

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend Chapter 3 of Title 47 of the District of Columbia Official Code to prohibit District employees from exceeding budget appropriations or from entering contracts without a prior appropriation, to require managers to prepare periodic year-end spending projections, to require the heads and chief financial officers of the various agencies to develop monthly spending plans, and to require the Chief Financial Officer to develop quarterly apportionment of funds based on the spending plans and report to the Mayor and the Council on a quarterly basis comparing actual spending to the spending plans.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “District Anti-Deficiency Act of 2002”.

Sec. 2. Chapter 3 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Chapter 3 is amended by adding a new Subchapter III-B to read as follows:

"Subchapter III-B. Anti-Deficiency.

"Sec.

"47-355.01. Definitions.

"47-355.02. Limitations on expenditures and obligating amounts.

"47-355.03. Reporting requirements of managers.

"47-355.04. Reporting requirements of agency heads and chief financial officers.

"47-355.05. Reporting requirements of the Chief Financial Officer.

"47-355.06. Penalties.

"47-355.07. Establishment of Review Board.

"47-355.08. Notice requirement.

"(b) A new Subchapter III-B is added to read as follows:

"SUBCHAPTER III-B. ANTI-DEFICIENCY.

"47-355.01. Definitions.

"For the purposes of this act, the term:

"(1) “Agency” means an agency, office, department, board, commission, or

independent agency or instrumentality of the District Government.

"(2) "Apportionment" means the division of an agency's appropriated budget authority by periods within a fiscal year.

"(3) "Employee" means an individual who performs a function of the District Government and who receives compensation for the performance of that function.

"(4) "Manager" means an individual chosen or appointed to manage, direct, or administer some affairs of the agency, including the expenditure of funds.

"(5) "Program" means the highest level, for budgeting and expenditure control, within the agency that the District of Columbia Government uses for a specific purpose for appropriated budget authority. A program may consist of multiple activities, which combined achieve the stated purpose and goals.

"47-355.02. Limitations on expenditures and obligating amounts.

"A District agency head, deputy agency head, agency chief financial officer, agency budget director, agency controller, manager, or other employee may not:

"(1) Make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund;

"(2) Involve the District in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;

"(3) Approve a disbursement without appropriate authorization; or

"(4) Defer recording a transaction incurred in the current fiscal year to a future fiscal year.

"47-355.03. Reporting requirements of managers.

"A manager shall develop year-end spending projections, by source of funds, on a monthly basis, which show year-to-date spending, approved budget, year-end projected spending, explanations of variances greater than 5%, and in the case of overspending, a corrective action plan. Spending projections shall be submitted to the agency head and the agency chief financial officer. Summarized agency spending projections shall be submitted to the Chief Financial Officer no more than 30 days after the end of the month.

"47-355.04. Reporting requirements of agency heads and chief financial officers.

"(a) By October 1 of each year, an agency head and agency chief financial officer shall jointly submit to the Chief Financial Officer a monthly spending plan and a Schedule A, each by source of funds, based on the budget submitted to Congress. If an agency's budget is changed after Congressional submission, a revised spending plan and a revised Schedule A, each by source of funds, must be submitted to the Chief Financial Officer within 15 days of final approval of the budget.

"(b) Any revision to an agency's approved operating budget during a fiscal year shall be reflected in a revised spending plan submitted to the Chief Financial Officer within 10 days of the approval of the revised budget.

"47-355.05. Reporting requirements of the Chief Financial Officer.

"(a) The Chief Financial Officer shall submit reports to the Council and the Mayor on a

quarterly basis indicating each agency's actual expenditures, obligations, and commitments, each by source of funds, compared to their approved spending plan. This report shall be accompanied by the CFO's observations regarding spending patterns and steps being taken to assure spending remains within the approved budget.

"(b) The Chief Financial Officer shall be required to develop the quarterly apportionment of funds, by source of funds, for each agency based on the spending plans submitted by agency heads and agency chief financial officers. The apportionment shall be binding on agencies unless otherwise modified by the Chief Financial Officer.

"(c) The Chief Financial Officer shall determine when each agency will transition to the quarterly apportionment of funds, so long as all agencies transition to quarterly apportionment within 3 years of the effective date of this act.

"(d) Nothing in this section is intended to interfere with the exclusive authority and discretion of the District of Columbia Retirement Board to manage and control retirement funds pursuant to AN ACT to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, approved November 17, 1979 (93 Stat. 866; D.C. Official Code § 1-711).

"47-355.06. Penalties.

"An agency head, deputy agency head, agency chief financial officer, agency budget director, agency controller, manager, or other employee may be subject to adverse personnel action, including removal, for:

"(1) Violating section 3;

"(2) Allowing an expenditure or obligation to exceed apportioned amounts;

"(3) Not submitting a required plan or projection in a timely manner;

"(4) Knowingly reporting incorrectly on spending to date or on projected total annual spending; or

"(5) Failure to adhere to a spending plan.

"47-355.07. Establishment of Review Board.

"(a) Within 30 days of the effective date of this act, the Mayor and Chief Financial Officer shall establish a review board, which shall within 30 days of learning of a violation specified in subsection (a) of this section by an agency convene a review board to investigate the causes of the violation. The review board shall assess the culpability of responsible employees, recommend an appropriate disciplinary action, and report to the Council the actions proposed to be taken based on the review board's findings.

"(b) The report to the Council shall include all relevant facts, including the following:

"(1) The violation;

"(2) The name and title of the employees who were responsible for the violation;

"(3) Any justification; and

"(4) A statement of the action taken or proposed to be taken.

"(c) The review board may recommend that no action be taken where it finds a justification for the violation. Justification may include overspending as a result of court orders, entitlements, or explicit authorization in the appropriations act.

"(d) Subsection (a) of this section shall not be a prerequisite for adverse personnel action under this act.

"47-355.08. Notice requirement.

"Within 30 days of the effective date of this act, the Mayor shall issue an administrative order advising all District agency heads, deputy agency heads, chief financial officers, agency budget directors, agency controllers, and other managers of the requirement of this act."

Sec. 3. The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. This act shall take effect upon its approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-602.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia