policy shall be guaranteed especially in the selection of its editors and staff.

SEC. 22. *Land Grants and Other Real Properties of the University.* –

(a) The State shall support the University of the Philippines System as the national university in the form of lump sum amount, through general appropriations and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further

the ends of the national university, as may be decided by the Board;

(b) Such parcels of land ceded by law, decree or presidential issuance to the University of the Philippines are hereby declared to be reserved for the purposes intended. The absolute ownership of the national university over these landholdings, including those covered by original and transfer certificates of title in the name of the University of the Philippines and their future derivatives, is hereby confirmed. Where the issuance of proper certificates of title is yet pending for these landholdings, the appropriate government office shall expedite the issuance thereof within six months from the date of effectivity of this Act: *Provided*, That all registration requirements necessary for the issuance of the said titles have been submitted and complied with;

(c) The Board may plan, design, approve and/or cause the implementation of land leases: *Provided*, That such mechanisms and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the academic core zone of the campuses of the University of the Philippines: *Provided, further*, That such mechanisms and arrangements shall not conflict with the academic mission of the national university;

(d) The Board may allow the use of the income coming from real properties of the national university as security for transactions to generate additional revenues when needed for educational purposes;

(e) The Board may approve the implementation of joint ventures: *Provided*, That in the event real properties of the national university are involved, only the income derived by the University from the use of the real properties shall be the subject of its participation or obligation in the joint ventures: *Provided, further*, That no joint venture shall result in the alienation of the real properties of the national university; and

(f) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the national university shall be consistent with the academic mission and orientation of the national university as well as

protect it from undue influence and control of commercial interests: *Provided*, That such programs, projects or mechanisms shall be approved by the Board subject to a transparent and democratic process of consultation with the constituents of the national university: *Provided, further*, That funds generated from such programs, projects or mechanisms shall not be meant to replace, in part or in whole, the annual appropriations provided by the national government to the national university.

SEC. 23. *Safeguards on Assets Disposition.* – The preservation of the value of the assets of the national university shall be of primordial consideration.

The sale of any existing real property of the national university shall be prohibited: *Provided*, That the Board may alienate real property donated after the effectivity of this Act if the terms of the donation specifically allow it.

Notwithstanding the provision of this Act or any other law to the contrary, the lease of more than five (5) years of the assets of the national university and any transaction referred to in Section 22 shall be subject to the following conditions and procedures:

(a) The transactions shall be discussed with the members of the Board, in any of its formally convened regular or special meeting, at least one (1) month before a decision is to be made;

(b) The transactions shall be based on a multi-year comprehensive development plan, crafted and developed by qualified urban planning professionals having at least five (5) years experience, with prior consultations with and concurrence of third-party experts and duly approved by a majority vote of all the members of the Board;

(c) The transactions shall be subject to competitive and public bidding as provided under Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act";

(d) In the case of two (2) failed biddings and negotiated transactions, if undertaken, the Board, when considering the approval of any such transaction, shall secure a fairness opinion report from an independent third-party body. This body shall have five (5) members, three (3) of which shall be nominated by the Bankers Association of the Philippines (BAP), Investment Houses Association of the Philippines (IHAP), Trust Officers Association of the Philippines, or the Financial Executive Institute of the Philippines (FINEX). The members shall be entitled to a reasonable per diem as the Board may specify.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the national university of the terms of the proposed transaction, particularly its financial terms. The report shall include, but not limited to, a review and analysis of the proposed transaction, financial statements, industry information, economic conditions assumptions using management projections and the assumptions used therein and a comparison of similar transactions: *Provided*, That if the Board differs with the fairness opinion report they shall justify their decision in writing and make this available to the community of the national university.

This provision shall not apply to leases granted to faculty and staff as part of their benefit and those for academic purposes; and

(e) If the contract or transaction involves an amount more than Fifty Million Pesos (P50,000,000.00), it shall be approved by three-fourths (3/4) of all the members of the Board: *Provided*, That the splitting of contracts, which is by breaking up a contract into smaller quantities or amounts or dividing contract implementation into artificial or arbitrary phases or subcontracts for the purpose of circumventing this provision, shall not be allowed.

