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: Dawn Dickerson, Program AnalystFR: Denise Wiktor, General Counsel

DT: 07/12/2024

RE: 3G District Bridges Sponsorship request for Soofa Sign

The OANC received a copy of a "sponsorship" application made to ANC 3/4G for purposes of funding a Soofa sign which appears to be a variable message board of some type. I have reviewed the application, and it is problematic as the application lacks the information and documentation needed for a public purpose expenditure and lacks documentation needed for it to be an office expense. A copy of a cancelled check was submitted with the QFR report but no receipts for how the money was used was submitted.

The project undertaken on this application is the installation of a Soofa brand sign which appears to be some type of variable messaging board. The location of the sign is unknown, is it in public or private space? Will District Bridges be selling advertising on this board?

"Under the ANC Act, an ANC may expend its funds for only two purposes: 'public purposes within the neighborhood area' and the 'functioning of the Commission office."

The ANC did receive some tangible things as a result of this expenditure. Recognition in press releases, logo recognition on signage for the launch event and verbal recognition during the event. Logo recognition on the District Bridges website and text recognition in their annual report. None of these are permissible office expenses and do not constitute a public benefit.

The ANC also received the opportunity to "take over" a widget and put a message on the board up to 5 times a year for 5 years. Also list as a benefit was an "opportunity to directly engage District Bridges 3500+ newsletter subscribers and 13,000+ social medial followers with 1 targeted campaign. These last two items, the widget and the targeted campaign might be considered office expenses if the ANC used them to notice meetings as required by the ANC Law.²

¹ D.C. Official Code 1-309.13(I)(1) See also, *Letter to OANC and ODCA Re ANC Financial Matters*, September 9, 2022, found at https://oag.dc.gov/sites/default/files/2022-09/Letter-to-OANC-and-ODCA-Re-ANC-Financial-Matters-.pdf

² D.C. Official Code 1-309.11(c)

The D.C. Official Code provides that ANCs may make expenditures for "public purposes within the Commission area." It further states that "A public purpose shall be a purpose that benefits the community as a whole and is not done for the primary purpose of benefitting a private entity." The message board, as the application is written, primarily benefits the ANC via the recognition it receives and the applicant, not the community as a whole. It is possible that this is a public service that will benefit the community but that is not stated in the application, only potential or possible uses. Additionally, it is unclear if the businesses will have to pay for the messages about their special to be placed on the board.

This expenditure was made to a 3rd party who solicited the money. This is not a direct expenditure for a public purpose by the ANC and therefore should also follow the other requirements of a grant which are that it have a local benefit, the grant goes to an organization, not duplicate D.C. Government services, and have a limit on how much of the expenditure may be used on overhead.

For a grant to have a local benefit it 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. As this application is written, the benefit is to the ANC body in forms of recognition that are of no benefit to the residents. The message board may or may not be of benefit to the businesses but that is not stated in the application.

The application does meet the requirements that is a proposed project, ⁷ that it be to an organization ⁸ and that it not duplicate any services offered by the D.C. government. ⁹

The issue of overhead expenses cannot be addressed because there was no budget or receipts attached. Expenses related to overhead cannot exceed 15% of the grant amount. 10

Conclusion

For the reasons stated above this expenditure is not an acceptable expenditure of the ANC as public purpose expenditure. *It is potentially curable* as an office operations expense with a receipt indicating what they purchased which appears to be 25 announcement spaces (widget) to be used over a 5-year period and one use of the mailing list and Social Media list. None of the

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

 $^{^4}$ Id. This standard changed with the 2025 Budget Support Act well after this expenditure was made and is not applicable here.

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 Letter-to-Deborah-Nichols-Re-Whether-an-ANC-may-approve-a-grant-to-commission-plans-and-drawings-.pdf (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-Re-Public-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 D.C. Official Code § 1-309.13(m)(1).

¹⁰ D.C. Official Code §1-309.13(m)(1)(2)(D).

other benefits would qualify for office expenses and the discount at their store for ANC commissioners presents ethical issues as it is a benefit based upon their office. The ANC and applicant would need to work with you on what type of receipt is acceptable as I would defer to you on that. The code is not specific as to whether an ANC may or may not pay up front for the purchase of a subscription that covers multiple years. However, ANCs have purchased other services with up front expenditures such as web licenses or software services that cross over fiscal years.