



OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

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Deborah K. Nichols
District of Columbia Auditor
022:05:LB:KM:gk

**Audit of Advisory Neighborhood Commission 2C
for Fiscal Years 2003 Through 2005
as of March 31, 2005**

September 28, 2005



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Commissioner Leroy J. Thorpe, Jr.
Chairperson
Advisory Neighborhood Commission 2C
1704 5th Street, NW
Washington, D.C. 20001

Letter Report: Audit of Advisory Neighborhood Commission 2C
for Fiscal Years 2003 Through 2005, as of March 31, 2005

Dear Commissioner Thorpe:

Pursuant to section 16 (d) of the Advisory Neighborhood Commissions Act of 1975 (“ANC Act”),¹ as amended, the District of Columbia Auditor (Auditor) conducted an audit of the financial accounts and operations of Advisory Neighborhood Commission (ANC or Commission) 2C.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to determine whether:

1. ANC 2C’s disbursements complied with the ANC Act, ANC Financial Management Guidelines issued by the Office of the District of Columbia Auditor,² and legal opinions issued by the Office of the Attorney General (OAG), formerly the Office of the Corporation Counsel; and
2. internal controls were adequate to produce reliable financial information and ensure that the ANC’s assets were properly safeguarded.

¹See the Advisory Neighborhood Commissions Act of 1975 (effective October 10, 1975, D.C. Law 1-21), as amended, by the Comprehensive Advisory Neighborhood Commissions Reform Amendment Act of 2000, effective June 27, 2000, D.C. Law 13-135., D.C. Code §1-309.13 (d) (2004 Supp.).

²Office of the District of Columbia Auditor, “Advisory Neighborhood Commission Financial Management Guidelines” (“ANC Financial Management Guidelines”), February 2003.

The audit covered the period October 1, 2002 through March 31, 2005 (fiscal years 2003 through 2005, as of March 31, 2005). In conducting the audit, the Auditor reviewed all available canceled checks, bank statements, bank signature cards, quarterly financial reports, meeting minutes, receipts and invoices, and other relevant documentation.

STATEMENT OF ANC 2C's CHECKING, SAVINGS, AND PETTY CASH ACCOUNT BALANCES, AS OF MARCH 31, 2005

Table I presents ANC 2C's account balances as of March 31, 2005.

Table I
ANC 2C's Checking, Savings, and Petty Cash Account Balances
As of March 31, 2005

Petty Cash Account	\$	0.00*
Checking Account		20,547.03
Savings Account		<u>0.00*</u>
Actual Cash Balance		\$ 20,547.03

Source: ANC 2C's bank statement as of March 31, 2005.

*ANC 2C did not maintain a petty cash or savings account.

SUMMARY OF ANC 2C'S DISBURSEMENTS DURING FISCAL YEARS 2003 THROUGH 2005, AS OF MARCH 31, 2005

During the audit period, ANC 2C disbursed a total of \$30,531.99. These disbursements were primarily for grants totaling \$29,956.99. Table II summarizes ANC 2C's disbursements made during the audit period.

**Table II
Summary of ANC 2C's Disbursements
During Fiscal Years 2003 Through 2005,
as of March 31, 2005**

Disbursement Category	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005 as of March 31, 2005	Grand Total
ANC Security Fund	\$ 25.00	\$ 25.00	\$ 25.00	\$ 75.00
Grants	11,959.78	6,000.00	11,997.21	29,956.99
P.O. Box Rental	200.00	200.00	100.00	500.00
Total Disbursements	\$ 12,184.78	\$ 6,225.00	\$ 12,122.21	\$ 30,531.99

Source: ANC 2C's quarterly financial reports, checkbook, canceled checks, and bank statements.

FINDINGS

ANC 2C SUBSTANTIALLY COMPLIED WITH D.C. CODE §1-309.13 (j) (1) BY MAINTAINING DOCUMENTATION TO SUPPORT DISBURSEMENTS

Section 1-309.13 (j) (1) of the D.C. Code states, in relevant part, that:

Each quarterly [financial] report shall include copies of canceled checks, bank statements, grant request letters and grant disbursements, invoices and receipts, executed contracts, details about all contributions received during the time period covered by the quarterly report, and the minutes of all meetings indicating the Commission's approval of disbursements during the time period covered by the quarterly report. . . .

