

FINANCIAL OVERSIGHT OF LEGAL SERVICES CORPORATION (LSC) FUNDS AND INTERNAL CONTROLS



Overview of LSC Financial Oversight

Stewardship of Funds

LSC

- ❑ Board of Directors and Committees
- ❑ Office of Compliance and Enforcement (OCE) and Office of Program Performance (OPP)
- ❑ Office of Inspector General (OIG)
- ❑ Independent Public Accountants (IPA)
- ❑ General Accounting Office (GAO)

LSC Grantees

- ❑ Board of Directors and Committees
- ❑ Grantee's Management Team
- ❑ OCE
- ❑ OIG
- ❑ IPA

LSC's Financial Oversight Responsibilities Include But Are Not Limited To

- ❑ Reviewing grantee compliance with the LSC Act, with congressional restrictions on LSC funds, and with LSC regulations and guidelines.
- ❑ Referrals to the LSC-OIG as appropriate.
- ❑ Investigations of complaints referred to OIG.
- ❑ Responses to OIG referrals to OCE.
- ❑ Approval of grantee LSC-funded subgrant agreements, expenditures of LSC funds for the purchase/lease of personal property above \$10,000, and approval for all purchases of real property regardless of amount.
- ❑ Review and approval of grantee waivers related to Private Attorney Involvement (PAI) and Fund Balance requirements.
- ❑ Review and assessment of grantee policies with respect to equal opportunity, sexual harassment, and accessibility of services.

LSC's Role in Carrying Out its Responsibilities

- ❑ Prepares and issues the LSC Accounting Guide.
- ❑ Conducts Case Service Report and Case Management System reviews.
- ❑ Conducts Focus Internal Control (FIC) reviews of compliance with the LSC accounting manual and fiscal-related regulations.
- ❑ Recommends Special Grant Conditions (SGC) and grant assurances with respect to grantee compliance and reviews grantee compliance.
- ❑ Provides technical assistance and training.
- ❑ Reviews audited financial statements, issues corrective action notices and follow-up on corrective action plans.
- ❑ Initiates questioned cost proceedings.

LSC Program Letters and Bulletins

- ❑ Fiscal Management and the Use of LSC Funds, Program Letter 08-02
- ❑ Compliance Guidance, Program Letter 08-03
- ❑ Compliance Guidance and Interim Guidance on Attorneys' Fees, Program Letter 09-03
- ❑ Embezzlement, Fraud, and the Critical Importance of Effective Internal Control, Program Letter 10-02
- ❑ Compliance Guidance, Program Letter 10-02
- ❑ Audit Bulletins (OIG)



OCE Compliance Reviews

TYPES OF COMPLIANCE VISITS

- ❑ LSC conducts oversight through a variety of methods including, but not limited to, reporting requirements and onsite program visits (e.g., Case Service Report and Case Management System (CSR/CMS) Reviews, Follow Up Reviews (FUR), Compliant Investigations; Technical Assistance Reviews).
- ❑ LSC visits can vary in scope and duration, but most of OCE's visits include a fiscal component.
- ❑ Focus of Presentation:
 - Fiscal Onsite Visits;
 - Technology Initiative Grants Visits.
- ❑ LSC reviews are limited in scope and LSC grantees remain responsible for adhering to their grant terms and applicable regulatory and other legal requirements.

PROGRAM VISIT SELECTION

- ❑ LSC uses risk assessment tools to identify the LSC grantees it will visit in any given year.
- ❑ A decision to visit a program is not necessarily an indication that LSC has compliance concerns about that program.
- ❑ That LSC has not visited a program in several years may alone be enough to warrant a visit.



OCE Fiscal Reviews

Reviewing and Assessing A Grantee's Internal Controls

- ❑ OCE applies the Fundamental Criteria found in the Accounting Guide of LSC Recipients.
- ❑ Interviews program management and staff regarding financial management and internal controls.
- ❑ Reviews the specific areas for internal control deficiencies and/or significant and unusual transactions and unallowable costs.
- ❑ Reviews a sample of various payments to determine that they are properly documented and supported (for example, travel expenses, and subgrants).
- ❑ Reviews policies and procedures manuals to determine if program adheres to its own policies.
- ❑ Assesses whether any type of late fees, interest and/or penalties have been paid with LSC or non-LSC funds.

