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 1A

FR: Denise Wiktor, General Counsel

DT: 3/3/2025

RE: Grant Application from 826DC

The OANC received a copy of a grant from 826DC. I have reviewed the application sent to the OANC and have found that the request is an **impermissible** expenditure of ANC monies. This was a difficult grant to evaluate. It is, without a doubt, a stellar program. It is a school year-long program that serves only 50 students at one school, 25 of whom would benefit from this grant. The school is located within ANC 1A and presumably some of the students are ANC 1A residents.

There are five prongs a grant must meet to be a permissible expense and a 6th 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. The 2020 Census showed a population of 20,502 residents. Assuming all students were 1A residents that represents that is 1% of the 1A population. The percentage of the population is not the only factor to consider. The OANC has considered funding for smaller class type events, such as food classes at a farmer's market, but those classes have been open to all residents of the ANC, albeit on a first-come first served basis. In this case, the classes are restricted to a particular school. The

¹ See, Letter to Schanette Grant on Seasoned Settlers and Grants Generally, April 14, 2022, found at https://oag.dc.gov/sites/default/files/2022-04/Letter-to-OANC-Re-Seasoned-Settlers-Grant-and-Grants-Generally-pdf

² 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."

³ D.C. Official Code § 1-309.13(1)(1).

⁴ *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.

⁵ D.C. Official Code § 1-309.13(m)(1).

- OANC has difficulty in finding that this passes the "significant benefit for the community" requirement for a grant.
- 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 means the grant's benefits should be focused on those residents. This grant does benefit some persons who reside in the ANC.
- 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 XXXX **is/is not** an organization as defined by the D.C. code
- **5. Non-Duplication.** A grant cannot duplicate any services offered by the D.C. government.¹¹
- **6. Overhead.** Overhead cannot exceed 15% of the grant amount. None of the grant monies will be used for overhead as the Code defines it.

Conclusion

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

⁶ *Id*.

⁷ 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 https://oag.dc.gov/sites/default/files/2022-03/ANC-7E-Letter-to-Commissioner-Fletcher-RePublic-Purposes-Within-the-Commission-Area-.pdf making the same point with respect to the public-purpose requirement).

⁸D.C. Official Code § 1-309.13(m)(2)(A).

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

¹¹ D.C. Official Code § 1-309.13(m)(1).

 $^{^{12}}$ D.C. Official Code §1-309.13(m)(1)(2)(D).