
Reserve Fund Allocations Violated District Law

April 22, 2026

A report by the Office of the District of Columbia Auditor



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ODCA audited the District's use of its four reserve funds over a six-year period, with a focus on the Contingency Reserve available for nonrecurring or unforeseen needs because it was used most frequently for allocations. ODCA recommends that the Office of the Chief Financial Officer (OCFO) design and implement hard budget controls to prevent unauthorized overspending by District agencies, as well as internal controls to block the unlawful use of the Contingency Reserve when closing out a fiscal year.

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\$2.349
BILLION

Amount allocated between FY 2018–2023 from the Contingency Reserve to District agencies outside the budget process.

ALL
301

Number of Contingency Reserve allocations made by OCFO without legal authority.

13

Number of Contingency Reserve allocations that increased an agency's budget even though the fiscal year had ended—typically because the agency had overspent its budget and violated the District's Anti-Deficiency Act.

Some of the Contingency Reserve allocations made for purposes that were not shown to be "nonrecurring or unforeseen."

\$64 million over 6 years

in addition to operating subsidies in the District's budget—to prevent the insolvency of United Medical Center.

\$30.7 million over 3 years

to demolish DC General.

\$2.8 million

to purchase police uniforms.

\$2.05 million

to renew the District's real property insurance policies.



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April 22, 2026

The Hon. Muriel M. Bowser
Mayor of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington DC 20004

The Hon. Phil Mendelson, Chairman
Council of the District of Columbia
The John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington DC 20004

Dear Mayor Bowser, Chairman Mendelson and Councilmembers:

In the report that follows, **Reserve Fund Allocations Violated D.C. Law**, the Office of the D.C. Auditor recommends that the District's elected officials mandate revisions to the District's Comprehensive Financial Management Policy to ensure appropriate and legal use of the District of Columbia's four reserve funds.

We undertook this review to determine whether D.C. has used its reserves consistent both with law and best practices, and whether allocations from the Contingency Reserve were spent for the intended purposes. We found that the Office of the Chief Financial Officer (OCFO) unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years which served to mask violations of the District's Anti-Deficiency Act. Further, the OCFO allocated Contingency Reserve funds without legal authority to do so.

While we found other deficiencies in the use of District reserve funds and make recommendations to address those shortcomings, we place special emphasis on the role of the District's independent Chief Financial Officer (CFO) and urge your attention to the need for action. The report includes a written response from CFO Glen Lee. We recommend new internal and budgetary controls to prevent both expenditures outside budget authority and the allocation of reserves to cover overspending retroactively after the end of the fiscal year.

The principal author of this report, Assistant Deputy Auditor for Finance Will Singer, and I are available to respond to any questions you have about this report and its recommendations.

Thank you for your leadership.

Sincerely yours,



Kathleen Patterson
D.C. Auditor

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Executive Summary

Why ODCA Did This Audit

With District finances under pressure from federal actions and lingering effects of the pandemic, the Office of the D.C. Auditor undertook a review of the District's four reserve funds to determine if the District used its reserves consistent with law and best practice and whether allocations from the Contingency Reserve were spent for their intended purposes.

What ODCA Found

- The Office of the Chief Financial Officer (OCFO) unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years, obscuring violations of the District's Anti-Deficiency Act.
- OCFO allocated Contingency Reserve funds without legal authority.
- OCFO allocated Contingency Reserve funds:
 - Without independently analyzing the availability of other sources of funds
 - Without documentation showing the allocation was legally permissible
 - Without timely notice to the D.C. Council's budget director
- In two of the 34 allocations we sampled, we found that \$437,961 in Contingency Reserve funds were spent outside the scope of the allocation's purpose.

What ODCA Recommends

1. Use of internal controls that block illegal allocation of reserve funds during the year-end closing period.
2. Use of budget controls that block expenditures that exceed agency appropriations and fund levels.
3. Formal action by elected officials to revise the Comprehensive Financial Management Policy to define appropriate uses of the District's reserves.

Background

State and local governments use reserve funds to manage financial risks.

Because these risks are varied, there are various types of reserve funds.

- *Rainy day funds* are designed to help governments weather economic downturns. A well-resourced rainy day fund allows a government to minimize tax increases or service cuts.
- *Contingency funds* manage the risk of unplanned and unavoidable expenditures that may become necessary when budget assumptions turn out to be incorrect. Contingency funds can be established for a narrow or broad range of purposes. For example, a disaster response fund may be available in case of hurricanes, wildfires, and similar events. A programmatic contingency fund may be dedicated to support a specific program, such as Medicaid or education. And a “pooled” contingency fund may be used government-wide.
- *Cash flow reserves* manage liquidity risk arising from the mismatched timing of expenditures and revenue collections.

In practice, any particular reserve fund might not fall neatly into these categories, because statutes establish the criteria for using reserves.

A portion of the District’s fund balance is restricted or committed for four cash reserves:

- An **Emergency Reserve** that may be used to respond to “unanticipated *and* nonrecurring extraordinary needs of an emergency nature” or during a state of emergency.¹
- A **Contingency Reserve** that may be used to fund “nonrecurring or unforeseen needs that arise during the fiscal year, including . . . opportunities to achieve cost savings.” The Contingency Reserve also may be used if it is needed to cover certain revenue shortfalls.²
- A **Fiscal Stabilization Reserve** that may be used for any permitted purpose of the Contingency Reserve (with Council approval), plus to provide funding for locally approved expenditures during a lapse in regular appropriations or to fund the appropriations advance to D.C. Public Schools and Public Charter Schools as authorized in the District’s budget.³
- A **Cash Flow Reserve** that may be used to cover cash-flow needs or to provide funding for locally approved expenditures during a lapse in regular appropriations.⁴

Each reserve has a statutorily required full-funding level, as shown in Figure 1 below.

1 Section 450A(a) of the Home Rule Act (D.C. Official Code § 1-204.50a(a)) (emphasis added).

2 Section 450A(b) of the Home Rule Act (D.C. Official Code § 1-204.50a(b)) (emphasis added).

3 D.C. Official Code § 47-392.02(j-1).

4 D.C. Official Code § 47-392.02(j-2).

Figure 1: District Cash Reserves and Full Funding Levels

Reserve	Full-Funding Level
Emergency Reserve	2% of Local operating expenditures (excluding debt service) in the prior fiscal year ⁵
Contingency Reserve	4% of Local operating expenditures (excluding debt service) in the prior fiscal year ⁶
Fiscal Stabilization Reserve	2.34% of General Fund operating expenditures in the current fiscal year ⁷
Cash Flow Reserve	8.33% of General Fund operating budget in the current fiscal year ⁸ (increased to 10% beginning in FY 2025 ⁹)

Source: D.C. Official Code.

Congress established the Emergency Reserve and Contingency Reserve in 2000 through amendments to the Home Rule Act. In 2010, the District established the Fiscal Stabilization Reserve and Cash Flow Reserve in local law.

At the end of FY 2019, the Cash Flow Reserve reached its full funding level. As shown in Figure 2, full funding of all reserves continued until FY 2023. As of the end of FY 2024, the District held a total of approximately \$1.57 billion in the reserves; however, this was \$401 million short of full funding.

⁵ Section 450A(a) of the Home Rule Act (D.C. Official Code § 1-204.50a(a)).

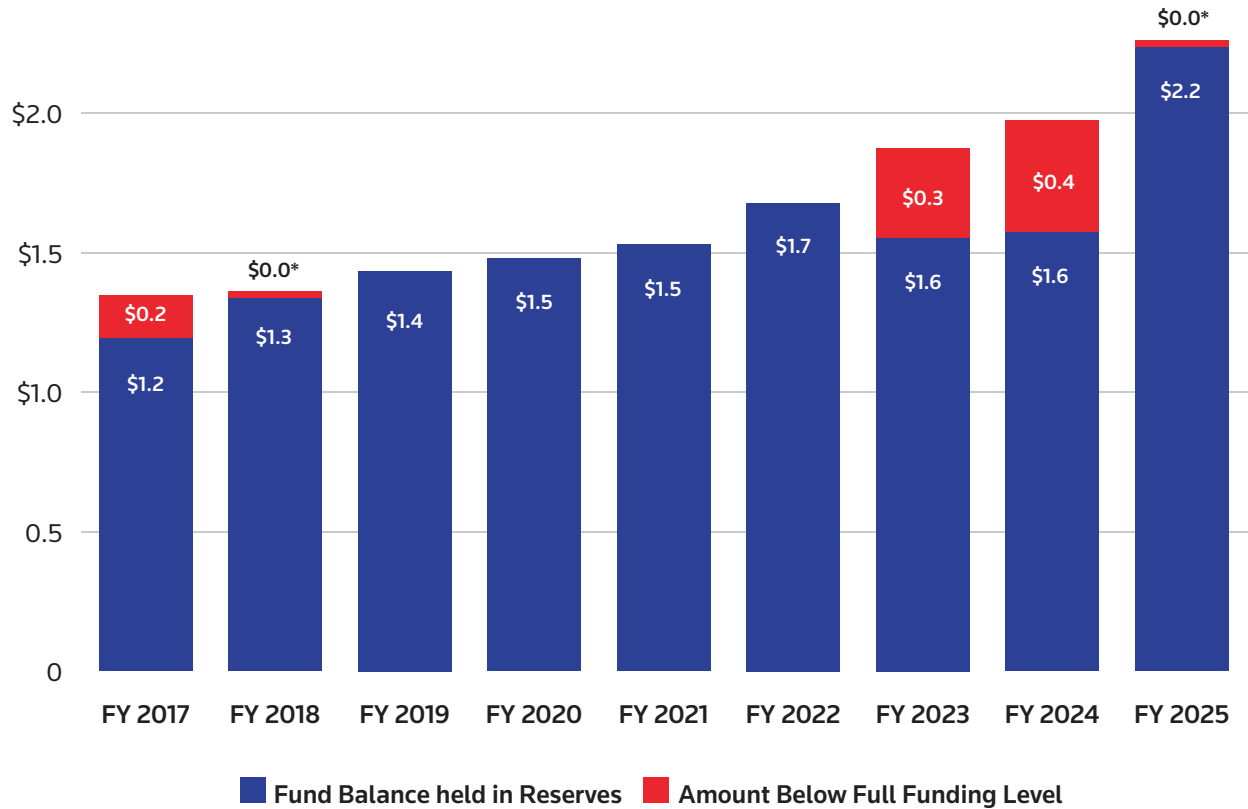
⁶ Section 450A(b) of the Home Rule Act (D.C. Official Code § 1-204.50a(b)).

⁷ D.C. Official Code § 47-392.02(j-1).

⁸ Former D.C. Official Code § 47-392.02(j-2)(3) (as amended through the Fiscal Year 2023 Budget Support Act of 2022, effective September 21, 2022 (D.C. Law 24-167; 69 DCR 9223)).

⁹ Sec. 7233 of the Fiscal Year 2025 Budget Support Act of 2024, effective September 18, 2024 (D.C. Law 25-217; 71 DCR 9990) (amending D.C. Official Code § 47-392.02(j-2)).

**Figure 2: Total Reserve Balance and Full Funding Level, FY 2017–FY 2025
(Dollars in billions)**



Source: ODCA analysis.

* Note: “\$0.0*” means an amount greater than zero that rounds to \$0.0 billion.

The reserves are administered by the Office of the Chief Financial Officer (OCFO), with responsibilities divided among three divisions.

1. The Office of Budget and Planning (OBP) approves and executes allocations in the financial system to allocations from the Contingency Reserve and the Emergency Reserve. When the Fiscal Stabilization Reserve is allocated as part of an approved budget, OBP reflects the allocation in the District’s financial plan. OBP also prepares quarterly reports on the balance and activities of all reserves.
2. The Office of Finance and Treasury (OFT) uses the Cash Flow Reserve as part of its overall cash positioning program, which ensures the District maintains sufficient liquidity to support anticipated payments. OFT also manages the separate investment account for each reserve.
3. The Office of Financial Operations and Systems (OFOS) calculates the full-funding level of each reserve when preparing the District’s annual comprehensive financial report (ACFR).

Objectives, Scope, and Methodology

Objectives

Our objectives for this audit were:

1. To determine whether the District has drawn, replenished, and reported its reserves in accordance with law and best practices.
2. To determine whether funds drawn from the Contingency Reserve were properly spent for the purposes of the draw or, if unspent, were returned to the reserve.

Scope

Although other funds or accounts could be considered reserves in some sense, the audit scope included only the Emergency Reserve, Contingency Reserve, Cash Flow Reserve, and Fiscal Stabilization Reserve.

This audit examined the six-year period spanning from FY 2018 to 2023 (October 1, 2017 to September 30, 2023). During this period, the District had three Chief Financial Officers in succession: Jeffrey S. DeWitt, Fitzroy Lee, and Glen M. Lee.

We engaged the Office of the Chief Financial Officer (OCFO) and the Office of the City Administrator (OCA).

Methodology

To determine whether the District had drawn, replenished, and reported its reserves in accordance with law and best practices, we tested the entire population of 330 allocations from all reserves during the audit period. Specifically, we:

- Identified and analyzed relevant provisions of District law and the District's Comprehensive Financial Management Policy (primarily its Reserve Management Policy).
- Analyzed reserve policies and procedures issued by OCFO's Office of Budget and Planning (OBP) and Office of Finance and Treasury (OFT).
- Compared the District's reserve policies to best practices, including those adopted by the Government Finance Officers Association (GFOA).
- Evaluated the effectiveness of internal controls to reasonably assure that the administration of the reserve funds meets management's objectives and complies with applicable law.
- Verified the annual calculation of each reserve's full-funding level as prepared by the Office of Financial Operations and Systems (OFOS) and reported in the District's annual comprehensive financial report (ACFR).
- Obtained financial system reports showing adjustments to budget authority supported by the Contingency Reserve.
- Created, cross-checked, and analyzed databases based on the information contained in:
 - 24 quarterly reports that had been issued by OBP on the balance and activities of the reserves.

- 288 bank statements (one per month for six years for each of the four reserve accounts) that had been prepared for OFT by its depository bank.
- OCFO's documentation of 301 allocations from the Contingency Reserve, consisting in most cases of the Mayor's letter requesting the allocation, the OBP memo analyzing the request, and OBP's notice to the Council Budget Office.¹⁰
- Determined whether OCFO's documentation showed that each Contingency Reserve allocation was made for a legally permissible purpose.
- Examined the analyses set forth in OBP memos of Contingency Reserve allocations.
- Compared agencies' actual replenishment of Contingency Reserve allocations to the replenishment plans that had been stated in the Mayor's letters.
- Interviewed key personnel in OBP, OFT, OCA, and the Council Budget Office. These interviews clarified the agencies' written policies and procedures, and they also informed our understanding of unwritten practices related to the reserves.

To determine whether funds drawn from the Contingency Reserve were properly spent for the purposes of the draw, we selected a judgmental sample of 34 Contingency Reserve allocations that had been made to 16 different agencies. We then:

- Traced how agencies had spent the allocated funds, by examining supporting documentation such as purchase orders, invoices, and journal entries.
- Determined whether the unspent portion of allocations was returned to the Contingency Reserve.

We did not project results from our sample to the full population of Contingency Reserve allocations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.¹¹

¹⁰ At the outset of our engagement, OBP disclosed to us that some documents had been lost during data migration. For this reason, we were unable to obtain 40 OBP memos and five notices to Council. In addition, OBP was unable to provide and we did not obtain two Mayor's letters, four OBP memos, and two notices to Council because OBP either could not retrieve the documents or they never existed. In the absence of complete documentation, we relied on the documentation that was provided to us and on other documentary evidence including contemporaneous emails and financial system records.

¹¹ Government Accountability Office, *Government Auditing Standards* (GAGAS), § 9.03 (2018 revision technical update April 2021), GAO-21-368G, <https://www.gao.gov/products/gao-21-368g>.

Audit Results

During the 6-year audit period, there were:

- No allocations from the Emergency Reserve.
- 301 allocations from the Contingency Reserve, totaling \$2,349,431,925.
- Two allocations from the Fiscal Stabilization Reserve, totaling approximately \$463,142,000.
- 27 disbursements from the Cash Flow Reserve, totaling \$2,878,194,455.

Figure 3 on the following page shows the amount allocated from the Contingency Reserve to each agency, by fiscal year.

