



OFFICE OF COMPLIANCE & ENFORCEMENT

Program Letter 99-5

TO: Program Directors

FROM: Danilo A. Cardona, Acting Vice-President
Office of Program Operations

DATE: December 6, 2004

SUBJECT: Subgrant Agreements for 2000: Requests for Approval

This Program Letter is to provide guidance regarding submission for LSC approval of subgrant agreements for the year 2000. (Y2K)

Announcement of Y2K LSC grant awards is not expected until the first week of December 1999 however, the 45 C.F.R. Part 1627 grant approval process allows 45 days for LSC review of proposed subgrant agreements. Thus, applicants who contemplate entering into a subgrant which has a January 1, 2000 commencement date should submit their subgrant approval requests without awaiting outcome of the grant approval process in order to avoid disruption and allow time for compliance with the prior approval procedures of 45 C.F.R. Part 1627.¹

In view of the 45 C.F.R Part 1627 time line, subgrants with a January 1, 2000 commencement date should usually be submitted to LSC for approval by November 14, 1999. However, in view of adjustment to the funding process, we will consider any subgrant received by December 1, 1999 to be submitted timely for January 1, 2000 approval.

Until further notice, we will continue the current procedures for requesting approval for subgrant agreements for Y2K and will use the same Subgrant Agreement Form used in 1999. Also included in this package are a Y2K 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. In addition, recipients should ensure that an audit for each of their 1999 subgrants has been submitted to the Office of the Inspector General in accordance with the terms of the 1999 subgrant agreement.

To facilitate and expedite the review of your request for approval of Y2K 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.

¹ Submission of recipient's PAI Plan does not fulfill this requirement.

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 1999 LSC CSR handbook and that subgrantees comply fully with the CSR reporting guidelines.

Please contact Jay Brown, Program Analyst, at (202) 336-8828, if you have any questions regarding this memorandum.

Enclosures: Subgrant Agreement Form
Subrecipient Budget Form
Subrecipient Profile Form