The Auditor's examination of relevant documentation indicated that ANC 2C officers established adequate procedures to ensure that appropriate financial documentation was obtained and maintained in the ANC files. Overall, the Auditor found that ANC 2C maintained sufficient documentation to support \$30,531.99, or 100%, of ANC funds disbursed during the period October 1, 2002 through March 31, 2005.

ANC 2C MINUTES DOCUMENTED THE APPROVAL OF EXPENDITURES BY A MAJORITY OF ANC 2C COMMISSIONERS

D.C. Code Section 1-309.13 (f) states, in relevant part, that: "...No expenditures of any amount shall be made without the specific authorization of the Commission..."

During the audit period, the minutes of ANC 2C's public meetings consistently indicated the Commissioners' specific approval of quarterly financial reports and all disbursements made by the ANC's Chairperson and Treasurer.

ANC 2C FILED ALL BUT ONE QUARTERLY FINANCIAL REPORT ON TIME

D.C. Code Section 1-309.13 (j) (1) states, in relevant part, that:

The treasurer of a Commission shall prepare a quarterly financial report on a form provided by the Auditor. The financial report shall be presented to the Commission for its consideration at a Commission meeting within 45 days after the end of the quarter. A copy of the

approved financial report, signed by the Chairperson, the secretary, and the treasurer, shall be filed, along with a record of the vote adopting the report, with the Auditor within 15 days of approval. . .

During the audit period, 10 quarterly financial reports were required to be filed by ANC 2C. ANC 2C filed all but one of the 10 quarterly financial reports on time. ANC 2C was, therefore, in substantial compliance with D.C. Code Section 1-309.13 (j) (1).

ANC 2C HELD THE REQUIRED NUMBER OF PUBLIC MEETINGS DURING THE AUDIT PERIOD

D.C. Code Section 1-309.11 (b) (1), in relevant part, states: “Each Commission shall meet in public session at regular intervals at least 9 times per year. . . .” The Auditor’s review of ANC 2C’s quarterly financial reports and other relevant documentation such as monthly meeting minutes revealed that ANC 2C held a total of 28 monthly public meetings during the 30-month audit period. Therefore, ANC 2C exceeded the public meeting requirement under D.C. Code Section 1-309.11 (b) (1).

ANC 2C MAINTAINED MINUTES FOR ALL 28 PUBLIC MEETINGS HELD DURING THE AUDIT PERIOD

A review of ANC 2C’s minutes indicated that the Commission took official action only at public meetings where a quorum existed and recorded the votes on all expenditures brought before the Commission for approval. The minutes documented the presentation and approval of: grant requests, the Treasurer’s reports, and the quarterly financial reports to be filed with the Auditor. ANC 2C maintained minutes for all 28 public meetings held during the 30-month audit period, October 1, 2002 through March 31, 2005.

ANC 2C DID NOT PREPARE ANNUAL FISCAL YEAR SPENDING PLAN BUDGETS DURING THE AUDIT PERIOD

D.C. Code Section 1-309.10 (n) states that:

Each Commission shall develop an annual fiscal year spending plan budget for the upcoming fiscal year within 60 days of notification of the amount of the Commission’s annual allotment. Prior to adoption of the budget at a public meeting, the Commission shall present the budget at a public meeting of the Commission to elicit comments from the residents of the Commission area.

A review of ANC 2C's minutes revealed that no spending plan budgets were ever developed, presented or approved during the audit period as required by the ANC Act.

RECOMMENDATION

ANC 2C develop an annual spending plan budget for the upcoming fiscal year within 60 days of notification of the amount of the Commission's annual allotment and put into place a mechanism to ensure that a spending plan budget is developed, presented, and approved each fiscal year.

ANC 2C GRANT DISBURSEMENTS SUBSTANTIALLY COMPLIED WITH THE ANC ACT

Section 1-309.13 (m) of the D.C. Code requires that:

A grant may not be awarded unless the grant is awarded pursuant to a vote of the Commission at a public meeting. . . .A Commission may approve grants only to organizations that are public in nature. . . .An applicant for a grant must submit an application in writing to the Commission. . . .Within 60 days following the issuance of a grant, the grant recipient shall forward to the Commission a statement as to the use of the funds. . . .complete with receipts which support expenditures. . . .