Lack of Financial Oversight and Internal Controls Resulted in the Following Prior Acts of Fraud

Over the past few years several of LSC programs have been cited for various types of fraud. The type of fraud cases varied as follows:

- Inflated prices (office supplies scheme);
- Fictitious vendors (check scheme);
- Misuse of company funds (checks, debit/credit card scheme);
- Theft of fees paid by clients (cash and check scheme); and
- Fictitious and inflated travel expenses.

On-site Document Review Process

Looking for a common thread among all three components

- Documents Requested
- Guidelines over Internal Controls
- Fiscal Regulations

Documents/Internal Controls/Regulations

Documents	Personnel & Payroll	Travel	1635 Timekeeping	1609 Fee Generating Cases	1612 Legislative & Rulemaking	1614 Private Attorney Involvement
Polices & Procedures	X	X	X	X	X	X
Staff Listing	X	X	X	X	X	X
Time & Attendance Records	X	X	X	X	X	X
Time Records	X	X	X	X	X	X
Personnel Change Form	X					
Chart of accounts/Fun codes	X	X		X	X	X
Journal Entries	X	X		X	X	X

AGLR - Personnel and Payroll

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Does the staff listing and payroll register list all active employees?
- ❑ Are employees paid the correct rates?
- ❑ Are employees' leave balances accurately tracked?
- ❑ Are all personnel and payroll transactions properly authorized and approved prior to and after payment?
- ❑ Are proper time and attendance records kept?
- ❑ Is there appropriate cost allocations?
- ❑ Are transactions electronic or manual?
- ❑ Is there appropriate segregation of duties?

Examples of Violation:

- ❑ An employee returned from a leave of absence where the date of return on the personnel change form was different from the date on the time and attendance record (AGLR, Section 3-5.5, Appendix VII, Section B); and
- ❑ An employee whose name on the staff listing was similar (slightly different by one letter) to the name that appeared on the payroll register (AGLR, Section 3-5.5, Appendix VII, Section B).

AGLR - Travel

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Does the expense report have adequate information and documentation to support the travel expenses (travel reimbursement for the employee and board member) prior to payment?
- ❑ Has the travel reimbursement request been properly approved and authorized for payment?
- ❑ Does the travel reimbursement requests require documentation of the reason for the travel to ensure proper funding source accounting?

Example of Violation:

- ❑ An employee submitted their expense report without adequate supporting documentation (AGLR, Appendix VII, Section F).

45 CFR Part 1635 - Timekeeping

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are attorneys and paralegals required to enter their time contemporaneously for time spent working on cases, matters, and supporting activities?
- ❑ Does the grantee report and submit a part-time certification form to LSC for attorneys or paralegals employed by the grantee, but work part-time for another organization that engages in restricted activities?

Examples of Violations:

- ❑ Several attorneys and paralegals were not entering their time into the case management system contemporaneously (45 CFR Section 1635.3(b)(1)); and
- ❑ A grantee failed to report on the part-time certification form a staff attorney who work for the grantee and another organization that engaged in restricted activity. The regulation goes to the activity and not the organization (45 CFR Sections 1635.3(d), 1635.2(c)).

45 CFR Part 1609 - Fee Generating Cases

Issues/Items Received:

- ❑ Is there a formal written policy?
- ❑ Does the grantee allocate a fair share of the court awarded attorney fees for representation supported in whole or part with LSC funds in the same manner the LSC funds were expended?
- ❑ Does the grantee record attorneys' fees received during the accounting period in which the money from the fee award is actually received?

Example of Violation:

- ❑ A staff attorney whose time worked on a case was charged 100% to the LSC fund. The court awarded amount was not proportionally allocated back to the LSC fund (45 CFR Part 1609).

45 CFR Part 1612 - Legislative and Rulemaking Activities

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are LSC funds used to pay for administrative overhead or related costs associated with any activity listed in 45 CFR Section 1612.6?
- ❑ Does the grantee maintain separate records documenting the expenditure of non-LSC funds for legislative and rulemaking activities permitted by Section 1612.6?
- ❑ Does the program submitted semi-annual reports describing their legislative activities with non-LSC funds conducted pursuant to Section 1612.6 together with such supporting documentation as specified by LSC?

