



OFFICE OF THE DISTRICT OF COLUMBIA AUDITOR

717 14TH STREET N.W., SUITE 900
WASHINGTON, D.C. 20005
TEL. 202-727-3600 • FAX: 202-724-8814

Deborah K. Nichols
District of Columbia Auditor

December 23, 2010

ANC TREASURERS:

It is that time of year again! Advisory Neighborhood Commissions (ANC) must file with the Office of the District of Columbia Auditor information required by the Advisory Neighborhood Commissions Act of 1975, as amended¹. With this letter, I am sending your Commission forms that must be completed and returned to the Office of the District of Columbia Auditor by **Monday, January 31, 2011**. All forms enclosed with this letter are also available on the Auditor's website: dcauditor.org. The enclosed forms need the immediate attention of the Commission as a whole and the particular attention of the Commission's Treasurer and Chairperson. The package includes:

1. resolution that must be approved by the Commission if it plans to participate in the Advisory Neighborhood Commission Security Fund (ANC Security Fund).² The ANC Security Fund covers certain losses incurred by an ANC as a result of the misappropriation or negligent loss of funds by the Commission's Treasurer or Chairperson. Each ANC's fee is \$25;
2. ANC Security Fund Agreement, which must be completed and filed with the Office of the District of Columbia Auditor along with the required \$25 fee in order for an ANC to participate in the Fund;
3. copies of the "Statement of Information" form which must be completed by the ANC's Treasurer and Chairperson and filed with the Office of the District of Columbia Auditor as required by D.C. Code § 1-309.13 (c), and
4. bank survey form which: (a) requests information concerning the bank with which the ANC maintains its checking account and savings account, if applicable; (b) lists the ANC's officers for calendar year 2011; and (c) lists the Commissioners on the bank signature card for calendar year 2011

¹ See 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 § 1-309.01 *et seq.*

² See D.C. Code § 1-309.14 which establishes the Advisory Neighborhood Commission Security Fund and participation requirements.

The Resolution, ANC Security Fund Agreement, Statement of Information for the Chairperson and the Treasurer, the Bank Survey form, and a copy of the ANC's signature card on file with the bank are due in the Office of the District of Columbia Auditor **not later than Monday, January 31, 2011**. Please be aware that the ANC law requires that all ANC Chairpersons and Treasurers must obtain a cash or surety bond or the ANC must participate in the ANC Security Fund each calendar year.³ Please make checks for the \$25 fee payable to the ANC Security Fund.

During the month of January only, which is a period of transition, disbursements for ongoing operating expenses that have been approved by the ANC are the only checks that may be written on the ANC's account prior to the ANC obtaining a cash or surety bond or filing the necessary papers and fee with the Office of the District of Columbia Auditor to participate in the Fund. Please also note that "the ANC Act provides that checks for expenditures must be signed by two officers, one of whom must be the Treasurer or Chairperson who have met the bonding requirements. Following the short period after an election in which the newly elected officers, who have begun their terms, satisfy the requirements for signing checks, the outgoing officers do not retain any authority to sign checks as they no longer hold office and cannot satisfy the requirements under the ANC Act."⁴ I have enclosed, for your reference, a copy of the legal advice letter from the District of Columbia, Office of the Attorney General (OAG) regarding this matter.

Checks written after January 31, 2011, during a period when the Chairperson or Treasurer are not covered by a cash or surety bond or the ANC is not a participant in the ANC Security Fund, will result in the deduction of such expenditures from the ANC's future quarterly allotments.

Should you have any questions or require assistance in understanding the financial reporting requirements and the completion of these forms, please contact Mr. Lynard Barnum, Financial Auditor/ANC Program Manager, on (202) 727-3600.

Respectfully,

Laurene B Perry, Deputy Auditor
for: Deborah K. Nichols
District of Columbia Auditor

Enclosures

cc: Chairperson (letter only)

³ See D.C. Code § 1-309-13 which states in part: "The Treasurer and Chairperson shall file with the Auditor and maintain in force . . . a cash or surety bond in an amount and on a form satisfactory to the Auditor. Participation by a Commission in the Advisory Neighborhood Commission Security Fund established by § 1-309.14 shall satisfy the requirement of a cash or surety bond."