The Auditor found that all grant requests were presented to the ANC and approved by a majority of Commissioners at public meetings. ANC 2C's grant application is comprehensive in that it includes ANC 2C's grant policy, relevant sections of the ANC law, and grant guidelines issued by the Auditor's Office. (See Appendix I for a copy of ANC 2C's grant application.)

The Auditor found that ANC 2C awarded 19 grants totaling \$29,956.99 during the period October 1, 2002 through March 31, 2005. The Auditor's staff found that 10 of the grant applications were filled out by ANC 2C's Chairperson. This observation was brought to the attention of the Chairperson because his practice of filling out grant applications could give the appearance of impropriety. The Chairperson indicated that he did not think this was improper because the grantees signed the applications and presented their requests at public meetings of the ANC.³

³ There was one instance where the Chairperson failed to obtain the signature of the grantee, however, the grant request went forward and was subsequently approved at a public meeting (i.e., check number 1339).

Because grant awards represented 98% of total funds disbursed by the Commission during the audit period, a listing of the grants, including payee, amount, and purpose, are presented in Table III. Nineteen grants were awarded, however, the number of grantees totaled eleven. Over half, or \$17,978, of the grant funds disbursed were used to purchase iron tree boxes to beautify neighborhoods within ANC 2C's boundaries. Other grant purposes included crime deterrent efforts, educational and training programs, neighborhood information programs, and recreational activities for youths.

Table III
Advisory Neighborhood Commission 2C
Grants Issued During the Period October 1, 2002 through March 31, 2005

Check Number	Check Date	Payee	Amount	Purpose
1303	10/02/02	Rhode Island Ave Thru P Street Neighborhood Association	\$2,959.78	To place iron tree boxes in the 1500 block of 7 th Street and 1500 block of 8 th Street to beautify the community.
1306	10/08/02	OFTON, Inc. (Organization For Training Others in Need)	\$3,000.00	To upgrade computers for Shaw Job Training Academy
1309	12/30/02	East Central Civic Association	\$3,000.00	To place iron tree boxes in the 1600, 1700 blocks of 5 th Streets, 400 block Q Street, and 1400 block New Jersey Ave to beautify the community.
1313	12/31/02	Sursum Corda Corporation	\$3,000.00	To place iron tree boxes in the 1100 block of Pierce Street, 1100 block of 1 st Street, and the 1100 block of Sursum Corda Court to beautify the community.
1316	11/03/03	East Central Civic Association	\$3,000.00	Iron tree boxes to placed in the 1400 block New Jersey Ave, 1700 block New Jersey Ave, 1400 block 5 th Street, and 1300 block 5 th Street, and 400 block Q Street, NW.
1317	11/03/03	Rhode Island Ave Thru P Street Neighborhood Association	\$3,000.00	To purchase iron rod tree boxes to be placed in 700 block Q Street, 1700 block 7 th Street, 800 block P Street, 1500 block 9 th Street.

1325	10/12/04	COPE (Citizens Organized Patrol Efforts)	\$378.95	To patrol with 3D police SMD 2C-01, 2C-02, and 2C-03, to fight crime, i.e., 7 th to 7 th & Q plus S, plus O Streets.
1326	10/12/04	Rhode Island Ave Thru P Street Neighborhood Association	\$500.00	Beautification Program to purchase iron rod tree boxes.
1327	10/12/04	East Central Civic Association	\$500.00	Beautification Program to place 5 iron tree boxes in ANC 2C-02 boundaries.
1328	10/12/04	OFTON	\$500.00	To obtain a business series video that will help Shaw residents move forward with their entrepreneur endeavors
1331	10/12/04	Friends of Kennedy Playground	\$500.00	To purchase a lockable cabinet for sewing machine, bulletin boards to display art projects in the Art Program.
1332	10/12/04	Bread for the City	\$482.26	To print 5,000 informational "palm" cards to inform neighbors about agency hours and services.
1333	10/23/04	SiNGA, Inc	\$500.00	To purchase sewing kits and additional supplies needed to teach basic sewing at Kennedy Recreation Center in Shaw.
1334	10/23/04	French Street Association ⁴	\$500.00	To sponsor "Kids Korps" which involves neighborhood children in supervised plantings, clean-ups, and recreational activities.
1336	12/30/04	Shaw Main Street, Inc.	\$500.00	Revisions and printing of Shaw Historic Bike Tour brochures.
1337	12/30/04	Friends of Watha T. Daniel Library ⁵	\$250.00	Printing flyers to inform residents of the Library's educational and cultural programs.