Example of Violations:

- ❑ LSC funds were used to pay for travel expenses relating to a participant's participation in legislative activities and separate records documenting the expenditure of non-LSC funds spent on legislative activities were not maintained (45 CFR Section 1612.10).

45 CFR Part 1614 - Private Attorney Involvement

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Has the grantee devoted an amount of LSC and/or non-LSC funds equal to twelve and one-half percent (12.5%) of its LSC annualized basic field award?
- ❑ Does the grantee have a documented PAI cost allocation methodology?
- ❑ Is the PAI cost allocation reasonable and does it comply with 1630.3(f)?
- ❑ Has the grantee requested a PAI waiver?
- ❑ Did any PAI attorney(s) worked for the program within the last two years?

Examples of Violations:

- ❑ Undocumented PAI cost allocation methodology (45 CFR Section 1630.3(f)).
- ❑ PAI cost allocation based on estimated time worked on cases by attorneys and paralegals (45 CFR Section 1614.3(i)).

Documents/Internal Controls/Regulations

Documents	Property Control	Procurements	Consultants/ Contracts	Cash Disbursements	Electronic Transactions	Credit/Debit Cards
Polices & Procedures	X	X	X	X	X	X
Inventory/ Schedule	X					
Invoices	X	X	X	X	X	X
Purchase Orders	X	X	X	X	X	
Contracts/1099s		X	X	X		
Chart of accts/Funding codes	X		X	X	X	X
Journal Entries	X		X	X	X	X

AGLR - Property Control

Issues/Items Received:

- ❑ Are there formal written policies?
- ❑ Does the financial management system account for all equipment costs for each asset acquired?
- ❑ Are the fixed assets properly received and accepted?
- ❑ Are fixed-asset records for items with a cost in excess of the capitalization limit balanced to the general ledger accounts periodically?
- ❑ How frequent is a physical inventory taken?

Example of Violation:

- ❑ No property control policy (AGLR, Section 3-5.4(c); Appendix VII, Section C).
- ❑ Inventory frequency.

AGLR - Procurements

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are pre-numbered purchase orders used and appropriate authorization obtained prior to purchase, rent, or lease of equipment and supplies?
- ❑ Are receiving documents prepared and inspection of goods made without reference to purchase orders?
- ❑ Has prior approval from LSC been requested for purchases with LSC funds of real property, purchases or leases of personal property with a value of over \$10,000 and capital expenditures of more than \$10,000 to improve real property?
- ❑ Do the procedures provide for the solicitation of proposals or bids prior to entering into a contract that exceeds a specific dollar value amount?
- ❑ Are these procedures consistent with the LSC Property Acquisition and Management Manual when LSC funds are used?

Examples of Violation:

- ❑ Two bids were received from prospective contractors to make capital improvements that exceeded \$10,000 (using LSC funds); and purchased of computer equipment (using LSC funds) exceeded \$10,000 without LSC's prior approval (AGLR, Section 3-5.4(a); Appendix VII, Section D Sections 3, 4; 45 CFR Part 1630.5).

AGLR - Legal Consultants and Contract Services

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are there adequate procedures to insure that the governing body (or other authority) and all necessary funding source approvals are obtained prior to entering into contracts?
- ❑ Are contracts written so that the services to be rendered are clearly defined?
- ❑ Are contracts properly signed by authorized persons?
- ❑ Have all contract terms and modifications been complied with?
- ❑ Are contract costs monitored to ensure that they are incurred within the appropriate fiscal year and do not exceed budget authority?
- ❑ Are modifications to an existing contracts made in writing and are future obligations adjusted to reflect the new contract?

Examples of Violations:

- ❑ Several contracts were not properly executed by all parties, and modifications to existing contracts were not complied with (AGLR, Appendix VII, Section K).