⁴ See attached legal advice letter from OAG, RE: May an outgoing officer continue to sign checks following the annual election of officers?, dated March 15, 2010.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



LEGAL COUNSEL DIVISION

March 15, 2010

Gottlieb Simon
Executive Director
Office of Advisory Neighborhood Commissions
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Re: May an outgoing officer continue to sign checks following the annual election of officers?

Dear Mr. Simon:

This is in response to your request for legal advice as to whether an outgoing officer may continue to sign checks to pay for an ANC's expenditures following the annual election of officers. You state that this question has arisen because there is often a transition period after an election during which the newly elected officers must become signatories on the ANC bank account and satisfy the statutory requirements for signing checks.

The ANC Act¹ imposes specific requirements for making expenditures by check. Section 16(f) (D.C. Official Code § 1-309.13(f)) requires that each check "[b]e signed by at least 2 officers of the Commission, one of whom shall be the treasurer or Chairperson."² Under Section 16(c) of the Act (D.C. Official Code § 1-309.13(c)), the treasurer and Chairperson are required to "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." However, the Act provides that the Commission's voluntary participation in the Advisory Neighborhood Commission Security Fund (Fund) established under section 17 of the Act (D.C. Official Code § 1-309.14) will satisfy the bond requirement. To be eligible to participate in the Fund, the Commission must make an annual contribution (\$25) to the Fund at the beginning of the fiscal year, and the treasurer and the Chairperson of the Commission must complete a form to be filed with the Auditor agreeing "to be personally liable to the Fund for any sum paid out by the Fund as a result of the treasurer or Chairperson's wrongful misappropriation or loss of

¹ The Advisory Neighborhood Councils Act of 1975, effective October 10, 1975 (D.C. Law 1-21, D.C. Official Code § 1-309.01) (2006 Repl. and 2009 Supp.).

² Another officer may be the co-signor of checks under D.C. Official Code § 1-309.13(f) provided that he or she is a signatory on the Commission's bank account.

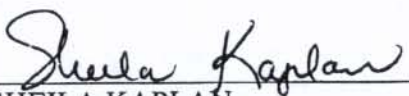
Commission monies." D.C. Official Code § 1-309.14(b). Further, under D.C. Official Code § 1-309.13(c), no expenditure, whether by check or other payment, may be made by the Commission during the vacancy in the office of treasurer or at any time when the bond or its equivalent is not on file with the Auditor.

ANC officers serve one-year terms. Under section 14(e)(1) of the ANC Act (D.C. Official Code § 1-309.11(e)), an ANC election must be held in January of each year for all officers. The officers begin their terms upon election, unless otherwise provided for by the ANC's by-laws. Once these new officers take office, the outgoing treasurer or chairperson (or any other outgoing officer who was a signatory to the Commission's account) may not sign any checks for ANC expenditures. However, before the newly elected officers may sign checks, the Act requires that "the depository in which the Commission maintains a checking account shall be immediately notified of any change in Commission officers" D.C. Official Code § 1-309.13(f)(1), and the new treasurer and Chairperson must comply with the bonding requirements under D.C. Official Code § 1-309.13(c), by either securing a cash or surety bond or filing the required form with the Auditor to allow the Commission to participate in the Fund. These requirements are not onerous and can be satisfied in a short period of time.

In conclusion, the ANC Act provides that checks for expenditures must be signed by two officers, one of whom must be the treasurer or Chairperson who have met the bonding requirements.³ Following the short period after an election in which the newly elected officers, who have begun their terms, satisfy the requirements for signing checks, the outgoing officers do not retain any authority to sign checks as they no longer hold office and cannot satisfy the requirements under the ANC Act.

Sincerely,

PETER J. NICKLES
Attorney General

By: 
SHEILA KAPLAN
Senior Assistant Attorney General
Legal Counsel Division

cc: Lynard Barnum

(AL-10-077)

³ No expenditures may be made without the specific authorization of the Commission. D.C. Official Code § 1-309.13(f)(1).

**Advisory Neighborhood Commission Security Fund
AGREEMENT FOR CALENDAR YEAR 2011**

In order to comply with the requirements of the D.C. Code, Section 1-309.13 of the Advisory Neighborhood Commissions Act of 1975, as amended, the undersigned Advisory Neighborhood Commission agrees to participate in the Advisory Neighborhood Commission Security Fund.