⁴ ANC 2C issued a stop payment on this check on 4/6/05

⁵ ANC 2C issued a stop payment on this check on 4/6/05

1339	01/12/05	East Central Civic Association (ECCA)	\$3,691.00	To purchase four Dell Desk Top computers for ECCA to correspond with neighbors & D.C. Government regarding neighborhood issues
1341	02/23/05	Rhode Island Ave Thru P Street Neighborhood Association	\$1,847.50	To purchase 2 Dell Desk Top computers for [the association] to communicate with ANC 2C-01 neighborhood and other ANC 2C community organizations concerning neighborhood issues.
1342	02/23/05	COPE, Inc	\$1,847.50	To purchase 2 Dell Desk Top computers to serve the citizens and ANC 2C commission via public flyers relating anti-crime activities and to communicate with the D.C. police department.
			\$29,956.99	

Source: ANC 2C's quarterly financial reports, checkbook, canceled checks, and bank statements.

The Auditor found that ANC 2C substantially complied with D.C. Code Section 1-309.13 (m) during the audit period.

RECOMMENDATION

In the future to avoid any appearance of impropriety, the Chairperson and any other ANC Commissioner should never complete, in full or in part, a grant request application for a prospective grantee of the Commission.

FIVE OF THE 11 GRANTEES DID NOT SUBMIT WITHIN 60 DAYS A STATEMENT OF USE WITH RECEIPTS TO THE COMMISSION FOR GRANTS ISSUED DURING THE AUDIT PERIOD AS PRESCRIBED BY D.C. CODE SECTION 1-309.13 (m) (3)

D.C. Code Section 1-309.13 (m) (3) states the following:

Within 60 days following the issuance of a grant, the grant recipient shall forward to the Commission a statement as to the use of the funds consistent with the grant application, complete with receipts which support the expenditures.

Of the eleven grantees receiving grants awarded by ANC 2C during the audit period, five failed to submit a statement, complete with receipts, as to the use of funds. Table IV presents grant information related to the five grants. ANC 2C issued stop payment orders on check numbers 1334 for \$500 (issued 12/3/04) and 1337 for \$250 (issued 12/30/04) on April 6, 2005 because the grantees had failed to provide receipts within 60 days following the issuance of the grants and the checks had not been cashed.

Table IV
Statement and Receipts Not Provided By Grant Recipients
For Grants Issued During the Audit Period

Check #	Check Date	Amount	Payee	Date of ANC 2C Letter Requesting Receipts from Grantees
1331	10/12/04	\$500.00	Friends of Kennedy Playground	January 29, 2005
1332	10/12/04	\$482.26	Bread for the City	October 12, 2004 January 29, 2005
1334	12/03/04	\$500.00	French Street Neighbors Association	October 25, 2004 December 13, 2004
1336	12/30/04	\$500.00	Shaw Main Street, Inc.	December 30, 2004 January 29, 2005
1337	12/30/04	\$250.00	Friends of Watha T. Daniel Library	December 30, 2004 January 29, 2005
TOTAL		\$2,232.26		

Source: ANC 2C's quarterly financial reports, checkbook, canceled checks, and bank statements.

RECOMMENDATION

ANC 2C make a final request for grantees to file a statement of how grant funds were used complete with receipts which support the expenditures. Further, ANC 2C should advise the grantees that failure to provide receipts will result in the denial of future grant requests until they comply. The Auditor will deduct the amount of a grant from ANC 2C's future allotments if it fails to ensure that its grantees comply with D.C. Code §1-309.13 (m) (3).