Figure 3: Contingency Reserve Allocations by Agency, FY 2018–2023

Agency	2018	2019	2020	2021	2022	2023	Total
Office of Contracting and Procurement	\$5,000,000	\$500,000	\$266,850,602	\$234,784,159	\$262,468,877	\$2,100,000	\$771,703,638
Department of General Services	\$42,183,000	\$24,968,000	\$48,699,983	\$63,705,625	\$83,781,843	\$66,783,011	\$330,121,462
DC Public Charter Schools	\$122,848,123	\$94,762,479		\$5,849,221		\$13,000,000	\$236,459,823
Deputy Mayor for Planning and Economic Development	\$9,000,000	\$13,000,000	\$25,000,000	\$80,548,933	\$8,794,713	\$7,560,000	\$143,903,646
Homeland Security and Emergency Management Agency	\$2,500,000			\$500,000		\$114,377,497	\$117,377,497
Department of Human Services			\$6,000,000		\$37,561,384	\$65,276,799	\$108,838,183
Not-for-Profit Hospital Corporation	\$26,893,836	\$24,260,773	\$9,790,000	\$25,000,000	\$7,000,000	\$7,000,000	\$99,944,609
Department of Health Care Finance	\$10,000,390	\$5,000,000	\$35,438,396	\$9,900,000	\$15,000,000		\$75,338,786
Washington Metropolitan Area Transit Authority Subsidy		\$13,578,432	\$732,624	\$58,095,409	\$2,748,234		\$75,154,699
Office of the State Superintendent of Education		\$4,650,000	\$2,853,504	\$15,461,143	\$29,630,000	\$8,300,000	\$60,894,647
DC Public Schools	\$1,153,179	\$950,000		\$8,606,094	\$29,930,833	\$12,439,784	\$53,079,890
Department of Housing and Community Development	\$5,000,000	\$7,200,000		\$400,000		\$29,183,254	\$41,783,254
Pay-As-You-Go Capital Fund		\$18,896,022	\$974,500	\$4,677,398	\$1,500,000		\$26,047,920
District Department of Transportation	\$1,036,700			\$254,000		\$22,190,216	\$23,480,916
Metropolitan Police Department	\$13,638,419		\$7,300,805				\$20,939,224
Department of Behavioral Health	\$5,500,000		\$1,455,193	\$5,105,479	\$4,718,427		\$16,779,099
Department of Employment Services				\$5,059,825	\$3,910,993	\$7,036,249	\$16,007,067
Department of Forensic Science	\$600,000			\$7,650,183	\$4,852,204		\$13,102,387
Department of Corrections	\$11,040,000						\$11,040,000
Department of Parks and Recreation		\$1,749,813	\$2,258,000	\$1,919,580	\$5,071,500		\$10,998,893
Captive Insurance Agency		\$1,321,737	\$1,378,000	\$3,361,500	\$1,970,831		\$8,032,068
Office of the Chief Technology Officer	\$5,192,000		\$1,000,000		\$1,828,176		\$8,020,176
Fire and Emergency Medical Services	\$6,949,423		\$425,000				\$7,374,423
Department of Health	\$73,417			\$6,880,000			\$6,953,417
Emergency Planning and Security Fund		\$6,000,000					\$6,000,000
Department of Motor Vehicles			\$3,000,000			\$2,267,828	\$5,267,828
Other Post-Employment Benefits Contribution				\$5,200,000			\$5,200,000
Employees Compensation Fund	\$5,060,000						\$5,060,000
Office of the Tenant Advocate		\$3,831,724			\$511,680	\$340,000	\$4,683,404

Agency	2018	2019	2020	2021	2022	2023	Total
Department of Public Works	\$994,690	\$1,700,000	\$200,000	\$1,417,924			\$4,312,614
Department on Disability Services	\$4,000,000						\$4,000,000
Deputy Mayor for Education	\$850,000	\$77,278		\$700,000		\$2,208,485	\$3,835,763
Events DC Transfer						\$3,000,000	\$3,000,000
Board of Elections	\$1,300,000	\$290,000	\$220,260		\$1,000,000		\$2,810,260
Office of the Chief Financial Officer				\$2,650,000			\$2,650,000
Unemployment Compensation Fund			\$2,316,906				\$2,316,906
Office of the City Administrator						\$1,983,848	\$1,983,848
Executive Office of the Mayor					\$1,906,396		\$1,906,396
Department of Human Resources	\$433,710	\$238,504	\$128,292	\$150,000	\$890,695		\$1,841,201
Health Benefit Exchange Authority					\$1,600,000		\$1,600,000
Commercial Paper Program						\$1,400,000	\$1,400,000
Office of Planning		\$1,083,000					\$1,083,000
Office of the Attorney General	\$965,000						\$965,000
Department of Youth Rehabilitation Services				\$928,150			\$928,150
Deputy Mayor for Public Safety					\$825,000		\$825,000
Special Education Transportation				\$710,056			\$710,056
Office of Campaign Finance			\$700,000				\$700,000
Office of the Inspector General						\$663,000	\$663,000
Office of Neighborhood Safety and Engagement	\$300,000				\$361,344		\$661,344
Department of For-Hire Vehicles						\$500,000	\$500,000
DC National Guard					\$400,000		\$400,000
Mayor's Office of Deaf, DeafBlind, and Hard of Hearing						\$301,247	\$301,247
Office of Administrative Hearings					\$250,000		\$250,000
Office of Disability Rights						\$94,754	\$94,754
Commission on Judicial Disabilities and Tenure		\$55,603					\$55,603
Judicial Nomination Commission		\$50,828					\$50,828
Total	\$282,511,887	\$224,164,193	\$416,722,065	\$549,514,679	\$508,513,130	\$368,005,972	\$2,349,431,925

Source: ODCA analysis of documentation of Contingency Reserve allocations.

OCFO unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years, obscuring Anti-Deficiency Act violations.

Agencies may not act beyond their statutory authority.¹² District law and the Reserve Management Policy do not authorize Contingency Reserve allocations during the year-end closing period—the time between the last day of the District’s fiscal year and the close of the District’s financial records for that fiscal year.¹³

The Home Rule Act charges the District’s Chief Financial Officer with the duty of “[i]mplementing appropriate procedures and instituting such programs, systems, and personnel policies within the Chief Financial Officer’s authority . . . to ensure that appropriations are not exceeded.”¹⁴

The District’s Anti-Deficiency Act, among other things, forbids a District employee to:

1. Make or authorize an expenditure or obligation exceeding an amount available in an appropriation for an agency, fund, or capital project; [or]
2. Obligate the District for the payment of money before an appropriation is made or before a certification of the availability of funds is made, unless authorized by law.¹⁵

Without statutory authority, OCFO executed 13 allocations from the Contingency Reserve during the year-end closing period of FYs 2019 through 2022. Of these allocations, 11 had been requested by the Mayor after the fiscal year had ended, and the remaining two allocations were executed by OBP without a request from the Mayor. Figure 4 shows the 13 allocations made from the Contingency Reserve during the year-end closing period.

¹² *District of Columbia v. Brookstowne Cmty. Dev. Co.*, 987 A.2d 442, 449 (D.C. 2010).

¹³ In contrast, annual appropriations acts expressly provide for the reprogramming of budget authority after the end of the fiscal year until November 15. See, e.g., Fiscal Year 2023 Local Budget Act of 2022, effective September 9, 2022 (D.C. Law 24-166; 69 DCR 11412) (stating in a proviso: “the local funds (including dedicated taxes) and other funds appropriated by this act may be reprogrammed and transferred as provided in [D.C. Official Code § 47-361 et seq.], or as otherwise provided by law, through November 15, 2023”).

¹⁴ Section 424D(5) of the Home Rule Act, approved April 17, 1995 (D.C. Official Code § 1-204.24d(4); 109 Stat. 142).

¹⁵ D.C. Official Code § 47-355.02.

Figure 4: Year-End Allocations from the Contingency Reserve

FY	Agency	Amount Allocated from Reserve at Year-End	Date of Mayor's Request	Days from FY End to Mayor's Request	Date of OBP Analysis	Effective Date in Financial System
2019	DPW	\$700,000	11/8/19	39	*	9/30/19
2019	DCPCS	\$400,000	11/15/19	46	*	9/30/19
2020	OCP	\$27,094,657	10/16/20	16	11/13/20	9/30/20
2020	OCP	\$28,434,672	11/20/20	51	*	9/30/20
2020	UCF	\$2,316,906	12/1/20	62	12/3/20	9/30/20
2020	WMATA	\$732,624	12/1/20	62	12/7/20	9/30/20
2020	OCP	\$989,995	*	N/A	*	9/30/20
2021	WMATA	\$58,095,409	11/12/21	43	11/16/21	9/30/21
2021	DGS	\$5,970,849	12/2/21	63	12/9/21	9/30/21
2021	OSSE	\$3,461,143	12/12/21	73	12/20/21	9/30/21
2022	DGS	\$3,001,741	10/4/22	4	10/11/22	9/30/22
2022	OCP	\$1,448,583	10/28/22	28	11/6/22	9/30/22
2022	DGS	\$1,244,246	*	N/A	*	9/30/22

Source: ODCA analysis of documentation of Contingency Reserve allocations and data reported from the District's financial system.

Note 1: An asterisk means that a Mayor's request or OBP analysis memo was not prepared or was lost in a data migration and could not be provided to ODCA.

Note 2: Agency names are abbreviated as follows: DC Public Charter Schools (DCPCS); Department of Public Works (DPW); Unemployment Compensation Fund (UCF) for former District employees; District subsidy to the Washington Metropolitan Area Transit Authority (WMATA); Office of Contracting and Procurement (OCP); Department of General Services (DGS); Office of State Superintendent of Education (OSSE).

In some cases, the Mayor requested Contingency Reserve allocations during the year-end closing period because an agency's obligations and expenditures had exceeded its appropriations, in violation of the District's Anti-Deficiency Act.¹⁶ For example, at the end of September 2020 the Unemployment Compensation Fund (which pays unemployment benefits to former District employees) had made expenditures exceeding its appropriations by \$2,174,476. Then in December 2020, the Mayor requested and OCFO executed a FY 2020 Contingency Reserve allocation of approximately \$2.3 million, with a backdated effective date of September 30, 2020.

¹⁶ D.C. Official Code § 47-355.02(1).

In two other cases, OCFO allocated Contingency Reserve funds during the year-end closing period without a request from the Mayor and after an agency's obligations and expenditures had exceeded its appropriations.

First, in FY 2020 the District incurred—but did not record—a liability to Events DC for its use of convention center space as an alternate care site for Covid response. No earlier than December 15, 2020, OCFO officials realized that Events DC had recorded an amount due from the District that did not correspond to an amount the District had designated as due to Events DC. This unrecorded liability caused a violation of the District's Anti-Deficiency Act because obligations and expenditures had exceeded an appropriation at the agency level. To obtain the budget authority necessary to liquidate the FY 2020 portion of the unrecorded liability, OCFO allocated \$989,995 from the Contingency Reserve to the Office of Contracting and Procurement (OCP). Although the Mayor did not request this Contingency Reserve allocation, OBP management represented in an internal email that the Mayor's budget director was "cool with that."¹⁷

Second, on July 1, 2022, OBP erroneously transferred to the Department of General Services (DGS) from the District's Non-Departmental Account approximately \$1.2 million more in budget authority than had been available for transfer. OBP corrected this error during FY 2022's year-end closing period by reducing DGS's budget authority, but the correction left DGS with a negative amount of budget authority in the comptroller source group for Subsidies and Transfers. In November 2022, the DGS agency fiscal officer alerted OBP to an erroneous negative budget entry that "would be difficult to explain to the Mayor's Office as well as the Council."¹⁸ OBP then allocated \$1,244,246 from the Contingency Reserve to DGS, without a request from the Mayor.

OCFO did not have internal controls to block the allocation of Contingency Reserve funds after the end of the fiscal year because it did not question the permissibility of year-end closing allocations.

In both cases where OCFO executed a year-end Contingency Reserve allocation without a request from the Mayor, the agencies had received earlier unrelated allocations from the Contingency Reserve. The agencies had partially replenished the earlier allocations during the year-end closing period. OBP reasoned that by reversing part of the *replenishment*, funds could be returned to the agencies without the need for a new allocation and a new Mayor's request; however, this was contrary to a previous OBP practice forbidding the reprogramming of Contingency Reserve funds for a new purpose. In reality, new allocations had occurred.

OCFO lacked hard budgetary controls to block agencies from spending and obligating funds in excess of appropriations, and officials sometimes waited until the year-end closing period to address issues that had been identified during the fiscal year. For example, OCFO's financial review process (FRP) for the third quarter of FY 2020 projected that the Unemployment Compensation Fund would overspend by \$1.5 million, while noting uncertainty as to the amount. But OCFO permitted expenditures to continue through the remainder of the fiscal year, even in the absence of additional budget authority, because there were no hard budget controls to prevent deficiency spending at the agency and fund level.

¹⁷ Email dated December 21, 2020.

¹⁸ Email dated November 16, 2022.

Year-end Contingency Reserve allocations had the effect of preventing budget deficiencies from being disclosed as negative expenditure variances in exhibits to the District’s annual comprehensive financial report (ACFR), obscuring Anti-Deficiency Act violations. As a result, District management including the Council did not have information that might have prompted asking why overspending had occurred, whether it warranted any adverse personnel action, and how it could be prevented in the future.

Recommendations

1. OCFO should design and implement internal controls to block the illegal allocation of reserve funds during the year-end closing period, unless it were to become legally authorized to do so.
2. OCFO should design and implement hard budget controls to block expenditures and obligations from exceeding appropriations at the agency and fund level.

OCFO allocated Contingency Reserve funds without legal authority by implementing reserve policies that had not been considered and adopted by elected policymakers.

As creatures of statute, agencies may not act beyond their statutory authority.¹⁹ Further, the Government Finance Officers Association (GFOA) recommends that all financial policies should be written, and they should be formally considered and adopted.²⁰

Two of OCFO’s practices for allocating reserve funds exceeded its authority as expressed in statutes and the District’s Reserve Management Policy.²¹ These practices were documented only in an internal DIFS manual that was not formally considered and adopted by elected officials.

First, the DIFS manual for making budget adjustments stated that the Mayor may initiate allocations from the Emergency and Contingency Reserves in a letter that requests an allocation and includes a replenishment plan.²² Neither the Home Rule Act nor an act of the Council nor the Reserve Management Policy authorized OCFO to allocate Emergency or Contingency Reserve funds or stated that a request from the Mayor is a sufficient basis for an allocation.

Second, the DIFS manual for executing advance appropriations to education agencies stated that Contingency Reserve or Cash Flow Reserve may be used as a source of budget authority to support advance funding for education agencies, if the District has not approved the subsequent year’s budget by July 1.²³ Again, District law and the Reserve Management Policy do not authorize the use of the Contingency Reserve or Cash Flow Reserve to cover the advance to education agencies.

19 *District of Columbia v. Brookstowne Cmty. Dev. Co.*, 987 A.2d 442, 449 (D.C. 2010).

20 Government Finance Officers Association, *Best Practices: Adopting Financial Policies* (September 30, 2015).

21 The Reserve Management Policy is a component of the District’s Comprehensive Financial Management Policy. Therefore its initial adoption, and any revisions, are subject to review and comment by the Mayor and approval by the Council under section 450B of the Home Rule Act, approved Nov. 22, 2000 (114 Stat 2440; D.C. Official Code § 1-204.50b).

22 DIFS Budget 4050 – Amendments (Modifications) (version 1.1, October 11, 2022) at 26-27.

23 DIFS Budget 4080 – Advance Funding (School Advance) (version 1.0, August 29, 2022) at 3, 6, 9. The District’s annual appropriations acts typically authorize public charter schools (and certain other education agencies) to access a portion of the next year’s appropriation on July 1. In addition, District law requires public charter schools to receive the first quarterly installment of annual payments no later than July 15 of each year. D.C. Official Code § 38-2906.02(a).

OCFO did not make effective use of its authority to establish and revise the Reserve Management Policy (with comments from the Mayor and approval by the Council) under Section 450B of the Home Rule Act.²⁴ Section 450B requires the District to conduct its financial management in accordance with a Comprehensive Financial Management Policy, of which one component is the Reserve Management Policy. OCFO may revise the Reserve Management Policy from time to time, subject to Mayoral review, Council approval, and congressional notification of revisions.²⁵

The Reserve Management Policy largely restated the requirements of Section 450A of the Home Rule Act. Like Section 450A, the Reserve Management Policy was silent as to the procedures for allocating funds from the Emergency and Contingency Reserves and did not identify the officials authorized to initiate or execute allocations. OCFO's practice of allocating Contingency Reserve funds at the request of the Mayor and without Council involvement dates at least as far back as 2005 and continued throughout the audit period.²⁶ The Reserve Management Policy could have established a procedure for allocating Contingency Reserve funds, but was not drafted to do so.

With respect to the use of reserves to support advance payments to education agencies, the Reserve Management Policy did not address a shortcoming in the statutory text. The Fiscal Stabilization Reserve is statutorily authorized to support advance payments to education agencies, but it is not large enough to accomplish this purpose.²⁷ When reserves were needed to support advance payments to D.C. Public Charter Schools in amounts over \$309 million (FY 2019 advance paid during FY 2018) and \$314 million (FY 2020 advance paid during FY 2019), a combination of the Contingency Reserve and Cash Flow Reserve was used to obtain funds in a sufficient amount. Again, the Reserve Management Policy could have authorized use of the Contingency Reserve and Cash Flow Reserve for this purpose, but it did not do so.

When financial policies are not formally considered and adopted, they cannot help governments in some of the ways cited by GFOA. In particular, they cannot serve to crystallize policymakers' strategic intent for financial management, and they cannot establish a policy framework within which staff can innovate to realize the government's strategic intent.

By implementing reserve policies that were not set forth in statute or in the Reserve Management Policy, OCFO allocated funds from the reserves without legal authority to do so.²⁸ With respect to the Contingency Reserve, OCFO executed 301 allocations from the Contingency Reserve in an aggregate amount over \$2.3 billion from FY 2018 through FY 2023. All but two allocations followed receipt of a request from the Mayor, and the two remaining allocations were initiated by OCFO.²⁹

24 D.C. Official Code § 1-204.50b.

25 D.C. Official Code § 1-204.50b.

26 See the Committee of the Whole report on Bill 17-443, the Contingency Cash Reserve Transparency Amendment Act of 2008 (mentioning one Contingency Reserve allocation in FY 2005, one in FY 2006, and two in FY 2007). Bill 17-443 (D.C. Act 17-278; 55 DCR 1530) was enacted by the Council on January 29, 2008, but it was not enacted by Congress and did not become law.

27 D.C. Official Code § 47-392.02(j1)(2)(C).

28 The Reserve Management Policy can be a source of OCFO's authority because Section 450B of the Home Rule Act requires the District to conduct its financial management in accordance with the Comprehensive Financial Management Policy, of which the Reserve Management Policy is a component.

29 For a description of the two allocations that were initiated by OCFO, see the paragraphs that follow Figure 4 on page 10.

Recommendation

3. Following the Home Rule Act procedures for formally considering and adopting the Reserve Management Policy,³⁰ OCFO should propose to policymakers revisions to a) authorize the Chief Financial Officer to allocate funds from the Emergency and Contingency Reserves under circumstances that are appropriate as a matter of policy and b) define any permissible uses of the reserves that are not set forth in statute—such as using the Cash Flow Reserve or Contingency Reserve to support advance appropriations to education agencies.³¹ Then OCFO should harmonize its internal manuals with the formally adopted reserve policies that are expressed in statutes and the Reserve Management Policy.

The District’s reserve policies did not address important issues and risks.

GFOA recommends that a financial policy address all relevant issues and risks in a concise fashion.³²

The District’s reserve policies did not address all relevant issues and risks. For example, the District’s reserve policies:

- a. Did not provide guidance for selecting one reserve as the funding source for an allocation that can be funded from multiple reserves (with one exception).³³
- b. Did not specify the conditions warranting the use of reserve funds for cash flow management or during a lapse in regular appropriations.³⁴
- c. Did not address the risk that a multipurpose reserve could be depleted by allocations for one purpose and thus rendered unavailable to fulfill its other purposes.
- d. Did not require the replenishment of allocations from the Fiscal Stabilization Reserve within a defined time period.

A likely factor in the policies’ failure to address risks: OCFO did not perform a risk assessment to identify risks to the District’s reserve programs, including the risk of noncompliance with legal requirements and the adequacy of the reserves to manage financial risks as intended by governing law.³⁵

30 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b) sets forth procedures for revising the Comprehensive Financial Management Policy.

31 Though we do not direct this recommendation to the Council, we acknowledge that the Council’s legislative power provides an alternative means of authorizing uses of the reserves. Sec. 302 of the Home Rule Act, approved Dec. 24, 1973 (87 Stat. 784; D.C. Official Code § 1-203.02).