Subgrant Agreements

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are subgrants submitted in writing to LSC for prior written approval?
- ❑ Does the subgrant include the terms and conditions and the amount of funds intended to be transferred?
- ❑ Has there been a substantial change in the work program or an increase or decrease in funding of more than 10% approved by LSC pursuant to 1627.3(a)?
- ❑ Has there been a minor change in the work program or changes in funding of less than 10%?
- ❑ Have LSC funds been used to pay membership dues or fees to any private or nonprofit organization, whether on behalf of a recipient or an individual?

Examples of Violations:

- ❑ Use of LSC funds for payments made to a PAI attorney that exceeded \$25,000 (45 CFR Section 1627.2(b)(1));
- ❑ Minor changes to a subgrant agreement of less than 10% without reporting that change in writing to LSC (45 CFR 1627.4(3)); and
- ❑ Use of LSC funds to pay sectional dues (45 CFR Section 1627.4(a)).

AGLR - Cash Disbursements - Checks

Issues/Items Received:

- ❑ Is there a formal written policy?
- ❑ What payment methods are used?
- ❑ Are all checks pre-numbered?
- ❑ Do checks presented to a check signer for approval and signature include documentation supporting the expense?
- ❑ Does the grantee maintain a listing of regular on-line banking activities for its regular electronic depositors and approved electronic vendors?

Examples of Violations:

- ❑ Supporting documents were not marked paid (AGLR, Appendix VII, Section G1).
- ❑ No written policy for electronic transactions (AGLR, Appendix VII, Section G2).

AGLR - Credit/Charge/Debit Cards

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Is personal use prohibited regardless of the fact that the employee is an authorized user?
- ❑ Is there timely review and payment of credit/charge/debit/vendor charge account transactions and supporting documentation to validate disbursements and to avoid finance charges and late fees?
- ❑ Are all cash advances or ATM withdrawals disallowed?

Examples of Violations:

- ❑ No charge card policy;
- ❑ Charges not supported by documentation; and
- ❑ Improper segregation of duties, a subordinated reviewing and approving a managers charge card statement (Appendix VII, Section G3).

Documents/Internal Controls/Regulations

Documents	Cash Receipts	Bank Reconciliation Procedures	Segregation of Duties	Petty Cash Controls	Client Trust Accounts	Electronic Banking	1610 Donor Funds
Polices & Procedures	X	X	X	X	X	X	X
Deposits	X	X	X	X	X	X	X
Cash Receipts Log/Journal	X	X	X	X	X	X	X
Cash Disbursement Journal/Check Register		X	X	X	X	X	
Bank Recon/Statement	X	X	X	X	X	X	X
Chart of accounts/Fund codes	X			X	X	X	X
Journal Entries	X	X	X	X	X	X	X

AGLR - Cash Receipts

Issues/Items Reviewed:

- ❑ Is there a formal written cash receipts policy?
- ❑ Does the accounting system identify the receipt and expenditure of grantee funds separately for each contract and grant requiring separate reporting?
- ❑ Are bank-stamped duplicate deposit slips compared with the Cash Receipts Journal?
- ❑ Does the employee who opens the mail list the receipts in detail in the cash receipts log and is this record used by someone independent of other accounting functions to verify the amount recorded in the general ledger and deposited in the bank?
- ❑ Is there an appropriate system for filing checks, check copies, non-check disbursements, and supporting documents?

Examples of Violations:

- ❑ No notification to clients about the grantees cash receipts policy; and
- ❑ Cash receipts not deposited on a timely basis (Appendix VII, Section H).

AGLR - Bank Reconciliation Procedures

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are bank reconciliations timely performed each month?
- ❑ Are all checks listed in sequential order and accounted for?
- ❑ Are voided checks accounted for and filed?
- ❑ Are checks properly endorsed?
- ❑ Are deposits made in a timely manner?
- ❑ Does the general ledger balance agree with the bank reconciliation balance?
- ❑ Are bank reconciliations/statements reviewed, signed and dated by an Executive or a designated employee(s)?
- ❑ Are outstanding checks over six months old investigated in a timely manner?
- ❑ Are general journal entries properly made?

Examples of Violations:

- ❑ No bank reconciliation policies, checks listed on the bank reconciliation over six months, voided checks not accounted for, bank statements and bank reconciliations not reviewed, signed or dated (AGLR, Section 3-5.2(d); Appendix VII, Section I).

