

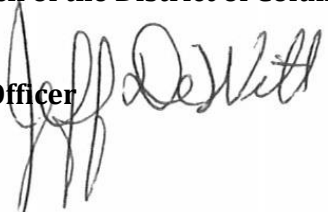
Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: March 4, 2014

SUBJECT: Fiscal Impact Statement – Advisory Neighborhood Commissions 5C
Debt Forgiveness Temporary Act of 2014

REFERENCE: As introduced

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Background

Under current law, Advisory Neighborhood Commissions (ANCs) receive quarterly allotments¹ from the District of Columbia to manage their day to day operations. ANCs use the allotments to pay for staff, programs and sometimes issue grants upon a public vote of the Commission.² Current law also allows the Office of the District of Columbia's Auditor ("Auditor") to withhold quarterly allotments to an ANC if the ANC fails to file financial reports with the Auditor, expends funds without a sitting treasurer, or issues grants that do not meet the criteria set forth in law.³

The Auditor has recently determined that ANC 5C made unallowable grant expenditures of \$18,388.82 prior to 2012. As a result, the Auditor is withholding the quarterly allotments to ANC 5C until ANC 5C can repay the District all of the unallowable expenditures.⁴

¹ D.C. Official Code § 1-207.38.

² D.C. Official Code § 1-309.13. 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.

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

⁴ The ANC Security Fund authorized under D.C. Official Code § 1-309.14 to protect the ANCs against loss of funds due to unauthorized expenditures. However, ANC 5C can seek assistance from this fund because the Commission members of the old ANC 5C approved the unauthorized grant expenditures. The ANC Security Fund can only be used if the Treasurer of the ANC makes expenditures unauthorized by the ANC members.

The Honorable Phil Mendelson

FIS: "Advisory Neighborhood Commissions 5C Debt Forgiveness Temporary Act of 2014," as introduced

The bill requires the District forgive ANC 5C's debt for the unallowable grants, and the Auditor to resume transfer of the quarterly allotments.

It is important to note that as a result of 2012 redistricting, ANC 5C now covers an entirely new geographic area, and serves a different neighborhood that does not at all overlap with the jurisdiction of the pre-redistricting ANC 5C.

Financial Plan Impact

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill. The District has already set aside the full allotments for all ANCs in its FY 2014 budget and continuing with payments to ANC 5C as planned in the FY 2014 budget will not have a fiscal impact. The Office of the DC Auditor has confirmed that no expenditures have been booked for accounts receivable on ANC 5C's debt and the Auditor can absorb the cost of forgiving ANC 5C's debt.⁵

⁵ Phone conversation with Lawrence Perry, February 27, 2014.