32 Government Finance Officers Association, *Best Practices: Adopting Financial Policies* (September 30, 2015).

33 The Reserve Management Policy did, however, restate a Home Rule Act requirement that the Emergency Reserve may be used only when the Contingency Reserve is completely exhausted.

34 The Fiscal Stabilization Reserve and Cash Flow Reserve may be used to provide “Funding for locally approved expenditures during a lapse in regular appropriations.” D.C. Official Code §§ 47-392.02(j-1)(2)(B), (j-2)(2)(B).

35 See Shayne Kavanaugh et al., *Should We Rethink Reserves?* (2023) at 11-15 (outlining steps for a risk-based analysis of reserves), available at <https://www.gfoa.org/materials/rethinkingreserves>.

The resulting potential negative effects vary based on the specific issue or risk, as follows:

a. Selecting a Reserve When Multiple Reserves Are Available

Some purposes are statutorily authorized uses of more than one reserve. For example, any of the four reserves is available to be used for cash flow management.³⁶ Establishing a hierarchy or considerations to be followed when selecting a reserve to be used for this purpose would enable management to consider the possibility that the need to manage liquidity risk or to maintain flexibility could take priority over a reserve's other purposes.

As another example, any permitted use of the Contingency Reserve is also a permitted use of the Fiscal Stabilization Reserve, with Council approval of the allocation.³⁷ Reserve policies could articulate circumstances in which Council approval is—or is not—required.

b. Conditions Warranting Use of Reserves for Cash Flow Management

The District's reserve policies did not specify conditions warranting use of the Cash Flow Reserve (or other reserves) for cash flow management. And OCFO's internal cash positioning manual also did not state conditions warranting use of the reserves for cash flow management.³⁸

As a result, disbursements from the Cash Flow Reserve were inconsistently documented. Only 10 out of 27 disbursements followed a memorandum prepared by the Office of Finance and Treasury stating that OFT had approved a Cash Flow Reserve allocation to meet the District's anticipated near-term liquidity requirements. But OFT did not prepare a memo stating the purpose of the remaining 17 disbursements.

Together, the lack of a policy detailing conditions warranting the use of reserves for cash flow management and a lack of consistent documentation of Cash Flow Reserve disbursements could increase the risk that an inappropriate use of the reserve would go undetected.

c. Depletion of Multipurpose Reserves

Each of the District's reserves is legally available to be used for more than one purpose. Most importantly, the Contingency Reserve functioned during the audit period as a "pooled contingency" that covered unplanned and unavoidable expenditures arising in the normal course of operations, and also as a "reserve" that was deployed quickly to respond to infrequent, highly consequential events such as Covid.³⁹ Because the Reserve Management Policy did not address the risk associated with depleting a multipurpose reserve, policymakers risked unintentionally depleting the Contingency Reserve through small-scale allocations and impairing its ability to respond in the event of a major emergency.

Depletion could have impaired the District's Covid response. The Contingency Reserve's month-end cash balance reached annual lows of approximately \$139.8 million in June of FY 2018 (50% of the

36 D.C. Official Code §§ 47-369.03; 47392.02(j-1)(2A), (j-2)(2)(A).

37 D.C. Official Code §47-392.02(j1)(2)(A).

38 OCFO Office of Finance and Treasury, Cash Management Financial Policies and Procedures Manual, § 20020201-1A (Cash Positioning) (last reviewed October 14, 2020).

39 See Shayne Kavanaugh, *Don't Go It Alone: Pooling Budgetary Risk to Save Money in Your Budget*, Government Finance Review (June 2021) at 29 (distinguishing a "pooled contingency" from a "reserve").

fiscal year's beginning balance) and \$97.8 million in July of FY 2019 (35% of beginning balance). But the balance happened to be higher at the time in FY 2020 when the Covid pandemic began, allowing the District to allocate over \$216 million from the Contingency Reserve for Covid response within just 2 months (March and April 2020).

d. **Replenishment of Fiscal Stabilization Reserve**

Due to the lack of a stated requirement to replenish the Fiscal Stabilization Reserve within a defined time period, elected policymakers and the Chief Financial Officer could hold conflicting views about when and how to replenish the reserve. After the audit period, such a conflict arose during consideration of the District's FY 2025 budget, following the depletion of the Fiscal Stabilization Reserve during FY 2023.⁴⁰ This conflict could have been avoided by a formally adopted reserve policy that expressed a shared understanding about when and how the District will replenish the Fiscal Stabilization Reserve.

Recommendation

4. OCFO should perform a risk assessment to identify potential risks to the ability of the District's reserves to fulfill their purposes and risks associated with noncompliance with law presented by administration of the reserve funds. After the risk assessment, OCFO should propose revisions to the Reserve Management Policy to address all relevant issues and risks for the reserves.⁴¹

The District's reserve policies reflected other best practices, despite some room for improvement.

The Government Finance Officers Association (GFOA) has issued best practices for reserves.⁴² In addition, GFOA has issued more general best practices for financial policies,⁴³ which provide a framework for analyzing a reserve policy in five areas: scope, development, design, presentation, and review.

- a. **Scope:** GFOA recommends that all governments consider adopting a policy governing the amount of resources to be held in reserve and conditions for their use.
- b. **Development:** Financial policies should be drafted with awareness of legal requirements and other appropriate influences.

40 D.C. Office of the Attorney General, Opinion of the Attorney General, *RE: The Legal Effect of the Chief Financial Officer's Refusal to Certify the District's Budget and the Chief Financial Officer's Authority to Refuse to Release Funds* (April 18, 2024), <https://oag.dc.gov/sites/default/files/2024-04/4-18-2024-Opinion-Letter-re-CFO-OCR-.pdf>.

41 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b) sets forth procedures for revising the Comprehensive Financial Management Policy. Though we do not direct this recommendation to the Council, we acknowledge that the Council's legislative power provides an alternative means of addressing relevant issues and risks. Sec. 302 of the Home Rule Act, approved Dec. 24, 1973 (87 Stat. 784; D.C. Official Code § 1-203.02).

42 Government Finance Officers Association, *Best Practices: Fund Balance Guidelines for the General Fund* (September 30, 2015).

43 Government Finance Officers Association, *Best Practices: Adopting Financial Policies* (September 30, 2015).

- c. **Design:** A financial policy should address all relevant issues and risks for that specific policy. A reserve policy should establish the level of fund balance to be held in reserve based on the government’s unique circumstances and risks (although GFOA recommends that general-purpose local governments hold at least two months’ fund balance in reserve), define conditions warranting the use of the reserves, and describe the time period and means for replenishing the reserves after use.
- d. **Presentation:** GFOA recommends placing all financial policies in the same section of the budget document, with original and revision dates shown on the individual policies.
- e. **Review:** Financial policies should be monitored, reviewed, and updated as needed in a systematic way. Governments should analyze the reasons if specific policies are not being followed

With significant exceptions identified in the findings above, and relatively minor exceptions noted below, the District’s reserve policies were consistent with best practices.

- a. **Scope:** The District has a Reserve Management Policy in addition to statutes governing its reserves that detail the amount of resources to be held in reserve and conditions for their use.
- b. **Development:** The Reserve Management Policy demonstrated an awareness of most legal requirements; however, it incorrectly cited an expired statute as legal authority permitting use of the Emergency and Contingency Reserves for cash flow management.⁴⁴
- c. **Design:** District law set the reserves’ aggregate full-funding level to the rough equivalent of 60 days’ fund balance. For 3 of the 4 reserves, District law and the Reserve Management Policy fixed the time period and means for replenishing allocations.⁴⁵
- d. **Presentation:** The Reserve Management Policy appeared as a part of the Comprehensive Financial Management Policy in a single section of the budget document; however, there were no dates showing when the component policies were first adopted or last revised.
- e. **Review:** OBP conducted annual reviews of the Comprehensive Financial Management Policy (including the Reserve Management Policy) by soliciting comments from other offices inside and outside OCFO. Yet these annual reviews did not result in substantive changes to the Reserve Management Policy during the audit period.⁴⁶

Within OCFO, OBP was responsible for reviewing and publishing the Comprehensive Financial Management Policy in the budget document. Once a year, OBP requested comments on the entire Policy from the City Administrator’s Office and Council Budget Office, as well as OCFO’s Office of Finance and Treasury (OFT) and Office of Financial Operations and Systems (OFOS). In interviews, some reviewers outside of OCFO made comments suggesting that they did not have the time or expertise required to

44 The Reserve Management Policy cited a Home Rule Act subsection (D.C. Official Code § 1-204.50a(c)) that applied “with respect to fiscal years 2006 through 2007.” But the Reserve Management Policy did not cite D.C. Official Code § 47-369.03, which authorizes use of the Emergency and Contingency Reserves for cash flow management in FY 2009 and thereafter.

45 See Finding 3 on the lack of a replenishment requirement for the Fiscal Stabilization Reserve.

46 During the audit period, the Comprehensive Financial Management Policy was revised to use the term “ACFR” in place of a predecessor acronym that GFOA disavowed. Otherwise, the Reserve Management Policy was not revised at all during the audit period (FY 2018-2023).

comment on the entire Comprehensive Financial Management Policy when it was presented for their review.

District leaders expressed pride in having well-funded reserves and sufficient resources to meet key policy objectives, due in part to reserve policies that were consistent with best practices.

Recommendations

5. Following the procedures set forth in Section 450B of the Home Rule Act,⁴⁷ OCFO should revise the Comprehensive Financial Management Policy to show the original and revision dates of each component and to keep current with relevant laws.
6. OCFO should improve its process for reviewing the Comprehensive Financial Management Policy, such as requesting reviewers to comment on only those portions of the Policy that are within their expertise and analyzing the reasons why specific policies are not being followed.

Contrary to law, 72% of Contingency Reserve allocations were executed before OBP had finalized its analysis memo.

Under section 450A of the Home Rule Act, funds may be allocated from the Contingency Reserve “only after” the Chief Financial Officer has prepared an analysis of the availability of other sources of funding and the allocation’s impact on the balance and integrity of the reserve.⁴⁸

OBP prepared memos to document its analysis of Contingency Reserve allocations. We tested 247 allocations and found that 179 of them (over 72%) became effective in the financial system before OBP had finalized its analysis.⁴⁹ We generally considered an analysis to be finalized on the memo’s stated date, regardless of whether the memo had been signed; however, we used an earlier date for 22 allocations because the memo stated the analysis had been completed earlier.

Management action to finalize the memo was not prerequisite to allocating funds from the Contingency Reserve.⁵⁰ Instead, OBP procedures allowed management to approve an allocation based on a draft memo and information prepared by staff.

In many finalized memos, management acknowledged that the allocation had been executed before the memo was finalized. Despite this acknowledgement, management did not design and implement internal controls to promote compliance with this requirement.

47 D.C. Official Code § 1-204.50b.

48 D.C. Official Code § 1-204.50a(b)(5).

49 We tested 247 out of 301 allocations and reallocations that occurred during the audit period. We excluded 13 allocations that were made during the year-end closing period and therefore had an effective date of September 30 (the last day of the fiscal year) regardless of when they were actually executed. We were unable to test 41 other allocations because two memos lacked a date, memos of 37 additional allocations were lost to OBP while migrating its data, and OBP could not produce memos of two remaining allocations where the memo was not lost during data migration.

50 DIFS Budget 4050 – Amendments (Modifications) (version 1.1, October 11, 2022) at 28-29.

Without maintaining effective internal controls, management cannot reasonably expect to achieve its objective of legal compliance.

Recommendation

7. OBP should revise its procedures so that management must finalize OBP's memo before, or at the same time as, approving the allocation of Contingency Reserve funds.

OCFO allocated Contingency Reserve funds without independently analyzing the availability of other sources of funding.

The Home Rule Act allows Contingency Reserve funds to be allocated “only after an analysis has been prepared by the Chief Financial Officer of the availability of other sources of funding to carry out the purposes of the allocation.”⁵¹

The District must conduct its financial management in accordance with its Reserve Management Policy.⁵² The Reserve Management Policy states: “Funds may only be allocated after an analysis has been prepared by the CFO and all other surplus funds available to the District have been completely exhausted.”

For all 257 allocations that we tested, OBP's memo failed to show that OCFO had actually performed an analysis of the availability of other sources of funding to carry out the allocation's purposes.⁵³

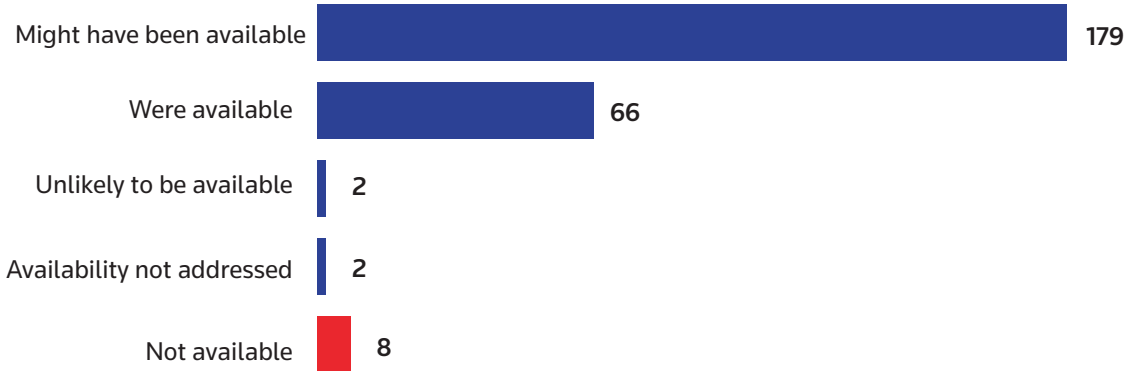
Nearly all memos relied on boilerplate language that did not amount to an analysis. For over 95% (245 of 257) of tested allocations, the memo stated that other sources of funding were available or might have been available. Memos of only 8 allocations (3%) asserted that other sources were not available (or contained other words to that effect) but still failed to support the assertion with documentation.

51 Section 450A of the Home Rule Act (D.C. Official Code § 1-204.50a(b)(5)).

52 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b(a)). The Reserve Management Policy is a component of the District's Comprehensive Financial Management Policy.

53 We were unable to test 44 allocations because 40 OBP memos were lost in data migration and OBP memos of another four allocations could not be retrieved or were not prepared.

Figure 5: Availability of Other Sources of Funds According to OBP Memos



Source: ODCA analysis of OBP memos.

Further, for over 97% (250 of 257) of tested allocations (including all those connected to the boilerplate “were/might” statements), the purported analysis concluded by stating that the Contingency Reserve was determined to be the “most readily available” source—using passive voice in a manner that avoided identifying the subject who had made the determination. In contrast, memos of five other allocations stated that “the Mayor chose to use Contingency Cash Reserve funds to expedite meeting this need”—thus explicitly memorializing *the Mayor’s choice* to use Contingency Reserve funds, *not the Chief Financial Officer’s analysis* of the availability of other sources of funds. As shown in Appendix A, no OBP memo set forth OCFO’s independent analysis of the availability of other sources in light of the urgency of the funding need and the time required to obtain funding from other sources if any were available.

Moreover, no OBP memo addressed the Reserve Management Policy’s requirement that Contingency Reserve funds may be allocated only if all other surplus funds have been completely exhausted.

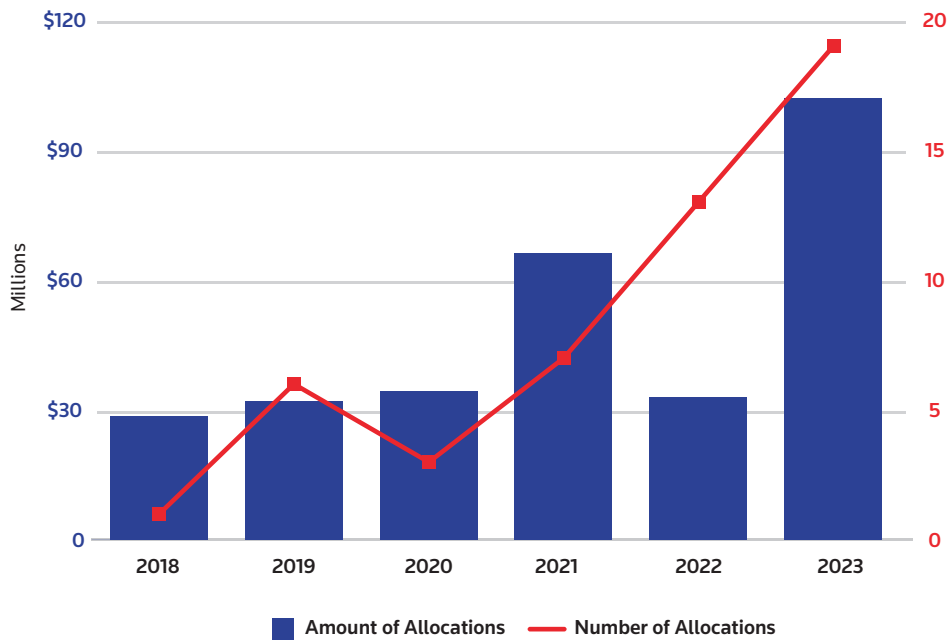
The memos did not set forth an analysis of the availability of other sources of funding because OBP actually did not perform such an analysis. In one interview, OBP management demonstrated understanding of the rule forbidding the use of Contingency Reserve funds when other sources are available.⁵⁴ But in a later interview, management explained that OBP deferred to the determination of the Mayor’s office to use the Contingency Reserve rather than other sources.⁵⁵

⁵⁴ ODCA interview with OBP management (Aug. 26, 2024).

⁵⁵ ODCA interview with OBP management (Feb. 7, 2025). The Mayor’s budget director stated in an interview that she generally intended to avoid using the Contingency Reserve and preferred to address funding issues with other available sources of funding—such as funds that can be found within an agency’s budget, transferred through an interagency reprogramming, or provided in the supplemental budget. But the Contingency Reserve was the only viable option in situations presenting an urgent need for funding, and it also was useful when the District expected reimbursement from federal funds (such as for Covid relief or emergency response). ODCA Interview with Mayor’s budget director (Oct. 2, 2024).

OBP management also suggested that its willingness to defer depended on the quality of the Mayor’s plan to replenish the Contingency Reserve.⁵⁶ In particular, OBP considered it a warning sign when a replenishment plan depended on the District’s year-end surplus. In the absence of a more solid plan for replenishment, OBP sometimes expressed reluctance about the allocation and negotiated changes to the replenishment plan through informal discussions with the Mayor’s budget office. But we found over the audit period an increasing number and amount of Contingency Reserve allocations in which the Mayor’s request relied on year-end surplus for replenishment, as shown in Figure 6.