AGLR - Petty Cash Controls

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Is the responsibility of the petty cash fund vested in only one person per office/cash box?
- ❑ Are petty cash vouchers required for each petty cash disbursement?
- ❑ Are they signed by the recipient of cash disbursed, executed in ink, approved by appropriate person?
- ❑ Are petty cash funds audited by surprise counts by an independent person to insure the fund does not include personal checks, IOU's, etc., and that the petty cash fund balances?
- ❑ Are funds kept in an imprest account?

Examples of Violations:

- ❑ Petty cash funds are not audit by surprise counts (AGLR, Appendix VII, Section K).

AGLR - Client Trusts Accounts

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Are client funds deposited into a (imprest) bank account used only for the client's intended purpose?
- ❑ Was the client trust bank account approved by the governing body?
- ❑ Are two signatures required on checks?
- ❑ Is the account reconciled by an individual not involved with client deposit operations?
- ❑ Are pre-numbered receipts given to clients for all checks and cash received?
- ❑ Are unclaimed client funds timely turned over to the state unclaimed funds account pursuant to state law?

Examples of Violations:

- ❑ Pre-numbered receipts not given to clients (AGLR, Appendix VII, Section L).

AGLR - Electronic Banking

Issues/Items Reviewed:

- ❑ Does the grantee have documented processes and procedures for its electronic banking activities including policies for:
 - ✓ Electronic deposits
 - ✓ Deposits
 - ✓ Wire transfers
 - ✓ On-line transfers
 - ✓ Telephone transfers
 - ✓ Electronic disbursements

- ❑ Are electronic banking activities understood and authorized by management?
- ❑ Are bank accounts reconciled by someone who does not initiate electronic transactions?

Examples of Violations:

- ❑ No electronic banking policy (AGLR, Appendix VII, Sections G2, M).

45 CFR Section 1610 - Donor Notification Letters

Issues/Items Reviewed:

- ❑ Is there a formal written policy?
- ❑ Were notification letters sent to all funding sources that made contributions of \$250.00 or more?
- ❑ Is the language in the notification letters informing funding sources of the prohibitions and restrictions which apply to those funds sufficient?

Examples of Violations:

- ❑ Notification letters were not sent to all funding sources that made contributions of \$250 or more; and
- ❑ Language in the notification letters is not sufficient in informing funding sources of the prohibitions and restrictions that apply to those funds (45 CFR Section 1610.5).



OCE Technology Initiative Grant (TIG) Reviews

LSC TIG OVERSIGHT: DEVELOPMENTS

- ❑ LSC regulations, rules, and guidelines have always applied to TIGs.
- ❑ In 2010, LSC increased the scope and number of TIG reporting and other oversight-related requirements.
- ❑ In 2013, OCE will begin incorporating TIGs into its onsite review process.
- ❑ OPP and LSC's OIG will also be conducting an increased number of TIG-related visits.

LSC TIG OVERSIGHT: OCE ONSITE VISITS

Scope of OCE TIG Reviews: All currently open TIGs, all TIGs awarded five (5) or less years before the date of the review, and all TIGs that have been ongoing during that time, including terminated TIGs.

LSC TIG OVERSIGHT: OCE ONSITE VISITS

The onsite review process for TIGs will be similar to OCE's other reviews:

- Document Review
- Interviews
- Identification of Compliance Strengths and Weaknesses
- Report
- Recommendations and Corrective Actions

LSC TIG OVERSIGHT: APPLICABLE LAW

TIG Grant Terms and Conditions

Disbursement of these funds is conditioned upon the following: 1) compliance with each grant assurance referenced in the attached *Grant Assurances*; 2) the terms of this letter; 3) the LSC Act, as amended; 4) all other applicable LSC statutes including the current appropriations act and conditions referenced therein (Pub. L. 108-447, 118 Stat. 2809); 5) all LSC rules, regulations, guidelines, and directives; 6) your continued status as an LSC recipient in good standing; and 7) completion of the milestones specified in the payment schedule. LSC reserves the right, at its sole