ANC 2C'S CHAIRPERSON AND TREASURER PARTICIPATED IN THE ANC SECURITY FUND

D.C. Code Section 1-309.13 (c) states, in relevant part, the following:

...The Treasurer and Chairperson shall file with the Auditor and maintain in force during their occupancy of their respective offices, a cash or surety bond in an amount and on a form satisfactory to the Auditor. Participation by a Commission in the Advisory Neighborhood Security Fund. . . shall satisfy the requirement of a cash or surety bond. . . .No expenditure shall be made by a Commission. . . .at any time when a current and accurate statement and a bond or its equivalent are not on file with the Auditor.

ANC 2C's Treasurer and Chairperson participated in the ANC Security Fund in calendar years 2003, 2004, and 2005. Therefore, ANC 2C was in compliance with D.C. Code Section 1-309.13 (c)

ANC 2C FORFEITED \$13,817.38 IN ALLOTMENTS AS A RESULT OF ITS FAILURE OR INABILITY TO APPROVE 5 QUARTERLY REPORTS

D.C. Code Section 1-309.13 (j) (1) states, in relevant part, that:

The treasurer of a Commission shall prepare a quarterly financial report on a form provided by the Auditor. The financial report shall be presented to the Commission for its consideration at a Commission meeting within 45 days after the end of the quarter. A copy of the *approved* financial report, signed by the Chairperson, the secretary, and the treasurer shall be filed along with a *record of the vote adopting the report*, with the Auditor within 15 days of approval. [Auditor Emphasis]

As presented in Table V, five (5) of the 10 quarterly financial reports due during the audit period were not approved by a majority of ANC 2C Commissioners in a public meeting at which a quorum was present. Grant awards accounted for \$12,000 of total funds disbursed during the five quarters. Although the grant requests were presented and approved by a majority of Commissioners at public meetings in which a quorum was present, a majority of Commissioners would not approve the quarterly reports that contained the previously approved grants. As a consequence of the failure to approve these quarterly reports before the end of the fiscal year, the Commission forfeited allotments totaling \$13,817.38.

Table V
Advisory Neighborhood Commission 2C
Quarterly Financial Reports Not Approved by the Commission

Report Quarter/FY	Total Disbursements	Commission Vote (4 Commissioners)		Related Allotment	Amount Forfeited
		Yes	No		
1 st Qtr FY03	\$ 3,100.00	2	2	3 rd Qtr FY03	\$ 2,763.48
2 nd Qtr FY03	\$ 3,100.00	2	2	4 th Qtr FY03	\$ 2,763.48
3 rd Qtr FY03	\$ 100.00	2	2	1 st Qtr FY04	\$ 2,763.47
4 th Qtr FY03	\$ 0.00	2	2	2 nd Qtr FY04	\$ 2,763.48
1 st Qtr FY04	\$ 6,000.00	2	2	3 rd Qtr FY04	\$ 2,763.47
	\$ 12,300.00	All Dead-locked			\$ 13,817.38

Source: ANC 2C's quarterly financial reports.

CONCLUSION

During fiscal years 2003, 2004, and 2005, through March 31, 2005, ANC 2C maintained the required documentation to justify and support all expenditures. The Auditor determined that ANC 2C was in substantial compliance with relevant provisions of the Advisory Neighborhood Commissions Act of 1975, as amended, the Financial Management Guidelines and Procedures issued by the Office of the District of Columbia Auditor, and legal opinions issued by the Office of the Attorney General. Overall, the Auditor found that ANC 2C maintained an organized record keeping system and adequate internal controls were in place to produce reliable financial information and substantially ensure that its assets were properly safeguarded.

Of the 10 quarterly financial reports that were due to the Auditor's Office during the audit period, 9 were filed within the filing deadline. Further, ANC 2C exceeded the number of public meetings required to be held annually. Minutes of public meetings held were maintained in the ANC's files.

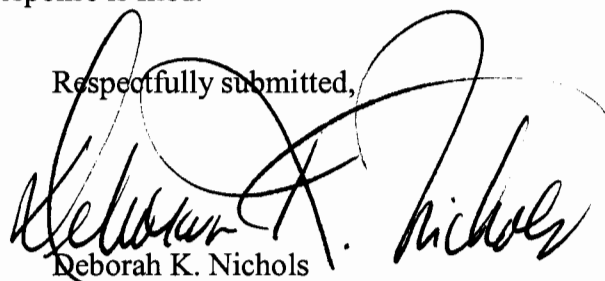
The Auditor found that ANC 2C did not prepare annual fiscal year spending plan budgets during the audit period and recommends that the Commission develop an annual spending plan budget for the upcoming year and put a process in place to ensure that this requirement is met each fiscal year.

