



COUNCIL OF THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

May 14, 1991

Mrs. Virginia Matthews
Commissioner, ANC 5-C
506 Edgewood Street, N.E.
Washington, D.C. 20017

Dear Commissioner Matthews:

I am writing in response to your request to my office for an opinion about the validity of a particular financial transaction involving ANC funds. As I understand it, ANC 5-C at some point received proceeds from insurance covering stolen equipment. The money was deposited by the Treasurer, after consultation with the Chairman but without the knowledge of other Commissioners, in an existing savings account. The deposit was not subsequently reported to the Commission, and although it may have been reported on the next quarterly financial report filed with the D.C. Auditor, that quarterly report was not reviewed by the Commission.

Subsection 16(b) of the Advisory Neighborhood Councils Act of 1975 (D.C. Code sec. 1-264(b)), as amended recently by D.C. Law 8-203, requires that:

Each Commission shall by resolution designate a commercial bank, savings and loan association, credit union, or any combination thereof, which is insured by the government of the United States •••and which is located within the District of Columbia, as a depository of all funds received by the Commission. Each Commission shall establish no more than one checking or negotiable order of withdrawal account. The Commission may deposit into any savings account created pursuant to this section funds not immediately needed for the operation of the Commission.^w

Accordingly, the law does not prohibit an ANC from having a savings account. However, a new account may only be established by a resolution adopted by the Commission.

Looking elsewhere in the ANC law, there is no requirement that deposits require prior Commission approval. Withdrawals of any kind are the only type of financial transaction requiring prior approval. Thus, there is no legal impropriety in the Treasurer having deposited the insurance proceeds without the Commission having approved the transaction beforehand.

The ANC 5-C bylaws (a copy of which was received on March 20, 1991 by the Committee on Government Operations) do not appear to impose an approval

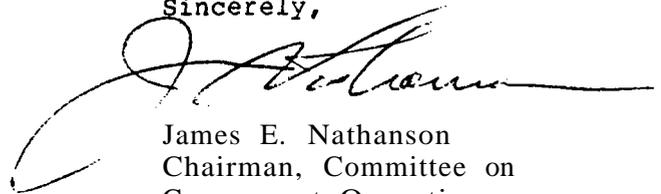
requirement for deposits, although section 9(b) of the bylaws does require that -The Financial Secretary shall give a report at each Commission meeting and shall prepare written quarterly reports, copies of which shall be distributed to the Commission members.- Thus, there is clearly a reporting requirement for all deposits.

Similarly, subsection 16(j) of the ANC law requires 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 public meeting of the Commission within 30 days of the end of the quarter. A copy of the approved financial report, signed by the Chairman, the Secretary, and the Treasurer, shall be filed, along with a record of the vote adopting the report with the District of Columbia Auditor within seven days of approval. No quarterly allotment shall be forwarded to a Commission until the report of financial activity for the quarter preceding the immediate previous quarter is submitted to and reviewed by the auditor. A financial report shall be a public document and shall be available for public inspection during the normal office hours of the Commission.-

The suggestion that the Commissioners of ANC 5-C are not receiving financial reports and may not have approved a quarterly report is serious. In particular, the Commission should take immediate steps to ensure that its quarterly reports are reviewed and duly approved before filing them with the D.C. Auditor.

Sincerely,



James E. Nathanson
Chairman, Committee on
Government Operations

cc: James D. Berry, Jr., ANC 5-C Chairman
Otis Troupe, D.C. Auditor