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 4B

FR: Denise Wiktor, General Counsel

DT: 3/18/2025

RE: Takoma Park PTO Grant Application

The OANC received a copy of a grant request from Takoma Park PTO for their spring Carnival. I have reviewed the application, budget and Resolution sent to the OANC and have found that the request is a **permissible** expenditure of ANC monies. The festival is scheduled for May 2025 and the PTO filed a grant request in the fall of 2024. When the vote by the ANC to award the grant and the event are so far apart-in this case 7 months, the ANC might consider delaying the writing of the check until closer to the event. In this case you have a check written 2 QFRs before you will have the receipts which may involve a delay in the release of some monies until there are receipts to match the check.

There are five prongs a grant must meet to be a permissible expense 1 and a 6^{th} requirement of the D.C. Official Code that limits the amount of a grant that can be spent on overhead 2 . 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 2025 Budget Support Act and the accompanying emergency. This festival is open to the entire ANC Community. A check of maps reveals that Takoma Elementary's boundaries are close to the boundaries of ANC 4B. Events such as these are designed to benefit the students at the school and the community the school sits in.

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

[.]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.

- 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. The benefit here will be primarily local to ANC 4B
- 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, 8 although the organization need not be incorporated. 9 Takoma Elementary is an organization as defined by the D.C. Code. In this case, it is also a 501(c)(3)
- **5. Non-Duplication.** A grant cannot duplicate any services offered by the D.C. government.¹⁰
- **6. Overhead.** Overhead cannot exceed 15% of the grant amount. 11 None of the grant monies will be used for overhead as the Code defines it.

Conclusion

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

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").

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

⁵ D.C. Official Code § 1-309.13(m)(1

⁶ 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).

⁷D.C. Official Code § 1-309.13(m)(2)(A).

⁸ 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

⁹ See Letter to Deborah K. Nichols, Aug., 4, 2000 at 3, available at

¹¹ D.C. Official Code §1-309.13(m)(1)(2)(D).