All grants issued by ANC 2C complied with the ANC Act and ANC 2C's internal grant policies. The Auditor found, however, that a number of grant applications were filled out by the ANC's Chairperson for prospective grantees. In order to avoid any appearance of impropriety, the Chairperson and any other ANC Commissioner, in the future, should not complete, in full or in part, a grant request application for a prospective grantee of the Commission.

The Auditor found that five of the eleven grantees awarded grants during the audit period failed to submit a statement of the use of grant funds despite ANC 2C's written requests. ANC 2C should make a final request for the grantees to file the required statement complete with receipts which support the expenditures. ANC 2C should also advise the grantees that failure to provide receipts will result in the denial of future grant requests until they comply with D.C. Code Section 1-309.13 (m) (3).

Pursuant to D.C. Code Section 1-309.13 (d) (3), ANC 2C must respond in writing to each of the violations detailed herein within 90 days. Failure to do so will result in the forfeiture of ANC 2C's next scheduled quarterly allotment until a response is filed.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah K. Nichols", written over the typed name.

Deborah K. Nichols

District of Columbia Auditor

APPENDIX

ANC 2C ADVISORY NEIGHBORHOOD COMMISSION
GOVERNMENT OF THE DISTRICT OF COLUMBIA
TERRELL JUNIOR HIGH SCHOOL
FIRST & PIERCE STREETS, NW
WASHINGTON, DC 20001

ANC 2C GRANTS POLICY

1. **APPLICATION.** Grant requests must be made on a grant application form approved by the Commission, as attached hereto.
2. **FUNDING LIMIT.** Grants shall be limited to \$3,000.00 per applicant, per project, per fiscal year.
3. **BUDGET PERIOD.** Funds available for a grant are those funds which have been voted upon by the Commission that will not affect the financial operations of the Commission.
4. **CONSIDERATION OF GRANTS.** Each and every grant application will be considered by the ANC 2C or by the Commissioner for the SMD in which the project is located or in which the applicant resides. The ANC or the Commissioner will recommend to the full ANC that it either approve, partially approve, or disapprove the grant application at a public meeting. The proposed grantee must present the request for a grant at the public meeting of the Commission.
5. **ITEMIZED EXPENDITURES.** Applicants are encouraged to itemize proposed expenditures with grant funds as specifically as possible. If the Commission approves less than the total applied for in the application, it may earmark funds approved for specific items listed in the application or for specific categories of expenditures.
6. **PARTIAL FUNDING.** If a grant is not approved in full, additional funds may be approved only after the applicant has submitted a new grant application, or resubmitted the original grant application.

ANC REQUEST FOR FUNDS: COMMUNITY/SINGLE MEMBER DISTRICT GRANTS

This form must be completed by applicants for community-based funds from ANC 2C

Date of Request: _____ **Date Grant Required:** _____

Persons/Organization requesting funds: _____

Address, Telephone Number of Applicant: _____

General Purpose of Applicant Organization: _____

Amount Sought: _____

Specific Purpose of Request: _____

Other Funding Sources for Project and Amounts Obtained: _____

Public Benefit of Grant: _____

Make Check Available To: _____

Note: A report indicating how project funds were expended must be submitted within thirty days of project completion or within three months after the grant is approved, whichever is sooner.

Name of Person Responsible for Report to ANC: _____

Address, Telephone Number or Person Responsible: _____

I certify that the goods or services described above represent bona fide expenses that the ANC funds will be used to cover.