SEC. 24. *Management of Funds.* – (a) There shall be an independent trust committee to be composed of the President of the University, as Chairperson, one (1) representative each nominated by the Bankers Association of the Philippines (BAP), the Investment Houses Association of

the Philippines (IHAP), the Trust Officers Association of the Philippines (TOAP) and the Financial Executive Institute of the Philippines (FINEX). The members shall be entitled to a reasonable per diem as the Board may specify. (b) The independent trust committee shall recommend to the Board five (5) universal banks selected on a prudent basis which trust departments shall manage the corporate and other funds through trust agreements of the national university on a non-directed basis: *Provided*, That any such agreement shall be for a period of not more than two (2) years. (c) The independent trust committee shall provide the Board with direction on appropriate investment objectives and permissible investments with the view to preserving the value of the funds while allowing the University to earn a reasonable return thereon.

SEC. 25. *Tax Exemptions.* – The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the University of the Philippines used for educational purposes or in support thereof shall be exempt from all taxes and duties;

(b) Gifts and donations of real and personal properties of all kinds shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: *Provided*, That the allowable deductions shall be equivalent to 150 percent of the value of such donation. Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of property in case said property has been used;

(c) Importation of economic, technical, vocational, scientific, philosophical, historical and cultural books, supplies and materials duly certified by the Board, including scientific and educational computer and software equipment, shall be exempt from customs duties;

(d) The University shall only pay 0% value-added tax for all transactions subject to this tax; and

(e) All academic awards shall be exempt from taxes.

SEC. 26. *Reportorial Requirements and Auditing of Accounts.* – The national university shall submit an annual report to Congress containing the financial statements, statement of assets and liabilities, actual projected income from tuition fees and other revenue sources, contracts and investments entered into pursuant to Section 22 (c) hereof and programs of expenditure. All accounts and disbursements of the national university shall be audited by the Commission on Audit.

SEC. 27. *Rules of Construction.* – No statutory or other issuances shall diminish the powers, rights, privileges and benefits accorded to the national university under this Act or enjoyed at present by it under other issuances not otherwise modified or repealed under this Act, unless subsequent legislation expressly provides for their repeal, amendment or modification. Any case of doubt in the interpretation of any of the provisions of this Charter shall be resolved in favor of the academic freedom and fiscal autonomy of the University of the Philippines.

SEC. 28. *Appropriations.* – The amount needed to carry out the implementation of this Act shall be charged against the lump sum appropriation of the current fiscal year and other internal funds of the national university. Thereafter, such lump sum representing the responsibility of the national government for the continued growth, operation and maintenance of the national university shall be included in the annual General Appropriations Act (GAA).

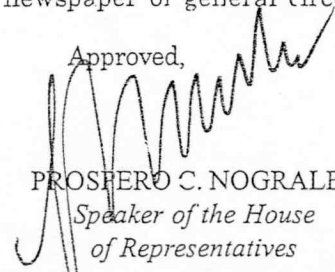
The national university may use unexpended balances in any appropriation for purposes that the Board determines.


In addition to the regular appropriations and increases for the university under the annual GAA, a centennial fund shall be appropriated in the amount of One Hundred Million Pesos (P100,000,000.00) per year for a period of five years, which shall likewise be included in the annual GAA.

SEC. 29. *Separability Clause.* – Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

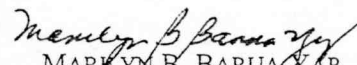
SEC. 30. *Repealing Clause.* – Act No. 1870, as amended, and all laws, decrees, orders, rules, and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

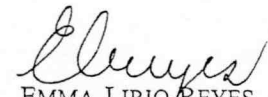
SEC. 31. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation in the Philippines.

Approved,

PROSPERO C. NOGRALES
*Speaker of the House
of Representatives*

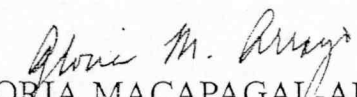

MANNY VILLAR
President of the Senate

This Act which is a consolidation of Senate Bill No. 1964 and House Bill No. 2845 was finally passed by the Senate and the House of Representatives on March 5, 2008 and March 4, 2008, respectively.


MARILYN B. BARUA YAP
*Secretary General
House of Representatives*


EMMA LIRIO REYES
Secretary of the Senate

Approved: APR 29 2008


GLORIA MACAPAGAL-ARROYO
President of the Philippines

CERTIFIED COPY:
MARIANITO M. DIMANDAL
DIRECTOR IV
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