LSC TIG Award Letter

LSC TIG OVERSIGHT: APPLICABLE LAW

LSC Regulations, Rules, and Guidelines

Disbursement of these funds is conditioned upon the following:

5) all LSC rules, regulations, guidelines, and directives;

LSC TIG Award Letter

19. Any and all other LSC grant assurances for any other LSC grants that the applicant/recipient has agreed to are hereby incorporated by reference, and those grant assurances will apply in full force and effect to the applicant/recipient's use of all of its LSC TIG funding. The other grant assurances

LSC 2012 TIG Grant Assurances

LSC TIG OVERSIGHT: APPLICABLE LAW

If you are unsure as to whether or how a particular LSC requirement applies to your TIG, please ask LSC for guidance:

Megan Smith
Program Counsel
Office of Compliance and Enforcement
Email: smithm@lsc.gov
Phone: 202-295-1506



OCE Compliance Tools

LSC COMPLIANCE TOOLS

Programs can ensure their compliance with applicable LSC requirements by availing themselves of LSC's compliance resources.

LSC COMPLIANCE TOOLS

✓ LSC Regulations and Regulation Preambles

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CHAPTER XVI—LEGAL SERVICES CORPORATION

§ 1611.3 Financial eligibility policies.

(d)(1) As part of its financial eligibility policies, every recipient shall establish reasonable asset ceilings for individuals and households. In establishing asset ceilings, the recipient may exclude consideration of a household's principal residence, vehicles used for transportation, assets used in producing income, and other assets which are exempt from attachment under State or Federal law.

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CHAPTER XVI—LEGAL SERVICES CORPORATION

§ 1611.3 Financial eligibility policies.

1603 Freedom of Information Act State advise

(d)(1) As part of financial eligibility policies, every State shall establish reasonable asset ceiling policies for individuals and households. Such policies may exclude consideration of a household's principal residence used for transportation, assets used in producing income, and other assets which are exempt from attachment under State or Federal law.

household assets. As such, LSC continues to prefer to retain the approach in the current regulation in which the list of excludable assets is set forth in toto. LSC believes that this approach emphasizes the policy that

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1627	Subgrants and membership fees or dues	452



Available at <http://www.lsc.gov/about/regulations-rules>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters

Program Letter 12-2

TO: All Executive Directors

FROM: James J. Sandman, President



DATE: April 2, 2012

SUBJECT: Compliance Guidance

This Program Letter describes the most common compliance issues observed by LSC staff during compliance oversight visits to legal services programs in 2011.

Available at <http://grants.lsc.gov/rin/grantee-guidance/program-letters/current-program-letters>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters
- ✓ LSC Property Acquisition and Management Manual (PAMM)

LEGAL SERVICES CORPORATION

Property Acquisition and Management Manual

AGENCY: Legal Services Corporation.

ACTION: Issuance of Property Acquisition and Management Manual.

SUMMARY: This Notice sets forth the text of a Property Acquisition and Management Manual that governs the use by recipients of LSC funds to acquire, use and dispose of real and nonexpendable personal property. The Property Acquisition and Management Manual is intended to provide recipients with a single complete and consolidated set of policies and procedures related to property

Available at <http://grants.lsc.gov/rin/grantee-guidance>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters
- ✓ LSC Property Acquisition and Management Manual (PAMM)

LEGAL SERVICES CORPORATION

Section 3—Acquisition Procedures for Personal Property

This section sets forth the procedures governing the acquisition of personal property with LSC funds. The requirements herein are based on both the FAR and OMB Circular A-110. Through the use of these procedures, LSC intends to encourage recipients to conduct their property acquisitions in a manner that provides free and open competition to the maximum extent practical.

Available at <http://grants.lsc.gov/rin/grantee-guidance>

LSC COMPLIANCE TOOLS

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LEGAL SERVICES CORPORATION

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Section 5—Retention and Use of Property Acquired With LSC Funds

Available at <http://grants.lsc.gov/rin/grantee-guidance>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
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- ✓ LSC Property Acquisition and Management Manual (PAMM)

LEGAL SERVICES CORPORATION

Section 6—Disposal of Personal Property Acquired With LSC Funds

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This section establishes requirements governing the disposal of personal property. Generally, recipients have considerable discretion in selecting methods of disposing of personal property purchased with LSC funds, except at the point which a recipient ceases to receive LSC funds. At the cessation of LSC funding, recipients have an obligation to LSC with respect to items of personal property.

