

Government of the District of Columbia



Office of Advisory Neighborhood Commissions  
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Washington, DC 20004  
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**MEMORANDUM**

TO: Dawn Dickerson, Program Manager  
FR: Denise Wiktor, General Counsel  
DT: 10/3/2023  
RE: ANC 4D Life Success Center Fall Fun Fest

*DW*

You requested an opinion on whether ANC 4Ds grant for the Life Success Center's Fall Fun Fest was a permissible use of ANC grant monies. It does not conform to the requirements of the D.C. Official Code nor to the requirements of the OANC for documentation and receipts. Even if it were, there are significant missing receipts, illegible receipts, receipts for impermissible expenditures (food) and receipts that seem to have no bearing on the event (OxiClean). Finally, the application itself is problematic. Normally, the OANC would offer suggestions to cure defects, but this grant is so problematic that it cannot be cured.

**Grant Application**

The Grant Application states that the event is "to engage all ages and populations of the Ward 4 community. The application does not state a benefit to the ANC community. There is no budget included with the application making it impossible to discern if the proposed expenditures are expenditures that are allowable under the D.C. Official Code. Number 11 in the grant application requires the applicant to "attach a detailed line-item budget for the project." A close out email indicates that that applicant has "not yet expended any of the funds as food and sound are the main expenses." That is problematic as food is a prohibited use of grant funds by the ANC.<sup>1</sup> As required in the D.C. Official Code<sup>2</sup> the grant application notes the expense of the event and that amount of overhead listed is \$5000-\$6,000 clearly above the 15 % of the grant allowed by law<sup>3</sup>. This may be a misunderstanding of the term overhead, but there is no further explanation in the application or the minutes of the ANC meeting that approved the grant.

The D.C. Official Code states that ANC "expenditures may be in the form of grants . . . for public purposes within the Commission area."<sup>4</sup> The basic rule that applies is that such grants cannot be used for the general support of organizations requesting grants. Most importantly, the funds must

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<sup>1</sup> See *July 17, 2017 Letter to Gottlieb Simon* found at <https://oag.dc.gov/sites/default/files/2018-02/ANC-July-7-2017-Expending-Grant-Funds-for-Food-and-Entertainment-at-Block-Parties.pdf>

<sup>2</sup> 1-309.13m(2)(D) "An accounting by the grantees of the expected overhead costs the grantees will incur in carrying out the grant. No Commission shall provide a grant for which the grantee estimates that the overhead costs would exceed 15% of the entire grant amount."

<sup>3</sup> Id.

<sup>4</sup> D.C. Official Code § 1-309.13(l)(1)

promote a **public purpose** “benefit[ing] persons who reside or work within the Commission area.”<sup>5</sup> (emphasis added). The law defines public purpose as one “that benefits the community<sup>6</sup> as a whole and is not done for the primary purpose of benefitting a private entity.”<sup>7</sup>

The grant application notes that the event in question is for the benefit of Ward 4 not ANC 4D with expected attendance of 50 to 100 people. More troubling is the benefit of the actual ANC expenditures. The direct beneficiary of \$1632.49 was the organization.

There was no mention of a barber in the grant application and the only beneficiary of a haircut is the recipient of the haircut. The ANC money used for this expense benefited a small number of individuals, not the community as a whole.

### **Receipts**

Attached was a grant close out which had a list of costs and which costs were attributable to the ANC. The receipt totals do not match the amount attributed to the ANC nor the items attributed to the ANC.

The ANC grant was \$3,500.00. The total of the receipts submitted was \$4554.53.

*a. Receipts for all expenditures are required to be submitted with a grant close out.*

1. The ANC had the following expenses attributed to it for which there were no receipts:

\$ 122.00	Printed Material <sup>8</sup>
\$ 409.00	Food Drink Condiments (a prohibited expense)
\$ 300.00	Moon bounce

2. The following receipts were mostly illegible except for the totals:

\$89.31 the only legible part of the receipt is for \$2.00 in crayons.

\$122.25 the receipt is illegible except for the total.

*b. A grant must be for a public purpose and primarily benefit those who live and work in the ANC.*

1. The following expenses primarily benefitted the organization in that it bought durable goods outright that it retained ownership of or ownership rights to:

\$ 763.40 tables bought on Amazon.  
\$ 715.52 chairs bought on Amazon.  
\$ 113.58 games (checkers, lawn bowling, skittle)  
19.99 staple gun  
\$1612.49 Total

2. The only beneficiary of the \$320.00 for photography was the organization. As stated on the application they would “keep a head count and photograph all engaged participants

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

<sup>6</sup> "Community" means those residents who reside within a Commission area. D.C. Official Code § 1-309.01(2)(c)(2B)

<sup>7</sup> D.C. Official Code § 1-309.13(m)(2)

<sup>8</sup> There is a receipt for \$122.25 which is quite blurry and who issued is completely illegible.

and tangible items produced during the event. In the grant report there was no headcount, photos or other documentation and the videos and photos were posted on their social media and to be posted on their upcoming website. The ownership of the photographs is with the organization. There is no apparent community benefit for the photography expense.

c. *There were expenses that were either prohibited or had questionable public purpose as defined by the Official D.C. Code*

\$33.57	OxiClean, 5 bottles
\$100.00	Barber stipend
\$41.57	Pumpkin pie, dried fruit- food items
\$409.00	Food/condiments for which there were no receipts.
\$ 30.99	1000 zip ties.
\$615.13	Total

d. *The close out accounting, the grant application and the receipts should match.*

Any expenditure of the grant should have been part of initial approval. Additionally, the close out accounting and receipts must match. While the grant was \$3500, and the receipts totaled \$4554.53 they do not match up. For example, in the final accounting the portion of the cost of tables, chairs and hay attributed to the ANC grant was \$613.00. The receipts for those items totaled \$2092.03. If you take out the receipts above \$613.00 that leaves \$1479.03 in receipts that were submitted but not part of the grant expenditure. If you then remove that \$1479.03 from the receipts totaling 3075.50 that are supposed to be directly attributable to the grant leaving \$475.00 if grant expenditures without receipts. The grant does not mention a barber which is in the final accounting.

### **Public Benefit**

### **Conclusion**

In conclusion, there is a substantial amount of expenses on the end of grant accounting that are missing receipts, the receipts that are there don't match the end of grant accounting, receipts for things not in the grant request, and there are prohibited expenses. The grant application itself did not state a public purpose as required under the D.C. Official Code and stated an impermissible amount of overhead.

This grant should be disallowed. The ANC may want to consider asking for the return of part or all the grant monies based upon the serious defects in the accounting.

cc: Kent Boese, Executive Director

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