Figure 6: Contingency Reserve Requests Planned to be Replenished from Year-End Surplus



Source: ODCA analysis of Mayor’s request letters.

Thus, OBP set aside the requirements of the Home Rule Act and Reserve Management Policy in favor of a replenishment objective that it sometimes did not achieve.

Use of the Contingency Reserve departs from the generally applicable appropriations process in which the Council approves an agency’s budget before it is spent. Circumventing the Council may be justified in an emergency, but it is inappropriate when other sources of funding are available in a timely manner through a supplemental budget, reprogramming, acceptance of a grant, or any other procedure that requires Council review.

⁵⁶ ODCA interview with OBP management (Aug. 26, 2024). As mentioned in the finding that begins on page 11, OCFO’s internal procedures required the Mayor to submit a replenishment plan along with a request for a Contingency Reserve allocation; however, submitting a replenishment plan before an allocation was not required by District law or the Reserve Management Policy. The Home Rule Act required the District to appropriate funds to replenish the Contingency Reserve in the two fiscal years following an allocation. The Reserve Management Policy required the District to apply year-end budgetary surplus to replenish the Contingency Reserve and increase its balance to a higher, recalculated level.

We selected a judgmental sample of 34 Contingency Reserve allocations and noted three cases in which no Contingency Reserve funds were spent because the agency obtained funding from other sources (including a supplemental budget) before any expenditures were made. In these cases, the District allocated Contingency Reserve funds when other sources were in fact available.

Recommendations

8. OBP should design and implement procedures that require conducting and documenting an independent analysis of the availability of other sources of funds in light of the specific facts and circumstances before allocating funds from the Contingency Reserve.
9. OCFO should revise the Reserve Management Policy to define the “surplus funds” that must be exhausted prior to a Contingency Reserve allocation or, if appropriate, eliminate this reference to surplus funds.

39% of Contingency Reserve allocations were made without documentation showing that the allocation was made for a legally permissible purpose.

The Home Rule Act requires the District to conduct its financial management in accordance with a comprehensive financial management policy, which must include a reserve management policy.⁵⁷ The Reserve Management Policy allows the Contingency Reserve to be used for nonrecurring or unforeseen needs that arise during a fiscal year; to seize opportunities to achieve cost savings; to cover certain revenue shortfalls; and for cash flow management. But the Contingency Reserve cannot be used to cover shortfalls in projected savings on which the budget was based.⁵⁸

The Home Rule Act also sets forth the duties of the Chief Financial Officer, including:

- Supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources.
- Maintaining systems of internal control designed to provide effective control over and accountability for all District funds.⁵⁹

We tested 297 allocations of Contingency Reserve funds in an aggregate amount of \$2,347,197,685.⁶⁰ Most allocations were documented in a Mayor’s letter, OBP’s analysis memo, and OBP’s notice to the Council Budget Director; however, some OBP memos and Council notices were lost, and two allocations were

57 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b(a)).

58 See section 450A of the Home Rule Act (D.C. Official Code § 1-204.50a(b)(4)).

59 Section 424(D) of the Home Rule Act (D.C. Official Code § 1-204.24d(6), (7)).

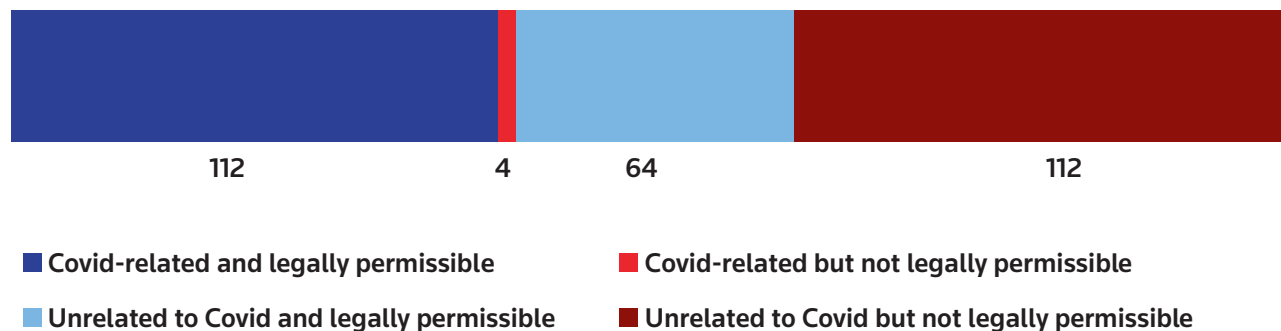
60 We tested 297 of 301 Contingency Reserve allocations. We excluded from this analysis two allocations (in an offsetting amount) that were made to reallocate funds from one agency to another, plus another two allocations (totaling \$2,234,241) that were made without a Mayor’s letter, OBP memo, or Council notice.

made without a Mayor’s letter, OBP memo, or Council notice.⁶¹ Appendix C shows the results of our testing for each allocation.

The documentation of 116 allocations (39%) totaling \$852,125,210 did not establish that the allocation was made for a legally permissible purpose—generally a “need” that was “nonrecurring or unforeseen.”⁶² Five allocations (2%) totaling \$26,943,684 were made for more than one purpose, and the documentation showed that some but not all purposes were nonrecurring or unforeseen needs. For one allocation, documentation showed that the allocation’s purpose was an unforeseen need; however, it was not legally permissible to use Contingency Reserve funds to cover a shortfall in projected savings on which the budget had been based.⁶³

We observed that the documentation of Covid-related allocations was much more likely to show a legally permissible purpose. Documentation showed a nonrecurring or unforeseen need for 97% of Covid-related allocations. In contrast, documentation did not show a legally permissible purpose for 62% of the allocations that were unrelated to Covid. Figure 7 below shows the variation between allocations that were made for Covid response compared to all other purposes.

Figure 7: Legal Permissibility of Contingency Reserve Allocations Made for Covid-Related and Other Purposes



Source: ODCA analysis of Mayor’s letters, OBP memos, and notices to Council.

Note: This chart excludes five allocations that were made for multiple purposes.

61 At the outset of our engagement, OBP disclosed to us that some documents had been lost during data migration. For this reason, we were unable to obtain 40 OBP memos and five notices to Council. In addition, OBP was unable to provide and we did not obtain two Mayor’s letters, four OBP memos, and two notices to Council because OBP either could not retrieve the documents or they never existed. In the absence of complete documentation, we relied on the documentation that was provided to us and on other documentary evidence including contemporaneous emails and financial system records.

62 We did not identify any Contingency Reserve allocations that were made to achieve cost savings, cover shortfalls in estimated revenues, or manage cash flow.

63 Section 450A of the Home Rule Act (D.C. Official Code § 1-204.50a(b)(4)(C)). The Mayor requested this allocation, in the amount of \$12.7 million, in FY 2019 to cover a shortfall in a DGS security guard contract. The shortfall occurred because “[c]ost reduction strategies proposed by the previous leadership teams at the agency and the Protective Services Division did not realize anticipated savings, in part due to an increase in the contract cost per guard, and in part due to the need to respond to heightened security risks at various District facilities.”

In some cases, the documentation did not establish that the allocation's purpose was legally permissible, but additional information might have done so. For example, in FY 2021 the Office of the Deputy Mayor for Planning and Economic Development received a Contingency Reserve allocation "to provide budget authority for a grant from the Walter Reed Redevelopment Fund." Likewise, in FY 2023 DGS received an allocation of \$5,067,253 "to fund facilities needs that include janitorial, pest control, grounds keeping, and general maintenance." In both cases, the documentation failed to show that the purpose was a nonrecurring or unforeseen need.

OBP did not document whether Contingency Reserve allocations were made for legally permissible purposes. Management stated in an interview that most of OBP's effort was to ensure that agencies used appropriate accounting attributes when executing the allocation. But in the same interview, management said OBP sought to follow legal requirements and consulted with OCFO's general counsel when it had questions about the legality of an allocation, but there was no written documentation of these consultations.⁶⁴

Ultimately, OBP's practices did not promote compliance with legal restrictions on the use of the reserve or provide accountability for the use of reserves; rather, OCFO deferred to the Mayor's judgment on how Contingency Reserve funds should be spent.

To the extent that Contingency Reserve allocations lacked a legal purpose, they diminished the reserve's ability to fulfill its statutory purposes and negatively impacted the reserve's integrity.⁶⁵

Although Contingency Reserve allocations must be made for "needs," within our judgmental sample of 34 Contingency Reserve allocations we noted two additional cases in which the agency spent none of the allocated funds because the funding or its purpose was not needed.

- In May 2021, the Mayor requested an allocation of \$5,059,825 to the Department of Employment Services to fund placements in the Marion Barry Summer Youth Employment Program for an additional 3,000 school-age youth to help mitigate learning loss caused by the Covid pandemic. None of these funds were spent because the funds arrived too late in the fiscal year, according to agency fiscal personnel. The allocation was fully replenished during the year-end closing period.
- In October 2021, the Mayor requested an allocation of \$780,000 to the Executive Office of the Mayor to "fund services supporting Safe Passage efforts"; however, agency fiscal personnel advised that these funds were not spent because the agency did not carry out this activity. The allocation was fully replenished in September 2022.

Further, we observed Contingency Reserve allocations that occurred in successive fiscal years for the same purpose, indicating that the purpose was neither nonrecurring nor unforeseen.

As one example of such an allocation, during the audit period the Not-For-Profit Hospital Corporation (an instrumentality created to operate United Medical Center) received a total more than \$99.9 million

64 ODCA interview with OBP management (Feb. 7, 2025).

65 See D.C. Official Code § 1-204.50a(b)(5) (requiring the CFO to analyze a proposed allocation's impact on the "balance and integrity" of the Contingency Reserve).

through ten Contingency Reserve allocations in addition to an operating subsidy included in the District’s annual budget. Despite the use of different words, at least six of the allocations, totaling \$64 million, shared the basic purpose of preventing the hospital’s insolvency:

- \$5 million to provide the corporation with “sufficient cash reserves” (FY 2018)
- \$10 million to “continue operations of the hospital” (FY 2018)
- \$10 million to “provide sufficient cash reserves to the Hospital to allow it to meet important financial obligations” (FY 2019)
- \$25 million to “fund an operating budget shortfall within the hospital’s budget” (FY 2021)
- \$7 million to “cover costs for United Medical Center” (FY 2022)
- \$7 million “cover increased costs for labor and lower Medicaid activity” (FY 2023).

For another example, the Department of Human Resources received Contingency Reserve allocations in three successive fiscal years (FY 2018, FY 2019, and FY 2020) to issue and then continue a contract “with an outside expert to provide employment tax and consulting services to identify and quantify tax issues identified by the agency.” OBP’s memos did not address whether these allocations were made for nonrecurring or unforeseen needs in accordance with the Home Rule Act.⁶⁶

Recommendation

10. OCFO should design and implement documented procedures to provide reasonable assurance that Contingency Reserve allocations will be made only for legally permissible purposes, including nonrecurring or unforeseen needs that are not prohibited uses of the reserve.

OCFO did not provide timely notice to the Council of 61% of Contingency Reserve allocations.

D.C. Official Code § 1-301.152 requires the CFO to notify the Council Budget Director of each Contingency Reserve allocation within three business days.

For over 61% of testable Contingency Reserve allocations (175 of 284), OCFO’s notice to the Council Budget Director was untimely because it was dated more than three business days after execution of the allocation.⁶⁷ For 23% of testable allocations (66 of 284), the notice was dated ten or more business days after the allocation—including two notices that were dated, respectively, 93 and 95 business days after the allocation.

OBP’s internal procedures and a DIFS manual required analysts to prepare a notice of Contingency Reserve allocations, but they did not include a step for sending the notice to the Council Budget Director.

⁶⁶ See D.C. Official Code § 1-204.50a(b)(4)(A).

⁶⁷ We tested 284 of 301 allocations during the audit period. Our testing excluded 13 allocations that occurred during the year-end closing period because the allocations had an effective date of September 30 (the last day of the fiscal year), regardless of when they were executed. We were unable to test four other allocations because OBP lost its notices in data migration and the notices were not retained by the Council Budget Office.

OBP management stated in an interview that such a step was not necessary because Council did not have the ability to approve or deny the allocation.⁶⁸

Further, in its listing of relevant legal authorities, the DIFS manual omitted authorities governing the Contingency Reserve including the Home Rule Act (D.C. Official Code § 1-204.50a) and D.C. Official Code § 1-301.152, the statute requiring notice to the Council Budget Director following Contingency Reserve allocations.

Failure to provide notice to the Council Budget Director within three business days of a Contingency Reserve allocation is contrary to law. Further, it deprives the Council's officer of available and timely information about the use of the Contingency Reserve, as well as the need to replenish the reserve from funds that could otherwise be available for appropriation.

Recommendation

11. OBP should revise its procedures and the DIFS manual to a) acknowledge the statutory notice requirement and b) include a step for sending the notice to the Council Budget Director within three business days of a Contingency Reserve allocation, and OBP should then implement the revised procedures.

The District relied more than it had planned on year-end surpluses to replenish Contingency Reserve allocations.

OCFO policy states that the Mayor's request for a Contingency Reserve allocation "must include a repayment plan to pay back the funds" and that sources of repayment can include a supplemental budget, federal funds, reprogramming, or year-end surplus (if there is sufficient excess revenue or agency underspending).

The Mayor's letters requesting 239 allocations in an aggregate amount over \$1.98 billion did not include year-end surplus as a source of replenishment. Letters requesting an additional 56 allocations in an aggregate amount over \$351 million stated that year-end surpluses would, or could, be a source of replenishment.⁶⁹

Two of the Mayor's letters requesting Contingency Reserve allocations in a total amount of \$8.9 million did not include a replenishment plan.

Out of the approximately \$1.98 billion in allocations that were planned to be replenished from sources other than year-end surplus, over \$495 million was actually replenished from year-end surplus. When

68 ODCA Interview with OBP management (Aug. 26, 2024). The DIFS manual included a step for OBP to notify the agency and the Mayor's office once the allocation was executed.

69 We tested 297 of the 301 Contingency Reserve allocations during the audit period. We excluded from this analysis two allocations (in an offsetting amount) that reallocated a prior allocation from one agency to another. We also excluded two allocations (in a total amount of approximately \$2.2 million) that were not requested by the Mayor.

added to the planned uses of year-end surplus for replenishment, nearly \$846 million in year-end surpluses was used to replenish Contingency Reserve allocations during the audit period.

During the audit period OBP did not reject a request for lack of an adequate replenishment plan, although OBP occasionally expressed doubts about the availability of planned sources of replenishment such as federal reimbursements or supplemental budgets.

For as long as the District had large annual surpluses that could support a broad replenishment of reserves at year-end, the failure of replenishment plans did not deprive the Contingency Reserve of funding. But when replenishment plans fail *and* the year-end surplus turns out to be insufficiently large, the Home Rule Act requires the District to appropriate funds for replenishment in the two fiscal years following the allocation.

Recommendation

12. OBP should design and implement documented procedures to monitor the execution of replenishment plans.

OCFO's quarterly reports on the status of the reserves contained inaccurate statements and contradicted OFT and OBP records.

The Home Rule Act requires OCFO to submit quarterly reports that include monthly statements of the balance and activities of the Contingency Reserve and Emergency Reserve.⁷⁰ Beginning in FY 2021, OCFO expanded the quarterly reports' scope to include the Fiscal Stabilization Reserve and Cash Flow Reserve.⁷¹

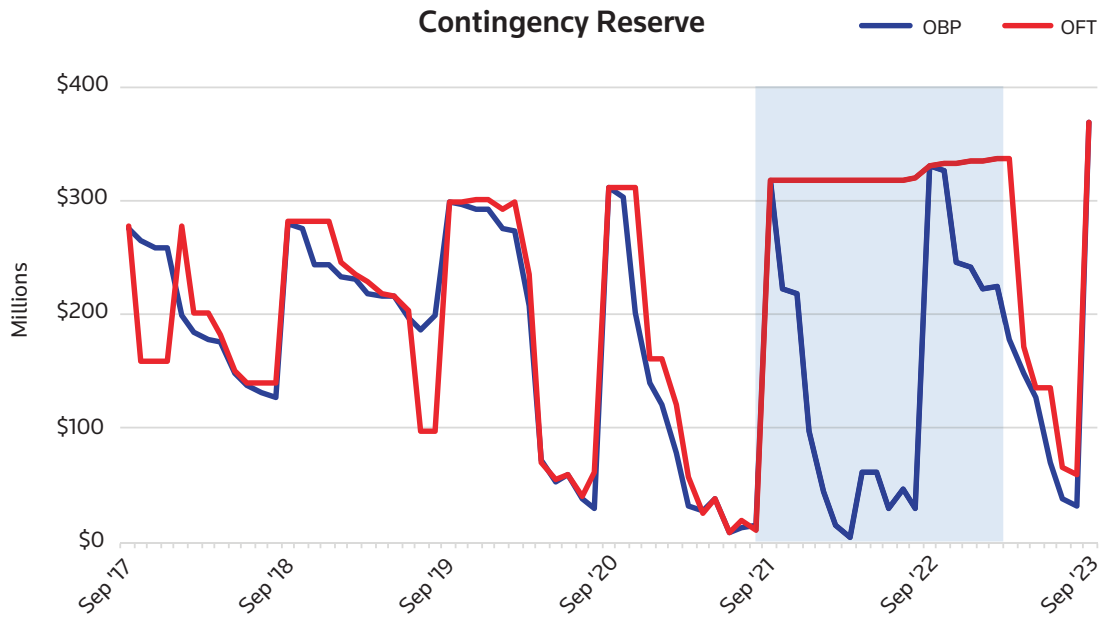
Through OBP, OCFO prepared quarterly reports on the status of the reserves. But the quarterly reports sometimes showed balances that inadvertently diverged from the cash balances of the reserves' accounts.

For an 18-month period in FY 2022 and FY 2023 (shaded blue in Figure 8), there were unexplained variances as large as \$313 million between OBP's reported balance for the Contingency Reserve and the cash balance reported to OFT on account statements, as shown in Figure 8.

⁷⁰ Section 450A(d) of the Home Rule Act (D.C. Official Code § 1-204.50a(d)).

⁷¹ After the audit period, the Council legislatively required the Fiscal Stabilization Reserve and Cash Flow Reserve to be included in quarterly reports. Sec. 7234(a) of the Fiscal Year 2025 Budget Support Act of 2024, effective September 18, 2024 (D.C. Law 25-217; 71 DCR 11542) (D.C. Official Code § 47-392.02(j-6)).

