

MEMORANDUM

**TO:** All LSC Program Directors

**FROM:** John Eidleman, Acting Vice-President  
Office of Compliance & Administration

**DATE:** October 21, 2003

**RE:** **Subgrant Agreements for 2004: Requests for Approval**

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This memorandum is to provide guidance regarding submission for LSC approval of subgrant agreements for the year 2004.

The subgrant approval process established in 45 C.F.R. Section 1627.3 allows 45 days for LSC's review of proposed subgrant agreements. (see 1627.3(a)(2)). This time line requires that subgrants with a January 1, 2004 commencement date be submitted to LSC for approval by November 15, 2003.

Until further notice, we will continue the same procedures for approval of 2004 agreements as were used for the 2003 agreements and will use the same Subgrant Agreement Form used in 2003. Also included in this package are a 2004 Budget Form and a Subrecipient Profile Form, which must accompany each request for approval of a subgrant agreement. **To obtain approval, recipients should submit two fully executed copies of the agreement to Danilo Cardona, Director, Office of Compliance and Enforcement, by November 15, 2003.** In addition, recipients should ensure that an audit for each of their 2002 subgrants has been submitted to the Office of the Inspector General in accordance with the terms of their 2002 subgrant agreements.

To facilitate and expedite the review of your request for approval of 2004 subgrants, you are encouraged to use the Subgrant Agreement Form enclosed. If you do not use the Subgrant Agreement Form, your proposed agreement should, at a minimum, include the substance of the provisions in that form and must include the Budget Form and Subrecipient Profile Form, if it is to be approved.

**PAI Subgrants**

In addition to 45 C.F.R Part 1627, subgrants are also affected by 45 C.F.R. Part 1610. This is the regulation designed to implement statutory restrictions on the use of non-LSC funds by LSC recipients. Section 1610.7 (c) is particularly relevant, which provides:

"For a transfer of LSC funds to bar associations, *pro bono* programs, private attorneys or law firms, or other entities for the sole purpose of funding private attorney involvement (PAI) activities pursuant to 45 C.F.R. Part 1614, the prohibitions or requirements of this part shall apply only to the funds transferred."

### **CSR Reporting**

Since the accuracy of CSR reporting is critical, recipients must ensure that each subgrantee has a copy of the CSR Handbook 2002 edition and that subgrantees comply fully with the CSR reporting guidelines.

### **Mergers/Consolidations**

Programs contemplating mergers or consolidations should consider whether a subgrant will be necessary as an interim measure until the merger or consolidation has been completed. Be reminded that all the requirements of Part 1627 apply to such subgrants as well. Thus, a request for LSC's approval should be submitted 45 days prior to the proposed beginning date of the subgrant<sup>1</sup>.

Please contact Jay Brown, Program Analyst, at (202) 295-1532, if you have any questions regarding this memorandum, or if you need further guidance regarding your submission of subgrant agreements for approval.

Enclosures: [Subgrant Agreement Form](#)  
[Subrecipient Budget Form](#)  
[Subrecipient Profile Form](#)

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<sup>1</sup> LSC will allow some flexibility in this deadline, provided the request is received prior to the proposed beginning date of the subgrant.