Advisory Neighborhood Commission (ANC) _____ agrees to contribute the sum of twenty five dollars (\$25), to participate in the Fund for the period January 1, 2011 to December 31, 2011.

The Fund shall secure the ANC against misappropriation and negligent losses of funds by the Chairperson and Treasurer of the ANC for unpaid operating expenses that do not exceed the amount of the loss or do not exceed 50 percent of the ANC's Fiscal Year 2010 annual allocation, whichever is less. The Fund, however, shall not be liable for any loss resulting from an expenditure, whether or not legal, that was authorized by vote of the ANC.

Monies from the Fund shall be payable to the ANC only upon written application to the Fund signed by a majority of the members of the ANC and approved by the ANC Security Fund Board of Trustees.

This agreement shall be subject to the guidelines established by the Fund's Board of Trustees.

ADVISORY NEIGHBORHOOD COMMISSION _____

By _____
Chairperson Date

Secretary Date

_____, Chairperson and _____, Treasurer, of the above ANC consent to participation in the Advisory Neighborhood Commission Security Fund and agree to be personally liable to the Fund for any sums paid out by the Fund as a result of my wrongful misappropriation or negligent loss of ANC monies.

Chairperson Date

Treasurer Date

ACCEPTED:

_____, 2011

By _____

Deborah K. Nichols
District of Columbia Auditor

RESOLUTION

Advisory Neighborhood Commission _____

Resolved that this Commission approves the ANC's participation in the Advisory Neighborhood Commission Security Fund and authorizes the Treasurer to pay the \$25 fee for the period January 1, 2011 through December 31, 2011. The Chairperson and Secretary are authorized to execute the attached agreement.

It is understood that: (1) the check for participation in the ANC Security Fund should be made payable to "ANC Security Fund," (2) the ANC is not considered a participant in the Fund until the ANC has received the acceptance section of the agreement which has been signed by the District of Columbia Auditor, and (3) the agreement will not be accepted by the Auditor until all required documents have been received by the Office of the Auditor. The required documents are:

- Resolution
- Agreement
- ANC Check
- Statement of Information - Chairperson
- Statement of Information - Treasurer
- Bank Survey
- Copy of Current Bank Signature Card

Resolution approved at public meeting held on: _____

Treasurer

Chairperson

Secretary

MEMORANDUM
Statement of Information - Chairperson
Calendar Year 2011

TO: Deborah K. Nichols
District of Columbia Auditor

FROM: Advisory Neighborhood Commission _____

ANC address: _____

ANC telephone number: _____

The following information is submitted as of _____

NAME OF CHAIRPERSON _____

HOME ADDRESS _____

BUSINESS ADDRESS (if any) _____

HOME TELEPHONE NUMBER _____

BUSINESS TELEPHONE NUMBER (if any) _____

E:MAIL ADDRESS (if any) _____

Date

Signature of Chairperson

Mail to: Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, D.C. 20005

MEMORANDUM
Statement of Information - Treasurer
Calendar Year 2011

TO: Deborah K. Nichols
District of Columbia Auditor

FROM: Advisory Neighborhood Commission _____

ANC address: _____

ANC telephone number: _____

The following information is submitted as of _____

NAME OF TREASURER _____

HOME ADDRESS _____

BUSINESS ADDRESS (if any) _____

HOME TELEPHONE NUMBER _____

BUSINESS TELEPHONE NUMBER (if any) _____

E:MAIL ADDRESS (if any) _____

Date

Signature of Treasurer

Mail to: Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, D.C. 20005

Office of the District of Columbia Auditor
Advisory Neighborhood Commission
Bank Survey

ANC _____

Calendar Year 2011

ANC's Bank Name: _____

ANC's Bank Contact Person: _____

ANC's Bank Contact Person's Phone # : _____

ANC's Bank Address: _____

City/State/Zip Code: _____

ANC's Bank Account Number:

A. Checking Account Number: _____

B. Savings Account Number: _____

ANC's D.C. Tax I.D. #: _____

ANC Chairperson: _____

ANC Vice-Chairperson: _____

ANC Treasurer: _____

ANC Secretary: _____

ANC's Phone # : _____

ANC's E:mail address (if any): _____

Please list all officers who are signatories on the ANC's bank signature card for calendar year 2011 **and provide a copy of the bank signature card.**

Calendar Year 2011 Bank Signatories