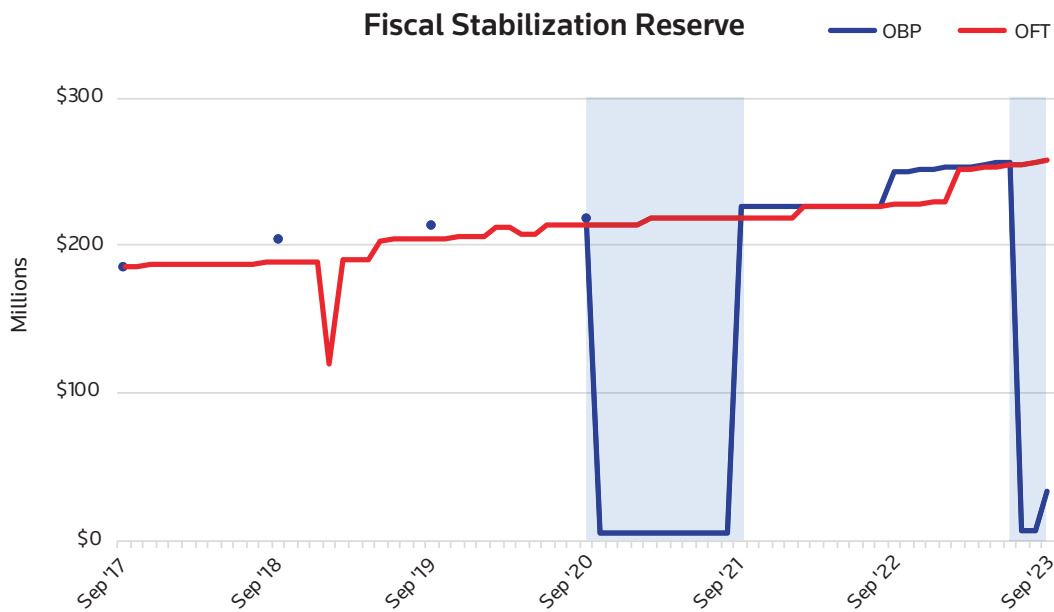
Figure 8: Contingency Reserve – Budget Balance (OBP) vs. Cash Balance (OFT)



Source: ODCA analysis of OBP reports and reserve account statements provided by OFT.

For periods of 11 months in FY 2021 and 2 months in FY 2023 (both shaded blue below), there were unexplained variances between the Fiscal Stabilization Reserve’s reported balance and its cash balance—over \$208 million in FY 2021 and over \$249 million in FY 2023, as shown in Figure 9.

Figure 9: Fiscal Stabilization Reserve – Budget Balance (OBP) vs. Cash Balance (OFT)



Source: ODCA analysis of OBP reports and reserve account statements provided by OFT.

(For charts comparing OBP reports to account statements for all reserves, see Appendix B.)

In addition, quarterly reports were inconsistent with OBP's other documentation of about 9% of Contingency Reserve allocations (28 of 301).⁷² Specifically, quarterly reports:

- Omitted 3 Contingency Reserve allocations.
- Inaccurately stated the purpose of 4 Contingency Reserve allocations.
- Inaccurately stated the amount of 4 Contingency Reserve allocations.
- Reported combinations of 15 allocations that had been separately requested, and separated 2 requested allocations into a total of 5 reported allocations.

OBP did not have written procedures for preparing quarterly reports. Quarterly reports were based on a spreadsheet that logged allocations and replenishments on a budget basis in addition to interest earnings provided by OFT on a cash basis. But OCFO did not perform reconciliations of OBP's spreadsheet and the monthly account statements prepared by the bank holding the cash reserves. Instead, OCFO's Office of Financial Operations and Systems re-calculated each reserve's full-funding level annually in the course of preparing the District's ACFR. Then OBP allocated available fund balance to replenish the reserves on a budget basis, and OFT made cash transactions to reflect the figures reported in Note 10 of the ACFR.

Likewise, OFT did not have written procedures for transferring funds after allocations and replenishments of the reserves or otherwise accounting for these transactions. During the 18-month period of unexplained variances in the Contingency Reserve balance, OFT did not transfer any cash from the Contingency Reserve account despite numerous allocations that were tracked by OBP. The two periods of unexplained variances in the Fiscal Stabilization Reserve balance corresponded to the District's use of this reserve to balance its initial budget in FY 2021 and revised budget in FY 2023, because OFT did not take action to reflect those uses of the Fiscal Stabilization Reserve.

Because OCFO did not reconcile OBP's budget-basis spreadsheet with the cash-basis account statements provided to OFT, there was a risk of not detecting in a timely manner any inaccuracies, discrepancies, or fraudulent transactions. Thus OCFO did not recognize that OFT did not account for uses of the Contingency Reserve and Fiscal Stabilization Reserve for parts of FY 2021, 2022, and 2023.

Finally, during FY 2021 OFT withdrew more cash from the Cash Flow Reserve than it otherwise would have needed for cash flow management because OFT did not transfer cash out of the Fiscal Stabilization Reserve to reflect its use as a resource supporting the District's approved budget.

Recommendation

13. OCFO should design and implement documented procedures for preparing quarterly reports, including reconciling OBP balances with bank balances and managing cash in reserve accounts.

⁷² OCFO's quarterly reports on the reserves are available online at <https://cfo.dc.gov/node/430222>.

Some Contingency Reserve funds were spent for a purpose other than the purpose for which they had been allocated.

According to the Home Rule Act, OCFO is responsible for supervising and assuming responsibility for financial transactions to ensure adequate control of revenues and resources.⁷³ In addition, the CFO is responsible for determining the regularity, legality, and correctness of all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government.⁷⁴

OCFO did not ensure that agencies used Contingency Reserve funds only for the purpose of the allocation. ODCA sampled 34 contingency allocations to 16 District government agencies to determine whether expenditures fell within the scope of each Contingency Reserve allocation. Within the sample, six allocations were not spent at all by the agency. For two of the remaining 28 Contingency Reserve allocations, supporting documentation showed \$437,961 of expenditures that were outside the scope of the allocation's purpose.

Both allocations were made to the Office of Contracting and Procurement during FY 2021. First, \$250,000 was allocated to provide supplies and support related to First Amendment activity; however, of this amount \$233,346 was spent to hire term employees of the Department of Forensic Sciences. A second allocation of \$3,946,000 was made to continue security services at Covid quarantine and PEP-V sites⁷⁵; however, \$204,615 was spent for transportation and term employment that lacked a connection to security.

OCFO did not have internal policies and procedures to ensure that Contingency Reserve funds were spent only on expenses related to the allocation's purpose. Agency fiscal staff, OBP, and the Mayor's budget team did not review the regularity of expenditures made from Contingency Reserve allocations.

Without internal policies and procedures to review the regularity of such expenditures, the District risks spending Contingency Reserve funds on things that were not intended by the officials who initiated and approved the allocation.

Recommendation

- 14.** OCFO should design and implement documented procedures to ensure that expenditures made with Contingency Reserve funds are consistent with the purpose of the allocation.

73 D.C. Code § 1-204.24d(6).

74 D.C. Code § 1-204.24d(16).

75 PEP-V means Pandemic Emergency Program for medically vulnerable individuals.

Conclusion

Changes to the District's reserve policies and procedures can make sure they are available in the future for their intended purpose: enabling a nimble and well-resourced response when fiscal risks arise.

Summary of Report Recommendations

Our audit identified 14 recommendations that could improve management of the District’s reserves.

Findings	Recommendations
OCFO unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years, obscuring Anti-Deficiency Act violations.	<ol style="list-style-type: none">1. OCFO should design and implement internal controls to block the illegal allocation of reserve funds during the year-end closing period, unless it were to become legally authorized to do so.2. OCFO should design and implement hard budget controls to block expenditures and obligations from exceeding appropriations at the agency and fund level.
OCFO allocated Contingency Reserve funds without legal authority by implementing reserve policies that had not been considered and adopted by elected policymakers.	<ol style="list-style-type: none">3. Following the Home Rule Act procedures for formally considering and adopting the Reserve Management Policy,⁷⁶ OCFO should propose to policymakers revisions to a) authorize the Chief Financial Officer to allocate funds from the Emergency and Contingency Reserves under circumstances that are appropriate as a matter of policy and b) define any permissible uses of the reserves that are not set forth in statute—such as using the Cash Flow Reserve or Contingency Reserve to support advance appropriations to education agencies.⁷⁷ Then OCFO should harmonize its internal manuals with the formally adopted reserve policies that are expressed in statutes and the Reserve Management Policy.
The District’s reserve policies did not address important issues and risks.	<ol style="list-style-type: none">4. OCFO should perform a risk assessment to identify potential risks to the ability of the District’s reserves to fulfill their purposes and risks associated with noncompliance with law presented by administration of the reserve funds. After the risk assessment, OCFO should propose revisions to the Reserve Management Policy to address all relevant issues and risks for the reserves.⁷⁸

76 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b) sets forth procedures for revising the Comprehensive Financial Management Policy.

77 Though we do not direct this recommendation to the Council, we acknowledge that the Council’s legislative power provides an alternative means of authorizing uses of the reserves. Sec. 302 of the Home Rule Act, approved Dec. 24, 1973 (87 Stat. 784; D.C. Official Code § 1-203.02).

78 Section 450B of the Home Rule Act (D.C. Official Code § 1-204.50b) sets forth procedures for revising the Comprehensive Financial Management Policy. Though we do not direct this recommendation to the Council, we acknowledge that the Council’s legislative power provides an alternative means of addressing relevant issues and risks. Sec. 302 of the Home Rule Act, approved Dec. 24, 1973 (87 Stat. 784; D.C. Official Code § 1-203.02).

The District's reserve policies reflected other best practices, despite some room for improvement.

5. Following the procedures set forth in Section 450B of the Home Rule Act, OCFO should revise the Comprehensive Financial Management Policy to show the original and revision dates of each component and to keep current with relevant laws.
6. OCFO should improve its process for reviewing the Comprehensive Financial Management Policy, such as requesting reviewers to comment on only those portions of the Policy that are within their expertise and analyzing the reasons why specific policies are not being followed.

Contrary to law, 72% of Contingency Reserve allocations were executed before OBP had finalized its analysis memo.

7. OBP should revise its procedures so that management must finalize OBP's memo before, or at the same time as, approving the allocation of Contingency Reserve funds.

OCFO allocated Contingency Reserve funds without independently analyzing the availability of other sources of funding.

8. OBP should design and implement procedures that require conducting and documenting an independent analysis of the availability of other sources of funds in light of the specific facts and circumstances before allocating funds from the Contingency Reserve.
9. OCFO should revise the Reserve Management Policy to define the "surplus funds" that must be exhausted prior to a Contingency Reserve allocation or, if appropriate, eliminate this reference to surplus funds.

39% of Contingency Reserve allocations were made without documentation showing that the allocation was made for a legally permissible purpose.

10. OCFO should design and implement documented procedures to provide reasonable assurance that Contingency Reserve allocations will be made only for legally permissible purposes, including nonrecurring or unforeseen needs that are not prohibited uses of the reserve.

OCFO did not provide timely notice to the Council of 61% of Contingency Reserve allocations.

11. OBP should revise its procedures and the DIFS manual to a) acknowledge the statutory notice requirement and b) include a step for sending the notice to the Council Budget Director within three business days of a Contingency Reserve allocation, and OBP should then implement the revised procedures.

The District relied more than it had planned on year-end surpluses to replenish Contingency Reserve allocations.

12. OBP should design and implement documented procedures to monitor the execution of replenishment plans.
-

OCFO's quarterly reports on the status of the reserves contained inaccurate statements and contradicted OFT and OBP records.

13. OCFO should design and implement documented procedures for preparing quarterly reports, including reconciling OBP balances with bank balances and managing cash in reserve accounts.

Some Contingency Reserve funds were spent for a purpose other than the purpose for which they had been allocated.

14. OCFO should design and implement documented procedures to ensure that expenditures made with Contingency Reserve funds are consistent with the purpose of the allocation.

Agency Comments

On March 3, 2026, we sent a draft copy of this report to the Office of the Chief Financial Officer (OCFO) and the Office of the City Administrator (OCA) for review and written comment. OCFO responded with comments on March 25, 2026. Its comments are included here in their entirety. After receiving an extension to provide comments by April 3, 2026, OCA requested an additional extension to April 10, 2026. Without granting or denying an additional extension, we encouraged OCA to provide comments as soon as possible. However, OCA eventually acknowledged that it could not provide comments in time for this publication.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Glen Lee
Chief Financial Officer

March 25, 2026

Ms. Kathleen Patterson
District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, DC 20005

Dear Ms. Patterson:

I am writing in response to your letter dated March 4, 2026, regarding the Office of the DC Auditor's draft report entitled "Reserve Fund Allocations that Violate D.C. Law." Below are the responses from the Office of the Chief Financial Officer.

Finding #1: OCFO unlawfully allocated Contingency Reserve funds retroactively after the end of four fiscal years, obscuring Anti-Deficiency Act violations.

OCFO Response: The OCFO does not agree with this finding. The Contingency Reserve Fund allocations referenced under finding #1 were not done in violation of District law. These approved allocations were completed during the District's fiscal year-end accounting closing period. Neither the Anti-Deficiency Act 47-355.02 nor the Comprehensive Financial Management Policy requirements of Section 450B, D.C. Official Code Section 1-204.50b, of the Home Rule Act, impose any limitations or restrictions on the authorization or use of Contingency Reserve Fund allocations within a specified time frame.

The OCFO approved the Mayor's requests to the use of the Contingency Reserve Fund to address these specific needs that were nonrecurring, unforeseen or other obligations required by Federal law. Specific to the requests cited in the ODCA finding narrative:

- The Unemployment Compensation Fund (Fund) provides payments for temporary financial benefits for eligible workers who lose their jobs through no fault of their own. These payments to individuals are processed through claims submitted to the Fund agency. Given the unpredictable timing and nature of these expenditures, especially at the height of the COVID-19 public emergency and to meet legal and federal obligations, OCFO completed an analysis and determined that the Contingency Reserve Fund was the most appropriate source of funding for this purpose.
- The finding related to the Department of General Services (DGS) is factually incorrect. OCFO did not execute a new Contingency Reserve Fund allocation without an authorized request from the Mayor. During the OCFO's review and analysis of DGS agency's need, it was determined that sufficient funds were available from a prior Contingency Reserve Fund allocation request to DGS for a similar purpose. In coordination with OBPM, it was

confirmed that the agency would be able to use the existing funds from the previously approved request, and a new request was not required, as the purpose of the original request remained unchanged. As part of an internal control review, it was discovered by OCFO staff that an erroneous posting of \$1.244M from a June 2022 transaction was inadvertently posted to the wrong expense category, Rent (CSG 32/Object 309), instead of Occupancy (CSG 30/Object 310) for enhanced cleaning of District facilities due to the COVID-19 Public Health Emergency. The incorrect charge was offset and appropriately resolved in the Contingency Reserve Fund.

Finding #2: OCFO allocated Contingency Reserve funds without legal authority by implementing reserve policies that had not been considered and adopted by elected policymakers.

OCFO Response: The OCFO does not agree with this finding. The allocations of Contingency Cash Reserve funds were done in accordance with paragraph (4) of Section 450A of the Home Rule Act. While there is currently no separate policy, the OCFO has consistently used the federal statute as its governing policy as it relates to the allocations of the contingency reserve.

Finding #3: The District's reserve policies did not address important issues and risks

OCFO Response: The OCFO does not agree with this finding. The OCFO maintains established standard operating procedures and practices designed to address significant financial risks that may be associated with reserves. OCFO periodically evaluates these policies to ensure alignment with applicable laws, best practices, and the intended purposes of the District's reserve funds. As part of this ongoing process, OCFO consistently evaluates risks and, as appropriate, proposes updates to the Reserve Management Policy to address any identified risks with the intent of strengthening compliance and governance over reserve administration. Every OCFO analysis memo of request for allocation from the Contingency Cash Reserve includes our assessment of the impact on the balance and integrity of the contingency reserve fund. In this analysis, the OCFO determines if the allocation will have an impact on the integrity of the Contingency Reserve. Additionally, we explain how the use of this allocation will reduce the cash balance of the Reserve and how the Reserve will be repaid.

Finding #4: The District's reserve policies reflected other best practices, despite some room for improvement.

OCFO Response: The OCFO agrees with this finding. Like all policies, annual review should be conducted to ensure that said policies remain current, consistent with best practices, and incorporate updated technology. The OCFO believes that its annual review of the District's reserve policies is thorough; however, it is helpful to have external observations as well. For effective policy enforcement, a combination of internal organizational reviews and external observations is generally the most reliable approach.

Finding #5: Contrary to law, 72% of Contingency Reserve allocations were executed before OBP had finalized its analysis memo.

OCFO Response: The OCFO does not agree with this finding. The OCFO acknowledges that the Home Rule Act requires an analysis of each allocation request. The OCFO consistently adheres to this requirement. However, the law does not require that a memorandum be produced from such an analysis. OBP utilizes its analysis memorandum to document that an analysis was completed, but the date on the memorandum does not indicate the beginning of the analysis process or a timeline of when analysis started or ended. The OCFO recognizes that a portion of the process could be improved and has taken the necessary steps to utilize technology to assist in this effort.

Finding #6: OCFO allocated Contingency Reserve funds without independently analyzing the availability of other sources of funding.

OCFO Response: The OCFO does not agree with this finding. OBP makes every attempt as part of its analysis to fully evaluate the availability of alternative funding based on the specific details and circumstances of each requested use of the Contingency Reserve Fund. There are instances when we have cited that other funding may be available via reprogramming. However, due to the exigency of the request, the timeframe required to reprogram the funding could result in adverse or catastrophic public safety, health, and wellness outcomes for the District, for example.

Finding #7: 39% of Contingency Reserve allocations were made without documenting that the allocation was made for a legally permissible purpose.

OCFO Response: The OCFO does not agree with this finding. Addressing the specific example in the ODCA finding, based on the information provided to OBP at the time of its submission, the request contained sufficient detail to support its approval. The FY 2021 Contingency Reserve Fund allocation to DMPED was identified as providing budget authority for a grant from the Walter Reed Redevelopment Fund, which was consistent with the stated use of funds. As submitted, the documentation did not indicate that the request lacked sufficient information for OBP's review or approval. All requests are subject to a thorough review to ensure all criteria for Contingency Reserve Fund allocations are met, as well as compliance with applicable budget authority requirements, prior to approval. There were a few instances when our documentation of requests for allocations from the Mayor was lost during the transition from one database to another. The OCFO was clear to point out these instances to ODCA staff during the compliance audit.

