## Government of the District of Columbia



Office of Advisory Neighborhood Commissions 1350 Pennsylvania Avenue, NW Suite 11 Washington, DC 20004 (202) 727-9945

## **MEMORANDUM**

TO: ANC 3E

FR: Denise Wiktor, General Counsel

DT: 3/3/2025

RE: Tenleytown Main Street Health Fair grant request.

The OANC received a copy of a grant from Tenleytown Main Street to support a health fair. I have reviewed the application and supplemental materials sent to the OANC and have found that the amount request is a **permissible** expenditure of ANC monies. *However, the ANC should not increase the grant amount beyond the \$4225.00 since the remainder of the budget is for the Executive Director of Main Street's salary. If the ANC decreases the amount of the grant, they should be mindful that the overhead does not exceed 15%.* 

There are five prongs a grant must meet to be a permissible expense and a 6<sup>th</sup> requirement of the D.C. Official Code that limits the amount of a grant that can be spent on overhead. They are:

- 1. **Public Purpose:** ANC grants must be for "public purposes within the Commission area." A public purpose is one "that includes a significant benefit for the community and is not done for the primary purpose of benefitting a private entity." This standard was changed with the Fiscal Year Budget Support Act and the accompanying emergency. A community health fair is a public purpose. It has the additional benefit of introducing the community to local health providers in their neighborhood.
- 2. **Local Benefit**: A grant must "benefit persons who work or reside in the Commission area." This does not mean the grant may only benefit Commission residents; it simply

<sup>&</sup>lt;sup>1</sup> See, Letter to Schanette Grant on Seasoned Settlers and Grants Generally, April 14, 2022, found at <a href="https://oag.dc.gov/sites/default/files/2022-04/Letter-to-OANC-Re-Seasoned-Settlers-Grant-and-Grants-Generally-pdf">https://oag.dc.gov/sites/default/files/2022-04/Letter-to-OANC-Re-Seasoned-Settlers-Grant-and-Grants-Generally-pdf</a>

<sup>&</sup>lt;sup>2</sup> D.C. Official Code 1-309.13(m)(2)(D) provides that "[n]o Commission shall provide a grant for which the grantee estimates that the overhead costs would exceed 15% of the entire grant amount."

<sup>&</sup>lt;sup>3</sup> D.C. Official Code § 1-309.13(1)(1).

<sup>&</sup>lt;sup>4</sup> *Id.* This precludes payment to individuals whether it be for services or as a stipend or honorarium. It also precludes handouts to volunteers such as t-shirts and the purchase of items non-transient nature that will remain in the possession of an individual after an event such as tables and chairs or tents. Rental of such items is permissible. The ANC may purchase items that they retain and use or loan out to the community.

<sup>&</sup>lt;sup>5</sup> D.C. Official Code § 1-309.13(m)(1).

<sup>&</sup>lt;sup>6</sup> *Id*.

means the grant's benefits should be focused on those residents.<sup>7</sup> The Tenleytown business corridor is in the heart of the Tenleytown business district. The primary beneficiaries of this event will be the Tenleytown businesses and local residents. Some shoppers outside the ANC may also benefit but the primary benefit will be local.

- 3. **Proposed Project.** A grant must be for a proposed project. This means that it must be for a specific undertaking, not for general support of an organization. It also means that a grant cannot reimburse an organization for expenses connected to an existing or completed project. **This is a discrete single event.**
- 4. **Organization.** A grant must be to an "organization," not an individual or a government entity, 9 although the organization need not be incorporated. 10 is an Tenleytown Main Street is an organization as defined by the D.C. Code.
- **5. Non-Duplication.** A grant cannot duplicate any services offered by the D.C. government. <sup>11</sup> This does not duplicate services offered by the D.C. Government.
- **6. Overhead.** Overhead cannot exceed 15% of the grant amount. <sup>12</sup> The overhead of 520 is 12% of the requested grant amount which is within the required limit. If the ANC reduces the grant request, it needs to be ensured that the overhead does not exceed 15%.

## Conclusion

For the reasons stated above this grant is a **permissible** expenditure of ANC funds if used as outlined above.

<sup>&</sup>lt;sup>7</sup> See *Letter to Deborah K. Nichols*, Nov. 9, 2006, at 2 n.2 found at <u>Letter-to-Deborah-Nichols-Re-Whether-an-ANC-may-approve-a-grant-to-commission-plans-and-drawings-.pdf</u> (ANC 4C grant was permissible where the "[b]enefit to other ANCs would be incidental to the benefit conferred on ANC 4C residents," because a grant's benefits need not "be exclusive to the ANC that gives the grant funds"); see *Letter to Comm'r Fletcher*, Mar. 15, 2022, at 2, available at <a href="https://oag.dc.gov/sites/default/files/2022-03/ANC-7E-Letter-to-Commissioner-Fletcher-RePublic-Purposes-Within-the-Commission-Area-.pdf">https://oag.dc.gov/sites/default/files/2022-03/ANC-7E-Letter-to-Commissioner-Fletcher-RePublic-Purposes-Within-the-Commission-Area-.pdf</a> making the same point with respect to the public-purpose requirement).

<sup>&</sup>lt;sup>8</sup>D.C. Official Code § 1-309.13(m)(2)(A).

<sup>&</sup>lt;sup>9</sup> D.C. Official Code § 1-309.13(m)(1); see also *Letter to Deborah K. Nichols*, Jan. 14, 2010, at 4, available at <a href="https://oag.dc.gov/sites/default/files/2018-02/ANC-January-14-2010-Guidelines-for-Use-of-ANC-Funds.pdf">https://oag.dc.gov/sites/default/files/2018-02/ANC-January-14-2010-Guidelines-for-Use-of-ANC-Funds.pdf</a>
<sup>10</sup> See *Letter to Deborah K. Nichols*, Aug., 4, 2000 at 3, available at

https://oag.dc.gov/sites/default/files/201802/ANC-August-4-2000-Grants-by-ANCs-Public-Purpose-and-Corporate-Status-of-Recipients.pdf ("The plain meaning of the term 'organization' includes unincorporated associations").

<sup>&</sup>lt;sup>11</sup> D.C. Official Code § 1-309.13(m)(1).

<sup>&</sup>lt;sup>12</sup> D.C. Official Code §1-309.13(m)(1)(2)(D).