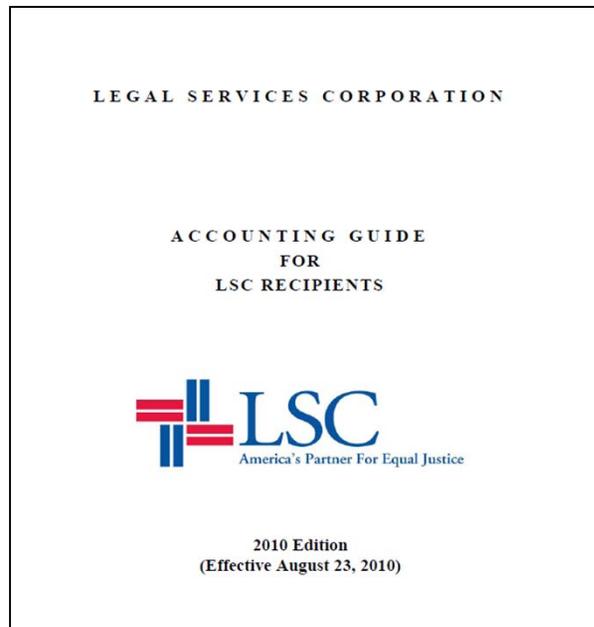
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Section 6—Disposal of Personal Property Acquired With LSC Funds

Available at <http://grants.lsc.gov/rin/grantee-guidance>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters
- ✓ LSC Property Acquisition and Management Manual (PAMM)
- ✓ Accounting Guide for LSC Recipients



Available at <http://grants.lsc.gov/rin/grantee-guidance/accounting-guide-lsc-recipients>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters
- ✓ LSC Property Acquisition and Management Manual (PAMM)
- ✓ Accounting Guide for LSC Recipients
- ✓ LSC External Opinions

OFFICE OF LEGAL AFFAIRS

ADVISORY OPINION

Advisory Opinion # AO – 2011-001

SUBJ: PAI Allocability of Costs Related to Intake and Referral of Applicants To Certain Pro Bono Volunteer Lawyer Programs

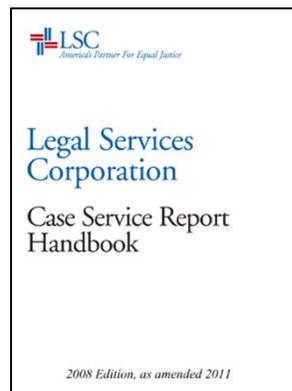
DATE: May 2, 2011



Available at <http://www.lsc.gov/about/office-legal-affairs-external-opinions>

LSC COMPLIANCE TOOLS

- ✓ LSC Regulations and Regulation Preambles
- ✓ OCE's Compliance Advisories and LSC Program Letters
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- ✓ Accounting Guide for LSC Recipients
- ✓ LSC External Opinions
- ✓ Case Service Report Handbook (2008 Ed, as amended 2011)



Available at <http://grants.lsc.gov/rin/grantee-guidance>

LSC COMPLIANCE TOOLS

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- ✓ LSC Property Acquisition and Management Manual (PAMM)
- ✓ Accounting Guide for LSC Recipients
- ✓ LSC External Opinions
- ✓ Case Service Report Handbook (2008 Ed, as amended 2011)
- ✓ LSC Program Counsels and Fiscal Analysts
 - Informal Consultations
 - Formal Technical Assistance

LSC COMPLIANCE TOOLS

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Program Perspective: Preparing for a Visit



- ❑ Seeing visits as an opportunity for feedback and improvement.
- ❑ Adjust resources and responsibilities to manage your visit effectively.
- ❑ Addressing known issues, putting them on the table.
- ❑ Dealing with unknown issues.
- ❑ Help in preparation and with any serious aftermath.

Brenda Combs, Business Director, Legal Aid of the Bluegrass
Eric Mittelstadt, Deputy Director, Utah Legal Services



Questions?