Finding #8: OCFO did not provide timely notice to the Council of 61% of Contingency Reserve allocations.

OCFO Response: While the OCFO disagrees with the percentage, we agree that some notices to Council were late due to staffing changes and transition to a more automated platform. The Jira application is now up and running and consistently provides timely notifications to the Council.

Finding #9: The District relied more than it had planned on year-end surplus to replenish Contingency Reserve allocations.

OCFO Response: The OCFO does not agree with this finding. The District primarily uses the Contingency Reserve Fund to address urgent operational needs arising from unexpected expenses. Agencies anticipate spending their approved budgets in accordance with their Operating Spending Plans (OSPs). However, when Contingency Reserve Fund requests are submitted, OCFO may not have full awareness of which agencies anticipate having net year-end surpluses, nor the magnitude of a potential surplus. Throughout budget execution, OBP regularly meets and works with OCFO staff and OBPM to identify funding needed to replenish the Contingency Reserve. Additionally, the OCFO has always enforced the legal requirements to replenish the Contingency Cash Reserve within a two-year period after it use.

Finding #10: OCFO's quarterly reports on the status of the reserves contained inaccurate statements and contradicted OFT and OBP records.

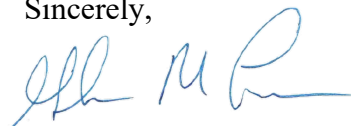
OCFO Response: The OCFO agrees with this finding. Prior to FY 2024, the quarterly Contingency Reserve Fund reports that OBP created reflected the budgetary usages but did not reflect interest earned. This issue was corrected after we clarified the requirements for the report. As such, the characterization that this was an ongoing and pervasive problem is not factual.

Finding #11: Some Contingency Reserve funds were spent for a purpose other than the purpose for which they had been allocated.

OCFO Response: OCFO does not agree with this finding. This finding is based on examples relating to the worldwide COVID-19 pandemic. In response to the pandemic, Mayor Bowser officially established a public health emergency, which was subsequently supplemented and extended. See, e.g., Mayor's Order 2020-045. The OCFO reviewed and approved Contingency Cash Reserve Fund allocations consistent with the Mayor's Orders issued to respond to the COVID-19 public health emergency.

If you have any questions or require additional information, please feel free to contact Timothy Barry, Executive Director of the Office of Integrity and Oversight, at 202-442-6433.

Sincerely,



Glen Lee

cc: Angell Jacobs, Deputy CFO and Chief of Staff, OCFO
Eric Cannady, Deputy Chief Financial Officer, Office of Budget and Planning
Carmen Pigler, Deputy Chief Financial Officer, Office of Finance and Treasury
Timothy Barry, Executive Director, Office of Integrity and Oversight
David Tseng, OCFO General Counsel
Tisha Edwards, Director, OIO Audit Division

ODCA Response to Agency Comments

We appreciate receiving comments from the OCFO on the draft report. The OCFO disagreed with eight findings, agreed with one finding, and agreed in part with two findings.

Our most important findings are based on the absence of statutory authority for the OCFO's use of the Contingency Reserve. In his comments, CFO Glen Lee claims that his agency is permitted to use the Contingency Reserve however and whenever it pleases, unless a law expressly prohibits it from doing so.

This claim reflects a fundamental misunderstanding of an agency's authority in American government. Agencies are creatures of statute, and they may exercise only those powers that have been conferred upon them by statute. *Pres. and Dirs. of Georgetown College v. District of Columbia*, 837 A.2d 58, 68 (D.C. 2003) (citing cases including *Marbury v. Madison*, 5 U.S. 137, 1 Cranch 137, 165 (1803)).

Congress has given the OCFO the authority to issue policies governing use of the reserve funds, subject to Mayoral review and Council approval. Our report found, and the OCFO's comments seem to reiterate, that the OCFO has not used its authority to propose policies that would legally support its allocations of Contingency Reserve funds. Without such policies reviewed and approved by elected officials or additional statutes to fill in the gaps, those gaps remain.

The OCFO similarly fails to understand that the District Anti-Deficiency Act (D.C. Official Code § 47-355.02) is violated when an agency obligates or spends money "before an appropriation is made," a practice the OCFO has repeatedly enabled under the last three CFOs. The violation is not cured when budget authority is reallocated to cover spending that already has occurred.

After reviewing all of the OCFO's comments—many of which disagreed with our findings on other grounds—we found no reason to revise our draft report, aside from correcting errors in the draft report's Appendix C, which we identified and disclosed to both agencies.

We appreciate that the OCFO recognized the importance of effective policy reviews as well as the need to send timely notices to Council and publish accurate reports. The OCFO has made positive changes to its processes for notices and reports, and we will assess them through ODCA's annual report on compliance with audit recommendations.

Appendices

Appendix A

Availability Analysis in its Entirety	Allocations based on this Availability Analysis
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue.	96
Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.	46
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.	45
Other sources of budget authority (funding) might have been available; however, the Contingency Cash Reserve Fund was determined to be most readily available source to resolve the aforementioned issues.	11
Other sources of budget authority (funding) were available; however, the Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue.	11
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve was determined to be the most readily available source to resolve the issue.	6
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve Fund was determined to be most readily available source to resolve the aforementioned issue.	5
Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be most readily available to resolve the aforementioned issue.	3
Other sources of budget authority (funding) were available; however, the Reserve was determined to be most readily available source to resolve the aforementioned issue.	2
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve Fund was determined to be most readily available source to resolve the aforementioned issues.	2
Other sources of budget authority (funding) might have been available; however, the Contingency Cash Reserve Funds were determined to be most readily available to resolve the aforementioned issue, especially given the large amount required.	2
The Mayor chose to use the Contingency Cash Reserve funds to expedite meeting this need within a short time-frame.	2
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue in a timely manner.	2

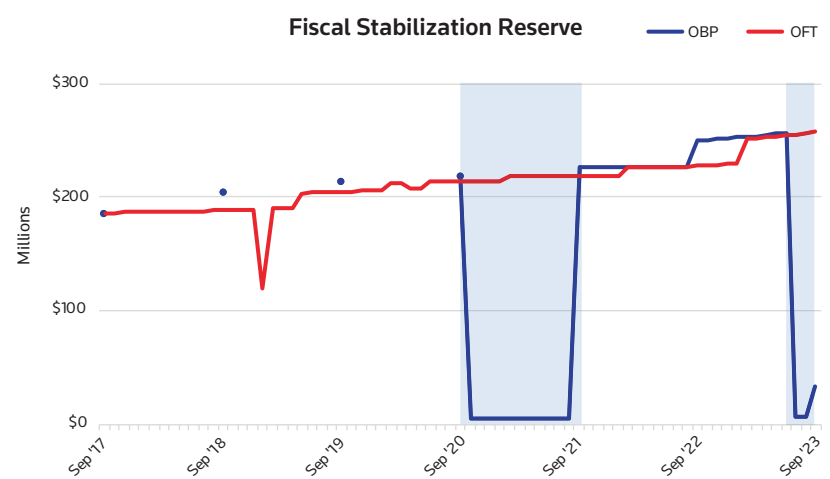
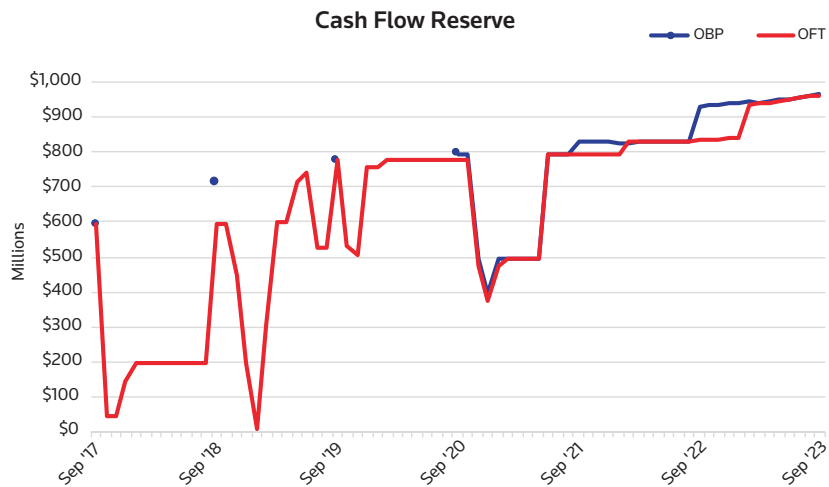
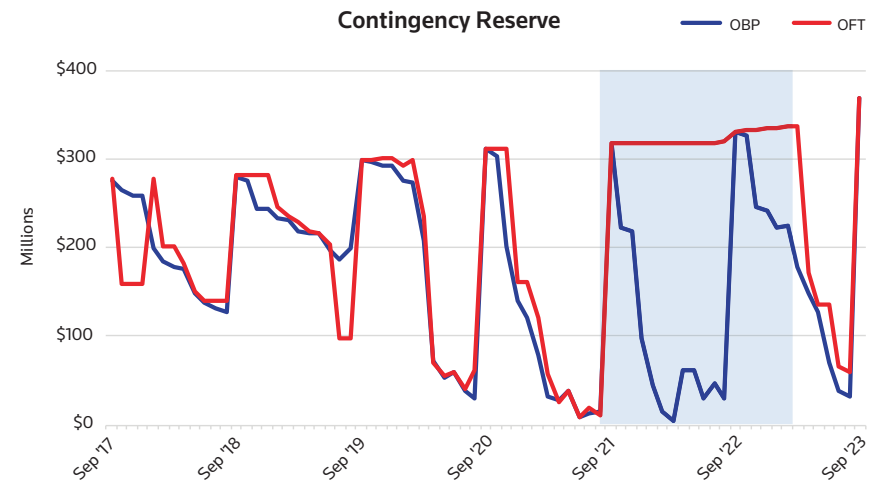
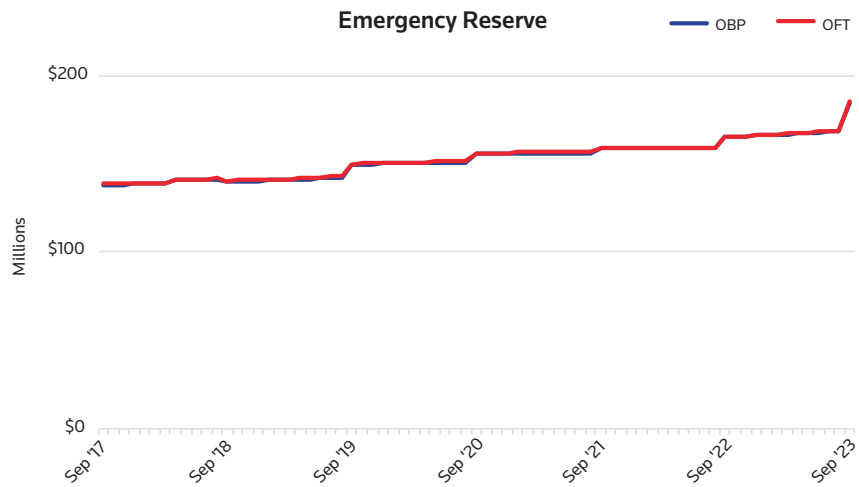
Availability Analysis in its Entirety	Allocations based on this Availability Analysis
Other sources of budget authority (funding) were available; however, the Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issues.	2
While other sources of funding might exist, the Mayor chose to use the Contingency Cash Reserve funds to expedite meeting this need. No other sources would immediately cover the full extent of the identified needs.	2
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve Fund was determined to be the most readily available source of the magnitude to resolve the aforementioned issue.	2
No other sources of budget authority (funding) are immediately available to resolve the aforementioned issues.	1
Other sources of budget authority (funding) might have been available; however, the Reserve was determined to be most readily available source to resolve the aforementioned issue.	1
Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be most readily available source to resolve the aforementioned issue.	1
The Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue. No other fund source will be available in the timeframe needed.	1
Other sources of budget authority (funding) might have been available; however, the Reserve was determined to be the most readily available source to resolve the aforementioned issues.	1
Other sources of budget authority (funding) might have been available; however, the Reserve was determined to be most readily available source to resolve the aforementioned issue, especially given the large amount required.	1
Other sources of budget authority (funding) might have been available; however, the Contingency Cash Reserve Funds were determined to be most readily available to resolve the aforementioned issue, especially given the large amounts required.	1
Other sources of budget authority (funding) might have been available; however, the Contingency Cash Reserve Fund was determined to be the most readily available source to resolve the issues.	1
Other sources of budget authority (funding) might have been available; however, the Reserve was determined to be the most readily available source to resolve the aforementioned issue, especially given the large amount required.	1

Availability Analysis in its Entirety	Allocations based on this Availability Analysis
Other sources of budget authority (funding) were available; however, the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue in a timely manner.	1
Other sources of budget authority (funding) were not available at this point for FY 2020 costs; the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.	1
Other sources of budget authority (funding) might have been available; however, the Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue. This request came after the FY 2021 reprogramming deadline.	1
While other sources of funding might exist, the Mayor chose to use the Contingency Cash Reserve funds to expedite meeting this need. No other source would immediately cover the full extent of the identified needs.	1
No other source of budget authority (funding) was available at this scale, and the Contingency Reserve Fund was determined to be the most readily available source to resolve the aforementioned issue.	1
Other sources of budget authority (funding) were not likely to be available. The reprogramming deadline for FY 2021 has passed.	1
Other sources of budget authority (funding) were not available, given the passage of the deadline for reprogramming requests. The Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue.	1
Other sources of budget authority (funding) might have been available; however, the Contingency Cash Reserve was determined to be the most readily available source to resolve the aforementioned issue.	1
Other sources of budget authority (funding) were unlikely to have been available for a need this large. The Contingency Reserve was determined to be the most readily available source to resolve the aforementioned issue.	1
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Source: ODCA analysis of OBP memos.

Appendix B

These charts show month-end reserve balances according to OBP reports (prepared on a budget basis) and account statements (prepared on a cash basis) sent to OFT.



Appendix C

This table summarizes documentation of Contingency Reserve allocations and the audit team’s determinations of what the documentation showed.

