From: Marks, Kathryn J. [redacted]@FDIC.gov>
Sent: Tuesday, October 1, 2024 12:59 PM
To: Davis, Corinthian (OCFO) [redacted]@dc.gov>
Subject: Deposit Insurance Inquiry re: ANCs

Ms. Davis,

Thank you for contacting the FDIC regarding deposit insurance coverage for Advisory Neighborhood Commissions (ANC) in Washington, DC. Specifically, you asked if each ANC would qualify as a separate political subdivision within the FDIC's regulations at 12 CFR 330.15, such that each ANC would be insured separately from other ANCs and the Washington, DC government generally.

In a follow-up conversation on June 13, 2024, we further discussed the structure of the ANCs.

The FDIC's regulations state that a "political subdivision" includes such entities as drainage, irrigation, sanitary, school or power districts as well as any subdivision of a public unit such as the District of Columbia. (*See* 12 CFR 330.15(d)). To be a political subdivision, the regulations require that:

(1) The creation of which subdivision or department has been expressly authorized by the law of such public unit;

(2)Some functions of government have been delegated to the subdivision by such law; and

(3) the subdivision is empowered to exercise exclusive control over funds for its exclusive use.

(*See* 12 CFR 330.15(d)). Additionally, the FDIC's regulations provide that where multiple signatures are required for any expenditure of funds by the official custodian, the signatories are considered to function as one official custodian. (*See* 12 CFR 330.15(b)(3)

Based on the information you provided, the ANCs appear to be political subdivisions under the FDIC's regulations. Specifically, you noted that the ANCs were created as part of the DC legislative branch pursuant to the Advisory Neighborhood Commissions Act of 1975 (ANC Act), effective March 26, 1976 (D.C. Law 1-58. You also indicated that each ANC Commissioner is authorized to open a bank account for the ANC, pursuant to D.C. Official Code § 1-309.13 and each ANC passes its own budget and determines how the money allocated to it will be spent. Your inquiry also states that the ANCs perform an advisory role to the Mayor and DC government entities. As a separate political subdivision under the FDIC's regulations, each ANC would be entitled to deposit insurance coverage separate from the DC government or any other ANCs.

Please note that the opinions expressed herein represent the views of staff and should be considered advisory in nature. Staff opinions are not binding upon the FDIC or its Board of Directors. In addition, the information provided is not meant to be all inclusive and the opinions expressed herein are based upon the facts presented in the original request. Any changes in the facts or circumstances may result in different conclusions.

Regards,

Kate

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