Signature: _____ **Date:** _____

OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

Statutory Guidelines for ANC Grant Awards

I. Statutory Guidelines for Grant Awards

- D.C. Code, Section 1-264 authorizes ANCs to award grants to organizations for public purposes.
- A Commission must adopt guidelines for the consideration and award of grants. The guidelines should include procedures that a proposed grantee must follow in order to present a written and oral grant request to the Commission at a public meeting of the Commission.
- A grant request may be received from an organization proposing to provide services that are public in nature and benefit persons who reside or work within the Commission area. The services proposed should not duplicate those that are already performed by the District government.
- Expenditures for grant awards should be supported by documentation (e.g. vouchers, grant request letter and/or proposal, and minutes of the meeting in which the Commission approved the grant).
- Grant disbursements should be included in quarterly financial reports submitted to the Office of the District of Columbia Auditor.
- Within a reasonable period after the grant award is disbursed to the grantee, the Commission should determine that grant funds were used specifically for the purpose approved by the Commissioners.

II. Purposes for Which Grants Are Allowed

- Parent-Teacher Associations to fund such activities as computer literacy programs, musical instruction programs, or local cultural education field trips.
- Neighborhood Civic Associations for projects or activities of a public nature that benefit the Commission area.

III. Purposes for Which Grants Are Prohibited

- Grant awards should not be made for non-public purposes or where services are provided for personal gain.
- Grant awards should not be made conditional on a grantee's political support or support of a position taken by the Commission.
- Grant awards should not be made to a District agency or agency program funded by the District Government.
- Grant awards should not be made where the funds will be used for food and/or entertainment purchases.
- Grant awards should not be made to an individual in that they are deemed a non-public purpose expenditure.

PROCEDURAL REQUIREMENTS FOR GRANT AWARDS

1. Ensure that a grant request letter or proposal is submitted for the Commission's review.
2. Ensure that the grant request letter or proposal adheres to the public purpose requirement.
3. Ensure that the organization requesting a grant is a legitimate business entity.
4. Ensure that the organization's representative presents the grant request at a public meeting of the Commission.
5. Ensure that grant guidelines are included in the ANC's by-laws.
6. Ensure that Commission minutes reflect the approval of all grants awarded by the ANC.
7. Ensure that the grantee uses the grant funds for the purpose stated in the grant request letter or proposal.

SPECIFIED GOVERNMENTAL AUTHORITY

§ 1-309.13

(l)(1) A Commission shall expend funds received through the annual allocation received pursuant to subsection (a) of this section, or other donated funds, for public purposes within the Commission area or for the functioning of the Commission office, including staff salaries, Commissioner training, property liability insurance, and nominal refreshments at Commission meetings. Expenditures may be in the form of grants by the Commission for public purposes within the Commission area pursuant to subsection (m) of this section. A Commission may expend its funds for Commissioner training on subjects pertaining to their official duties when such training is not available from government sources. A Commission may expend its funds to purchase insurance or obtain indemnification against any loss in connection with the assets of the Commission or any liability in connection with the activities of the Commission, such insurance or indemnification to be purchased or obtained in such amounts and from such sources as the Commission deems to be appropriate. Funds may be used to pay the local transportation expenses of a Commissioner if the Commissioner is officially representing the Commission or a committee of the Commission at public hearings or meetings or is engaged in official Commission business.

(2) Funds allocated to the Commissions may not be used for a purpose that involves partisan political activity, personal subsistence expenses, Commissioner compensation, meals, legal expenses other than for Commission representation before an agency, board, or commission of the District government, or travel outside of the Washington metropolitan area.

(m)(1) A grant may not be awarded unless the grant is awarded pursuant to a vote of the Commission at a public meeting following the public presentation of the grant request. A Commission may approve grants only to organizations that are public in nature and benefit persons who reside or work within the Commission area. The services provided by the grantee organization must not be duplicative of any that are already performed by the District government.

(2) An applicant for a grant must submit an application in writing to the Commission. The application shall contain:

(A) A description of the proposed project for which the grant is requested;

(B) A statement of expected public benefits; and

(C) The total cost of the proposed project, including other sources of funding, if any.

(3) Within 60 days following the issuance of a grant, the grant recipient shall forward to the Commission a statement as to the use of the funds consistent with the grant application, complete with receipts which support the expenditures.

(4) Grant disbursements shall be included in quarterly financial reports submitted to the Auditor.

(n) The Mayor may, pursuant to subchapter I of Chapter 5 of Title 2, issue rules to implement the provisions of this section. The proposed rules shall be submitted to the Council for a 45-day period of review, excluding Saturdays, Sundays, legal holidays, and days of Council recess. If the Council does not