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
1	2018	10/26/17	DGS	AM0	\$1,700,000	remediation costs associated with the Oxon Run oil spill	Yes	No
2	2018	10/26/17	DCHR	BE0	\$433,710	outside expert to provide employment tax and consulting services to identify and quantify tax issues identified by the agency	No	No
3	2018	10/26/17	DHCF	HT0	\$10,000,390	unanticipated costs associated with DCAS	No	No
4	2018	11/9/17	OCTO	TO0	\$5,192,000	rectify aging hardware issues affecting OJS and Reeves, and support additional staff for PeopleSoft pay adjustment tasks to implement WTU agreement	Partially	No
5	2018	1/3/18	NFPH	HX0	\$7,000,000	provide \$5 million in cash reserves and pay \$2 million for a Medicare recoupment of funds	No	No
6	2018	1/4/18	DME	GW0	\$850,000	fund the Master Facilities Plan	No	No
7	2018	1/17/18	OAG	CB0	\$965,000	completion of space build out that was anticipated for FY17 but actually is happening in FY18	No	No
8	2018	1/17/18	MPD	FA0	\$2,800,000	uniforms that were purchased in FY 2017, but not able to be received until FY 2018	No	No
9	2018	1/23/18	ECF	BG0	\$1,150,000	cover costs of projected claims	No	No
10	2018	1/24/18	MPD	FA0	\$6,600,000	hire additional officers	No	No
11	2018	1/24/18	DDS	JM0	\$4,000,000	cover increased costs due to higher than anticipated utilization of DD waiver services	Yes	No
12	2018	1/25/18	DGS	AM0	\$12,100,000	demolition of DC General	No	No
13	2018	1/25/18	DBH	RM0	\$5,500,000	compensate for a reduction in Medicaid revenue	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
14	2018	1/29/18	BOE	DL0	\$1,300,000	support hiring and training of temporary workers and the purchasing of needed equipment for the 2018 elections	No	No
15	2018	1/29/18	FEMS	FB0	\$6,778,083	cover increased overtime costs; expiration of a federal grant covering 42 FTE; increased need for emergency drugs to treat opioid overdose; needed PPE; and a promotional exam	No	No
16	2018	1/29/18	DOC	FL0	\$11,040,000	hire additional corrections officers, address increased overtime costs and pharmaceutical/contract costs	No	No
17	2018	2/8/18	NFPH	HX0	\$6,193,836	fund FY18 costs for a new UMC operator, GWU Emergency Department, GWU Hospitalists	No	No
18	2018	2/21/18	DMPED	EB0	\$9,000,000	cover increased environmental remediation costs for the DC United soccer stadium	No	No
19	2018	2/21/18	ONSE	NS0	\$300,000	provide additional grants for violence interruption and violence prevention	No	No
20	2018	3/27/18	HSEMA	BN0	\$2,500,000	support renovation and expansion of emergency operations and the purchase of a new mobile emergency command center	No	No
21	2018	4/12/18	DHCD	DB0	\$5,000,000	allow DHCD to serve an unexpected increase in HPAP and EAH applications	No	No
22	2018	5/3/18	DGS	AM0	\$28,383,000	facility needs: DCPS and DPR summer refresh, increased security costs, construction services at DC General, sustainability activities, and assumption of the Excel Charter School lease	No	No
23	2018	5/5/18	NFPH	HX0	\$3,700,000	fund part of nurses' arbitration award	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
24	2018	5/18/18	DFS	FR0	\$600,000	continue DNA testing and purchase supplies and equipment for evidence testing. This one-time request is needed to ensure these critical services are not interrupted. Given the exigency of this request, a reprogramming is not possible.	Yes	No
25	2018	6/20/18	NFPH	HX0	\$10,000,000	continue operations of the hospital	No	No
26	2018	7/1/18	DCPCS	GC0	\$122,848,123	advance on FY 2019 funding	No	No
27	2018	7/24/18	FEMS	FB0	\$27,300	unanticipated costs (FEMS overtime and ambulance services) associated with the Stanley Cup	Yes	No
28	2018	7/24/18	FEMS	FB0	\$144,040	unanticipated costs (FEMS overtime and ambulance services) associated with All Star Game events	Yes	No
29	2018	7/24/18	DDOT	KA0	\$147,700	unanticipated costs (traffic control activities) associated with the Stanley Cup	Yes	No
30	2018	7/24/18	DDOT	KA0	\$889,000	unanticipated costs (implementation of traffic safety measures) associated with All Star Game events	Yes	No
31	2018	7/25/18	MPD	FA0	\$1,696,176	unanticipated costs (MPD overtime) associated with the Stanley Cup	Yes	No
32	2018	7/25/18	MPD	FA0	\$2,542,243	unanticipated costs (MPD overtime) associated with All Star Game events	Yes	No
33	2018	7/27/18	DOH	HC0	\$73,417	unanticipated costs (DOH health and safety activities) associated with All Star Game events	Yes	No
34	2018	7/27/18	DPW	KT0	\$185,650	unanticipated costs (clean-up and safety activities) associated with the Stanley Cup	Yes	No
35	2018	7/27/18	DPW	KT0	\$809,040	unanticipated costs (clean-up activities) associated with All Star Game events	Yes	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
36	2018	8/6/18	ECF	BG0	\$3,910,000	cover the cost of projected claims	No	No
37	2018	8/14/18	DCPS	GA0	\$1,153,179	cover personnel costs from mid-August to 9/30 for the new Excel Academy that DCPS recently took over	No	No
38	2018	9/12/18	OCP	PO0	\$5,000,000	address FY 2018 expenditures for emergency purchases related to the Declaration of Public Emergency issued on 9/11/2018 associated with Hurricane Florence	Yes	No
39	2019	10/22/18	DME	GW0	\$77,278	fund the Master Facilities Plan	No	No
40	2019	10/25/18	DCHR	BE0	\$238,504	hire expert for employment tax and consulting services	No	No
41	2019	10/26/18	OTA	CQ0	\$3,831,724	rehouse residents affected by fire at Arthur Capper Senior Public Housing complex	Yes	No
42	2019	11/8/18	NFPH	HX0	\$14,260,773	fund contract costs for the UMC operator (\$6.76M) and GW Medical Faculty Associates (\$7.5M)	No	No
43	2019	11/19/18	DMPED	EB0	\$13,000,000	unexpected, one-time shortfalls in New Communities project	No	No
44	2019	11/27/18	BOE	DL0	\$290,000	special election to fill Ward 4 SBOE vacancy	Yes	No
45	2019	12/7/18	DGS	AM0	\$5,200,000	complete the DC General demolition project	No	No
46	2019	1/16/19	CJDT	DQ0	\$55,603	fund 6 weeks of continued operations during federal shutdown	Yes	No
47	2019	1/16/19	JNC	DV0	\$50,828	fund 6 weeks of continued operations during federal shutdown	Yes	No
48	2019	1/28/19	DPW	KT0	\$1,000,000	higher-than-anticipated costs of Winter Storm Gia	Yes	No
49	2019	1/31/19	NFPH	HX0	\$10,000,000	provide sufficient cash reserves so the hospital can meet financial obligations	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
50	2019	2/8/19	OSSE	GD0	\$3,900,000	cover unexpected shortfalls in data system contracts and the Division of Teaching and Learning	Yes	No
51	2019	3/11/19	CIA	RJ0	\$1,321,737	renew the District's real property insurance policy, following an OCFO determination that the Captive Trust Fund is a lapsing fund	Yes	No
52	2019	3/14/19	DGS	AM0	\$12,700,000	cover a funding shortfall for security guard contract because cost reduction strategies did not realize anticipated savings	No	No
53	2019	4/26/19	DPR	HA0	\$1,749,813	provide summer programming for youth in Wards 7 and 8	No	No
54	2019	4/29/19	OSSE	GD0	\$750,000	unexpected lapse of funding for AmeriCorps nonprofits	No	No
55	2019	6/21/19	WMATA	KE0	\$13,578,432	cover higher costs than anticipated for the School Transit Subsidy program, Kids Ride Free	No	No
56	2019	6/27/19	DHCD	DB0	\$7,200,000	fund an affordable housing project loan	No	No
57	2019	7/1/19	DCPCS	GC0	\$94,362,479	Charter schools advance (plus Cash Flow Reserve request of \$220,179,119)	No	No
58	2019	7/2/19	DGS	AM0	\$3,768,000	1) replacement of school door locks, and 2) unanticipated costs for repairs and maintenance due to weather-related events: purchase emergency supplies related to cooling and heating district facilities, support higher-than-anticipated weather-related expenditures, address building code repair needs in DCPS	Yes	No
59	2019	7/9/19	OP	BD0	\$1,083,000	outreach and education for 2020 Census	No	No
60	2019	7/18/19	DCPS	GA0	\$950,000	support new school openings and program expansions at Bard Early College, Coolidge, and Ida B Wells	No	No
61	2019	7/19/19	DGS	AM0	\$3,300,000	fund emergency HVAC maintenance & repairs and temporary cooling equipment	Yes	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
62	2019	7/19/19	OCP	PO0	\$500,000	emergency supplies to respond to heat emergency	Yes	No
63	2019	8/21/19	DHCF	HT0	\$5,000,000	fund DSH payments (one-time)	No	No
64	2019	9/25/19	EPSF	EP0	\$6,000,000	exhaustion of appropriated funds and need to reimburse MPD, FEMS and HSEMA for higher-than-anticipated costs, including state funeral of G.H.W. Bush and others	Yes	No
65	2019	9/25/19	Paygo	PA0	\$18,896,022	Thaddeus Stevens School renovation (DGS capital project NX238C)	No	No
66	2019	9/30/19	DCPCS	GC0	\$400,000	higher-than-anticipated accruals in 4th quarter	No	No
67	2019	9/30/19	DPW	KT0	\$700,000	cover higher-than-anticipated hauling costs	Yes	No
68	2020	10/7/19	OSSE	GD0	\$2,853,504	cover an unexpected lapse of funding for Americorps nonprofits	No	No
69	2020	11/19/19	DCHR	BE0	\$128,292	continue contract with outside expert	No	No
70	2020	11/27/19	MPD	FA0	\$3,800,000	public safety initiative, including expansion of MPD CCTV system	Yes	No
71	2020	12/13/19	FEMS	FB0	\$425,000	fund the biannual promotional exam required by CBA	No	No
72	2020	1/17/20	DGS	AM0	\$3,231,483	fund unanticipated new leasing cost obligations	No	No
73	2020	1/24/20	DGS	AM0	\$13,400,000	fund demolition of DC General	No	No
74	2020	1/29/20	OCF	CJ0	\$700,000	fund Fair Elections program for special election in Ward 2	Yes	No
75	2020	1/30/20	BOE	DL0	\$220,260	conduct special election in Ward 2	Yes	No
76	2020	2/14/20	MPD	FA0	\$3,500,805	overtime for World Series and Fall Crime Initiative	Yes	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
77	2020	3/3/20	OCP	P00	\$500,000	help the District order personal protective equipment and other necessary supplies for first responders and front-line staff as we prepare for a citywide response to COVID-19	Yes	Yes
78	2020	3/9/20	OCP	P00	\$650,000	procure medical call center services	Yes	Yes
79	2020	3/9/20	OCP	P00	\$1,000,000	PPE, supplies, and resources for first responders and front-line staff	Yes	Yes
80	2020	3/11/20	OCP	P00	\$5,000,000	acquire supplies, PPE, and equipment	Yes	Yes
81	2020	3/13/20	CIA	RJ0	\$1,378,000	fund renewal of the District's property insurance policy	No	No
82	2020	3/20/20	DMPED	EB0	\$25,000,000	fund relief for small businesses	Yes	Yes
83	2020	3/23/20	OCP	P00	\$5,000,000	acquire supplies, PPE, and equipment and services	Yes	Yes
84	2020	3/24/20	OCTO	T00	\$1,000,000	acquire needed supplies and equipment	Yes	Yes
85	2020	3/25/20	OCP	P00	\$15,000,000	purchase ventilators, PPE, testing supplies, medical supplies, and other necessary equipment	Yes	Yes
86	2020	3/27/20	OCP	P00	\$2,250,000	purchase meals for senior residents and needed testing equipment	Yes	Yes
87	2020	4/6/20	OCP	P00	\$31,000,000	purchase ventilators	Yes	Yes
88	2020	4/9/20	DHCF	HT0	\$35,000,000	support area hospitals for the need for increased medical services	Yes	Yes
89	2020	4/10/20	DGS	AM0	\$24,200,000	provide support for construction of a facility for increased medical services due to covid	Yes	Yes
90	2020	4/10/20	OCP	P00	\$7,975,000	purchase medical supplies and hospital beds	Yes	Yes

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
91	2020	4/23/20	OCP	PO0	\$22,500,000	purchase medical equipment, PPE, and other supplies and equipment	Yes	Yes
92	2020	4/24/20	OCP	PO0	\$40,500,000	obtain staffing necessary to provide increased medical services	Yes	Yes
93	2020	5/26/20	NFPH	HX0	\$9,790,000	medical supplies and equipment to assist with medical surge needs	Yes	Yes
94	2020	5/27/20	DMV	KV0	\$3,000,000	cover increased costs for ticket processing contract	No	No
95	2020	6/1/20	DGS	AM0	\$7,500,000	fund higher-than-anticipated costs of protective services, following procurement	Yes	No
96	2020	6/4/20	DGS	AM0	\$500,000	secure facilities, replace litter bins, and remove graffiti following protests of George Floyd's killing	Yes	No
97	2020	6/4/20	DPW	KT0	\$200,000	secure facilities, replace litter bins, and remove graffiti following protests of George Floyd's killing	Yes	No
98	2020	6/8/20	OCP	PO0	\$1,000,000	supplies and equipment to respond to George Floyd protests	Yes	No
99	2020	6/16/20	OCP	PO0	\$8,900,000	acquire supplies and equipment	Yes	Yes
100	2020	6/19/20	DHS	JA0	\$6,000,000	avoid interruption in FRSP housing services until receipt of supplemental budget	Yes	No
101	2020	6/29/20	DPR	HA0	\$2,258,000	additional costs of opening summer camps in accordance with guidelines	Yes	Yes
102	2020	7/6/20	OCP	PO0	\$15,500,000	purchase supplies and equipment	Yes	Yes
103	2020	7/13/20	DBH	RM0	\$1,455,193	fund costs associated with water emergency at St. Elizabeths	Yes	No
104	2020	7/24/20	DHCF	HT0	\$438,396	reimburse vendor for outreach efforts related to the public health emergency	No	Yes

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
105	2020	7/29/20	DGS	AM0	\$25,500	design, permitting, and preconstruction work on viewing stands for presidential inauguration	No	No
106	2020	7/29/20	Paygo	PA0	\$974,500	design, permitting, and preconstruction work on viewing stands for presidential inauguration	No	No
107	2020	7/30/20	OCP	PO0	\$3,145,277	sustain response to Covid	Yes	Yes
108	2020	8/5/20	OCP	PO0	\$20,117,396	sustain response to Covid	Yes	Yes
109	2020	8/26/20	DGS	AM0	\$243,000	plexiglass and building readiness materials	Yes	Yes
110	2020	8/26/20	OCP	PO0	\$101,000	hand sanitizer and stands	Yes	Yes
111	2020	9/10/20	OCP	PO0	\$29,792,605	sustain response to Covid	Yes	Yes
112	2020	9/30/20	UCF	BH0	\$2,316,906	provide claims payments while the District waits for approved federal funds that have not been received	No	No
113	2020	9/30/20	WMATA	KE0	\$732,624	support the District's subsidy payment as a result of lower-than-expected dedicated tax collections	Yes	Yes
114	2020	9/30/20	OCP	PO0	\$27,094,657	sustain response to Covid	Yes	Yes
115	2020	9/30/20	OCP	PO0	\$28,434,672	sustain response to Covid	Yes	Yes
116	2021	10/16/20	OCP	PO0	\$6,000,000	procure a new medical services contract for necessary staff to support the in-person learning needs of DCPS	Yes	Yes
117	2021	10/28/20	DFS	FR0	\$2,475,980	fund testing supplies, equipment, and contractual support	Yes	Yes
118	2021	10/31/20	DGS	AM0	\$980,000	fund cleaning and building readiness for general election; maintain the availability of handwashing stations	Yes	Yes
119	2021	11/2/20	DGS	AM0	\$1,353,350	fund two unanticipated leases: 1-year extension of data center lease due to moving delays, and new BOE warehouse	Partially	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
120	2021	11/2/20	DGS	AM0	\$14,600,000	continue enhanced cleaning services and building readiness	Yes	Yes
121	2021	11/18/20	DMPED	EB0	\$80,000,000	fund a hospitality support program to provide one-time grants to restaurants, hotels, retail, and sports and entertainment venues	No	Yes
122	2021	11/19/20	OCP	PO0	\$1,304,132	supplies, meals, cleaning services, and other items necessary for the response to the Covid public health emergency	Yes	Yes
123	2021	11/25/20	DBH	RM0	\$2,394,055	supplies, equipment and services necessary for the response to Covid	Yes	Yes
124	2021	12/2/20	OCP	PO0	\$2,750,000	immediate Covid testing needs	Yes	Yes
125	2021	12/11/20	OCP	PO0	\$36,485,016	support the District's continued response to Covid: support health and medical, emergency operations, fatality management, meal delivery and other critical supplies and services	Yes	Yes
126	2021	12/14/20	OCP	PO0	\$9,081,965	procure necessary PPE and services to protect DC's population that is homeless	Yes	Yes
127	2021	12/23/20	DGS	AM0	\$1,385,875	purchase additional air filters for safe reopening of District facilities	Yes	Yes
128	2021	12/23/20	OCP	PO0	\$2,393,780	warehouse operations costs associated with maintaining the Covid strategic response supply; and expand the isolation and quarantine services	Yes	Yes
129	2021	12/24/20	DOH	HC0	\$6,880,000	support necessary supplies, personnel, and equipment to support the District's response to Covid	Yes	Yes
130	2021	12/31/20	OCP	PO0	\$2,300,000	provide additional support for processing and responding to residents' questions on unemployment insurance	Yes	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
131	2021	1/6/21	OCP	PO0	\$1,500,000	provide needed supplies and support for the District related to insurrectionists' attempted takeover of the U.S. Capitol	Yes	No
132	2021	1/7/21	OCP	PO0	\$250,000	provide needed supplies and support related to First Amendment demonstrations	Yes	No
133	2021	1/12/21	DFS	FR0	\$2,914,175	fund testing supplies, equipment, and contractual support	Yes	Yes
134	2021	1/25/21	DGS	AM0	\$14,808,319	fund emergency repairs to Peabody ES (structural and water damage) and buy out Birney ES lease	Partially	No
135	2021	1/25/21	Paygo	PA0	\$1,177,398	fund emergency repairs to Peabody ES (structural and water damage) and buy out Birney ES lease	Partially	No
136	2021	2/11/21	DBH	RM0	\$2,711,424	supplies, equipment and services necessary for the response to Covid	Yes	Yes
137	2021	2/16/21	OCP	PO0	\$17,438,965	provide needed supplies and services for the District's isolation and quarantine sites as well as purchase needed PPE	Yes	Yes
138	2021	2/16/21	OCP	PO0	\$22,360,895	support the District's continued response to Covid: support health and medical, emergency operations, fatality management, meal delivery and other critical supplies and services	Yes	Yes
139	2021	3/2/21	HSEMA	BN0	\$500,000	provide contractual support necessary to stand up the Emergency Operations Center to reduce gun violence	No	No
140	2021	3/5/21	OSSE	GD0	\$10,000,000	launch an initiative to assist charter schools in reopening for in-person learning	Yes	Yes
141	2021	3/5/21	DGS	AM0	\$8,591,698	enhanced cleaning services at several District facilities	Yes	Yes
142	2021	3/16/21	CIA	RJ0	\$841,000	fund the renewal of the District's cyber insurance policies	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
143	2021	3/24/21	OCP	PO0	\$21,323,350	assist with the District's response to Covid for programs and services for isolation and quarantine sites and the Pandemic Emergency Program for Medically Vulnerable Individuals	Yes	Yes
144	2021	3/31/21	OCP	PO0	\$3,946,000	continuing security services at sites for temporary isolation and quarantine and the Pandemic Emergency Program for Medically Vulnerable Individuals	Yes	Yes
145	2021	4/5/21	DGS	AM0	\$224,990	provide security services to a new DC government facility	No	No
146	2021	4/7/21	DCPCS	GC0	\$2,614,946	supplemental payments to local education agencies	No	No
147	2021	4/8/21	DPR	HA0	\$1,919,580	new summer enrichment services to serve vulnerable District residents	No	No
148	2021	4/15/21	DGS	AM0	\$3,400,000	provide a downpayment on the acquisition of former BET property, per settlement agreement	No	No
149	2021	5/10/21	NFPH	HX0	\$25,000,000	fund an operating budget shortfall within the hospital's budget	No	No
150	2021	5/11/21	DOES	CF0	\$5,059,825	fund an additional 3,000 school-age youth for SYEP, to help mitigate learning loss	Yes	Yes
151	2021	5/13/21	DFS	FR0	\$2,260,028	fund testing supplies and contractual support	Yes	Yes
152	2021	5/19/21	OCP	PO0	\$38,749,608	continue programs and services necessary to Covid response, including testing, vaccination, PPE, and services at sites for temporary isolation and quarantine and the Pandemic Emergency Program for Medically Vulnerable Individuals (PEP-V)	Yes	Yes
153	2021	5/19/21	OCP	PO0	\$850,000	procure an independent evaluation of the Department of Forensic Services	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
154	2021	5/19/21	DDOT	KA0	\$254,000	fund the urgent installation of high-visibility road safety signage at high-priority intersections	No	No
155	2021	5/20/21	SET	GO0	\$710,056	fund outstanding purchase orders for supplies, due to a larger-than-anticipated decline in Medicaid reimbursements, due to Covid	Yes	Yes
156	2021	5/20/21	DYRS	JZ0	\$928,150	support community grants and expand credible messengers program	No	No
157	2021	5/20/21	DCPCS	GC0	\$3,234,275	supplemental payments to local education agencies	No	No
158	2021	5/21/21	OCFO	AT0	\$2,650,000	subsidize health insurance premiums (COBRA) through the ARPA Continuation of Health Coverage Assistance	No	Yes
159	2021	5/21/21	DPW	KT0	\$1,417,924	continue recycling processing contract in light of higher-than-expected costs for processing	Yes	No
160	2021	5/28/21	OCP	PO0	\$3,043,095	continuing security services at sites for temporary isolation and quarantine and the Pandemic Emergency Program for Medically Vulnerable Individuals	Yes	Yes
161	2021	6/17/21	DCPS	GA0	\$4,679,402	support the agency's need to reopen schools in the fall of 2021	Yes	Yes
162	2021	6/21/21	OCP	PO0	\$23,707,669	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
163	2021	6/23/21	Paygo	PA0	\$2,000,000	fund urgent response and clean-up efforts at the site of the pedestrian bridge collapse on Kenilworth Avenue	Yes	No
164	2021	6/24/21	DHCF	HT0	\$9,900,000	assist health care providers who have experienced significant losses as a result of the pandemic	Yes	Yes

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
165	2021	7/14/21	Paygo	PA0	\$1,500,000	accelerate the design of a new pedestrian bridge over Kenilworth Avenue and DC 295 to replace the Lane Place pedestrian bridge that collapsed	Yes	No
166	2021	7/19/21	DGS	AM0	\$4,750,000	support Covid-related costs: security at quarantine sites; decommission and restore alternate care sites to their primary uses; handwashing stations; PPE storage and decontamination laundry equipment at firehouses; and building readiness measures	Yes	Yes
167	2021	7/19/21	DME	GW0	\$700,000	launch the Back to School campaign this summer	No	No
168	2021	7/20/21	DCPS	GA0	\$2,715,254	fund summer facility work orders required for school building readiness and teacher supply cards required by CBA	No	No
169	2021	7/23/21	CIA	RJ0	\$750,000	support necessary stabilization, remediation, cleanup efforts and associated structural engineering work following the fire at Benning Road Transfer Station.	Yes	No
170	2021	7/29/21	OCP	PO0	\$7,042,946	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
171	2021	8/3/21	DGS	AM0	\$4,940,544	provide Covid-related cleaning and janitorial services, decommission and restore alternate care sites to their primary uses, support costs of PPE storage and decontamination laundry equipment at FEMS	Yes	Yes
172	2021	8/10/21	DCPS	GA0	\$1,211,438	cover patient care technicians required for safe school opening	Yes	Yes

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
173	2021	8/10/21	OCP	PO0	\$7,042,946	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
174	2021	8/23/21	OSSE	GD0	\$2,000,000	support contact tracing and supplemental nursing services in District schools	Yes	Yes
175	2021	8/23/21	OPEB	RH0	\$5,200,000	accommodate an updated estimate of OPEB benefits in FY21	No	No
176	2021	8/27/21	DMPED	EB0	\$322,000	support financial assistance to homeowners at River East at Grandview Estates II	No	No
177	2021	8/31/21	DHCD	DB0	\$400,000	support the Employer-Assisted Housing Program	No	No
178	2021	9/7/21	DMPED	EB0	\$226,933	provide budget authority for a grant from the Walter Reed Development Fund	No	No
179	2021	9/7/21	OCP	PO0	\$27,213,792	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
180	2021	9/16/21	DGS	AM0	\$2,700,000	support Covid-related cleaning and janitorial services	Yes	Yes
181	2021	9/20/21	DCHR	BE0	\$150,000	hire temporary compliance specialists to help implement the District's vaccination requirements.	Yes	Yes
182	2021	9/21/21	CIA	RJ0	\$1,770,500	fund the renewal of the District's cyber insurance policies, due to an unforeseen increase in premiums	No	No
183	2021	9/30/21	DGS	AM0	\$5,970,849	fund Covid response costs including cleaning, handwashing stations, and plexiglass	Yes	Yes

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184	2021	9/30/21	OSSE	GD0	\$3,461,143	fund costs associated with Covid response for charter school reopening grants	Yes	Yes
185	2021	9/30/21	WMATA	KE0	\$58,095,409	fund the District's full operating subsidy	Yes	No
186	2022	10/4/21	DCPS	GA0	\$7,930,833	fund health screeners and contact tracers in public schools	Yes	Yes
187	2022	10/12/21	DCHR	BE0	\$890,695	fund temporary staff to administer Covid vaccination requirement	Yes	Yes
188	2022	10/13/21	DGS	AM0	\$13,350,000	fund direct Covid response costs including enhanced cleaning, security at Covid-response related sites and facilities, building readiness materials and administrative support	Yes	Yes
189	2022	10/15/21	DCPS	GA0	\$22,000,000	expand and enhance Covid supports in public schools	Yes	Yes
190	2022	10/15/21	OSSE	GD0	\$10,000,000	fund reopening public charter schools, through grants to cover local education agencies' costs in modifications to public charter facilities	Yes	Yes
191	2022	10/15/21	OSSE	GD0	\$17,430,000	support responses to positive cases and clinical services for symptomatic students	Yes	Yes
192	2022	10/20/21	OCP	PO0	\$18,865,900	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
193	2022	10/25/21	OAH	FS0	\$250,000	fund court transcription services and language translation services resulting from increases in unemployment insurance casework during the Covid pandemic	Yes	Yes

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
194	2022	10/28/21	DMPSJ	FQ0	\$825,000	fund project management services and gun violence mediation efforts	No	No
195	2022	10/28/21	DFS	FR0	\$2,852,204	fund COVID-19 testing supplies and services, associated personnel, and contractual support	Yes	Yes
196	2022	11/15/21	OTA	CQ0	\$511,680	fund 4.0 term FTE to support OTA's full and timely response to the anticipated wave of evictions	Yes	Yes
197	2022	11/18/21	DGS	AM0	\$875,000	support continuation of emergency renovation work at Peabody ES that was unable to be completed in FY 2021	Yes	No
198	2022	11/19/21	BOE	DL0	\$1,000,000	fund mail ballots for the 2022 primary election	Yes	Yes
199	2022	12/7/21	OCP	PO0	\$18,157,700	assist with the District's response to Covid, including programs and services for isolation and quarantine [sites] and the Pandemic Emergency Program for Medically Vulnerable Individuals, PPE purchase, security, testing, and vaccination costs	Yes	Yes
200	2022	12/9/21	DBH	RM0	\$4,161,767	assist with the District's response to Covid, in supporting the population that DBH serves as a direct result of the pandemic	Yes	Yes
201	2022	12/9/21	OCTO	TO0	\$1,828,176	assist with the District's response to Covid, including replacing outdated digital devices (i.e., laptops) to enable more secure teleworking by District government employees	Yes	Yes
202	2022	12/13/21	DHS	JA0	\$24,561,384	alleviate financial pressures in FRSP and ERAP	No	No
203	2022	12/22/21	OCP	PO0	\$50,000,000	assist with the District's response to Covid, including the purchase and distribution of rapid tests	Yes	Yes
204	2022	12/23/21	DMPED	EB0	\$794,713	provide needed budget authority for the approved costs of event production at four sites across all four quadrants of DC	No	No

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205	2022	12/23/21	ONSE	NS0	\$361,344	provide budget authority for approved funds for family and survivor support services efforts for victims of violent crime and their families	No	No
206	2022	12/27/21	EOM	AA0	\$780,000	fund services supporting Safe Passage efforts	No	No
207	2022	12/27/21	DFS	FR0	\$2,000,000	fund Covid testing supplies and services	Yes	Yes
208	2022	12/29/21	DHS	JA0	\$5,000,000	alleviate financial pressures in ERAP	No	No
209	2022	12/30/21	DGS	AM0	\$12,723,992	fund direct COVID-19 response costs including enhanced cleaning, security at COVID-response related sites and facilities, building readiness materials and administrative support through February 2022	Yes	Yes
210	2022	12/31/21	HBX	HE0	\$1,600,000	fund the health insurance premium arrears relief program	No	No
211	2022	1/4/22	EOM	AA0	\$1,126,396	assist with the District's response to Covid, including vaccine outreach activities	Yes	Yes
212	2022	1/4/22	DGS	AM0	\$1,744,922	fund leasing, enhanced cleaning, and other costs associated with new Covid testing sites in the District	Yes	Yes
213	2022	1/10/22	OCP	PO0	\$22,459,876	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
214	2022	1/11/22	OCP	PO0	\$4,800,000	assist with the District's response to Covid, to fund the purchase of masks	Yes	Yes
215	2022	1/20/22	DMPED	EB0	\$8,000,000	provide necessary funding to enhance food access	No	No
216	2022	1/20/22	DHCF	HT0	\$15,000,000	provide necessary funding to assist with the District's response to COVID-19, to support hospitals	Yes	Yes
217	2022	2/3/22	DGS	AM0	\$6,076,393	support a major work order reduction effort at DCPS facilities	No	No

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218	2022	2/9/22	OCP	PO0	\$11,229,938	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
219	2022	2/17/22	DHS	JA0	\$8,000,000	fund rental and utilities assistance	No	No
220	2022	2/25/22	OCP	PO0	\$3,394,000	purchase supplies needed to prepare for First Amendment activities anticipated to take place in the near future	No	No
221	2022	3/8/22	OCP	PO0	\$11,229,938	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
222	2022	3/28/22	CIA	RJ0	\$672,000	provide necessary funding for the renewal of the District's real property insurance policies	No	No
223	2022	4/29/22	DGS	AM0	\$12,691,365	fund direct Covid response costs including enhanced cleaning, testing, security at Covid-response related sites and facilities, building readiness materials and administrative support through May 2022	Yes	Yes
224	2022	4/29/22	Paygo	PA0	\$1,500,000	support emergency HVAC work at Seaton ES to replace system piping to prepare the school in advance of the upcoming school year	Yes	No
225	2022	4/30/22	DPR	HA0	\$5,071,500	support summer services, core recreation, and violence interruption programs for all youth (including at-risk)	No	No
226	2022	4/30/22	OCP	PO0	\$36,107,287	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
227	2022	5/3/22	DBH	RM0	\$556,660	fund direct Covid response costs including enhanced cleaning, temporary nursing and doctors, and quarantine beds	Yes	Yes

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228	2022	6/1/22	DGS	AM0	\$6,400,000	cover increased energy costs due to rises in natural gas prices	Yes	No
229	2022	6/1/22	OCP	PO0	\$413,251	cover costs for First Amendment activities	No	No
230	2022	6/7/22	DGS	AM0	\$379,898	fund enhanced cleaning at swimming pools	No	No
231	2022	6/7/22	DGS	AM0	\$20,881,669	fund direct Covid response costs including enhanced cleaning, testing, security at Covid-response related sites and facilities, building readiness materials and administrative support	Yes	Yes
232	2022	6/15/22	OCP	PO0	\$13,000,000	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
233	2022	6/21/22	DOES	CF0	\$2,000,000	cover costs in the Paid Family Leave program	No	No
234	2022	6/30/22	DOES	CF0	\$1,910,993	cover costs in the Paid Family Leave program	No	No
235	2022	6/30/22	OCP	PO0	\$9,459,876	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
236	2022	7/8/22	DGS	AM0	\$4,412,617	fund schools' summer readiness work orders and replacing indoor air quality senseware devices	Partially	No
237	2022	7/25/22	OCP	PO0	\$22,459,876	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	No
238	2022	8/2/22	NFPH	HX0	\$7,000,000	cover costs for the United Medical Center	No	No
239	2022	8/8/22	OSSE	GD0	\$2,200,000	support patient care technicians in public charter schools	Yes	Yes

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240	2022	9/1/22	DCNG	FK0	\$400,000	fund site remediation and rehabilitation services at the DCNG Challenge Academy	No	No
241	2022	9/1/22	OCP	PO0	\$12,129,938	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
242	2022	9/8/22	WMATA	KE0	\$2,748,234	fund the District's full operating subsidy	Yes	No
243	2022	9/8/22	OCP	PO0	\$10,329,938	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
244	2022	9/15/22	CIA	RJ0	\$1,298,831	fund renewal of the District's cyber insurance policies following the unforeseen increase in premiums	No	No
245	2022	9/19/22	OCP	PO0	\$9,982,584	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
246	2022	9/30/22	DGS	AM0	\$3,001,741	cover higher than projected energy costs at District facilities due to rising global energy prices	Yes	No
247	2022	9/30/22	OCP	PO0	\$7,000,192	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
248	2022	9/30/22	OCP	PO0	\$1,448,583	assist with the District's response to monkeypox and migrant services, including meals, temporary accommodation, and support services	Yes	No
249	2023	11/10/22	OIG	AD0	\$663,000	support additional work related to oversight of COVID 19 operations	No	Yes

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250	2023	11/10/22	DHS	JA0	\$4,000,000	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
251	2023	11/17/22	ODR	JR0	\$94,754	fund sign language interpretation services	Yes	No
252	2023	11/18/22	DGS	AM0	\$35,268,852	cover active agency costs while FY 2023 funding is re-allocated into the correct budget lines in the District's new financial system	No	No
253	2023	11/22/22	DDOT	KA0	\$18,081,896	repair Lane Place Pedestrian Bridge	Yes	No
254	2023	11/28/22	HSEMA	BN0	\$26,939,425	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
255	2023	11/28/22	OSSE	GD0	\$2,485,625	support patient care technicians in local education agencies	Yes	Yes
256	2023	12/20/22	OSSE	GD0	\$5,814,375	support patient care technicians in local education agencies	Yes	Yes
257	2023	12/21/22	OCA	AE0	\$1,329,580	support work related to corrective actions from the HUD condition assessment	No	No
258	2023	12/22/22	HSEMA	BN0	\$13,162,593	fund direct COVID-19 response costs including enhanced testing, security at COVID-response related sites and facilities, building readiness materials and administrative support	Yes	Yes
259	2023	1/11/23	DHS	JA0	\$3,810,104	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
260	2023	1/13/23	HSEMA	BN0	\$25,469,713	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
261	2023	1/13/23	HSEMA	BN0	\$6,121,875	fund direct COVID-19 response costs including enhanced testing, security at COVID-response related sites and facilities, building readiness materials and administrative support	Yes	Yes

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262	2023	2/20/23	DME	GW0	\$2,208,485	fund unanticipated cost increases for the Safe Passage Program	No	No
263	2023	3/1/23	DGS	AM0	\$475,850	implement emergency work at the Federal City Shelter	Yes	No
264	2023	3/8/23	HSEMA	BN0	\$26,939,426	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
265	2023	3/14/23	DCPS	GA0	\$12,439,784	support patient care technicians in public schools	Yes	Yes
266	2023	3/23/23	DMV	KV0	\$2,267,828	fund unanticipated cost increases for ticket processing	No	No
267	2023	3/29/23	DHCD	DB0	\$5,000,000	fund additional applications for HPAP	No	No
268	2023	4/6/23	HSEMA	BN0	\$2,489,808	fund direct COVID-19 response costs including enhanced testing, security at COVID-response related sites and facilities, building readiness materials and administrative support	Yes	Yes
269	2023	4/6/23	DHS	JA0	\$5,977,000	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
270	2023	4/12/23	DHCD	DB0	\$10,140,579	fund additional applications for HPAP	No	No
271	2023	4/12/23	MODDHH	JS0	\$301,247	fund sign language interpretation services	No	No
272	2023	4/14/23	DGS	AM0	\$3,423,151	fund increased labor and material costs for the buildout of the HSEMA Emergency Operations Center	No	No
273	2023	4/18/23	DHS	JA0	\$8,291,035	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
274	2023	5/1/23	DGS	AM0	\$11,000,000	cover increased energy costs due to higher-than-expected global energy prices	Yes	No

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275	2023	5/1/23	OCP	PO0	\$2,100,000	license costs to continue work on the PASS modernization project	No	No
276	2023	5/10/23	CP	ZC0	\$1,400,000	fund a shortfall in budget authority caused by increases in short-term interest rates	Yes	No
277	2023	5/23/23	DMPED	EB0	\$7,560,000	assist with unanticipated closing costs	No	No
278	2023	6/9/23	OTA	CQ0	\$340,000	assist clients with the emergency housing and relocation assistance	Yes	No
279	2023	6/9/23	DHS	JA0	\$3,650,519	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
280	2023	6/14/23	HSEMA	BN0	\$12,575,378	assist with the District's response to COVID-19, including programs and services for testing, hospital coordination, logistics, vaccination, and operations	Yes	Yes
281	2023	6/16/23	DDOT	KA0	\$4,108,320	cover increased energy costs due to higher-than-expected global energy prices	Yes	No
282	2023	6/20/23	DGS	AM0	\$8,875,271	fund schools' summer readiness work orders	No	No
283	2023	6/23/23	DHS	JA0	\$7,471,598	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
284	2023	6/27/23	DHCD	DB0	\$10,189,675	fund additional applications for HPAP	No	No
285	2023	6/29/23	DGS	AM0	\$5,067,253	fund facilities needs that include janitorial, pest control, grounds keeping, and general maintenance	No	No
286	2023	7/3/23	DOES	CF0	\$7,036,249	cover costs in the Paid Family Leave program	No	No
287	2023	7/3/23	DHCD	DB0	\$3,853,000	fund additional applications for HPAP	No	No
288	2023	7/5/23	DFHV	TC0	\$500,000	cover costs associated with vehicle cameras	No	No

#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Does documentation show a legally permissible purpose?	Was the allocation related to Covid?
289	2023	7/6/23	HSEMA	BN0	\$679,279	fund direct COVID-19 response costs including enhanced testing, security at COVID-response related sites and facilities, building readiness materials and administrative support	Yes	Yes
290	2023	7/18/23	DGS	AM0	\$2,672,634	cover increased security costs	No	No
291	2023	7/27/23	DCPCS	GC0	\$13,000,000	cover the supplemental payments	No	No
292	2023	7/27/23	DHS	JA0	\$10,327,342	cover the August rental payments for FRSP, due to the agency's inability to access these funds based on the FY 2023 appropriation	No	No
293	2023	8/3/23	NFPH	HX0	\$7,000,000	cover increased costs for labor and lower Medicaid activity	No	No
294	2023	8/4/23	OCA	AE0	\$654,268	support work related to corrective actions from the HUD condition assessment	No	No
295	2023	8/25/23	DHS	JA0	\$10,272,658	cover the September rental payments for FRSP, due to the agency's inability to access these funds based on the FY 2023 appropriation	No	No
296	2023	8/29/23	WCSA	EZ0	\$3,000,000	provide budget authority	No	No
297	2023	9/8/23	DHS	JA0	\$11,476,543	assist with migrant services, including meals, temporary accommodation, and support services	Yes	No
Subtotal: \$2,347,197,685								

Excluded from Analysis								
#	Fiscal Year	Effective Date	Agency	Agency Code	Amount of Allocation	Purpose of Allocation	Reason for Exclusion	Was the allocation related to Covid?
298	2020	7/29/20	OCP	P00	\$400,000	reallocate funds requested on 6/3/2020 because OCP ordered the majority of graffiti cleaning supplies and equipment	Reallocation	No
299	2020	7/29/20	DGS	AM0	-\$400,000	reallocate funds requested on 6/3/2020 because OCP ordered the majority of graffiti cleaning supplies and equipment	Reallocation	No
300	2020	9/30/20	OCP	P00	\$989,995	pay cost of licensing convention center for Covid response	Not documented	No
301	2022	9/30/22	DGS	AM0	\$1,244,246	fix the erroneous allocation of non-departmental funds	Not documented	No
Subtotal:					\$2,234,241			
Grand Total:					\$2,349,431,925			

About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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