



Legal Services Corporation

Pro Bono Innovation Fund Application Instructions for 2015 Grant Funding

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**Application Submission Deadline: May 18, 2015
By 5:00 P.M. Eastern Time**

Submit Online At: <http://lscgrants.lsc.gov>

Table of Contents

OVERVIEW.....	1
I. FUNDING OPPORTUNITY DESCRIPTION.....	1
A. PURPOSE OF THE PRO BONO INNOVATION FUND.....	1
B. KEY GOALS OF THE PRO BONO INNOVATION FUND.....	2
II. AWARD INFORMATION.....	2
A. AVAILABLE FUNDS.....	2
B. ESTIMATED AWARD AMOUNTS.....	2
C. PROJECT PERIOD.....	2
D. FUNDING INSTRUMENT.....	2
III. LSC REQUIREMENTS AND ELIGIBILITY INFORMATION.....	2
A. LSC REQUIREMENTS.....	2
B. ELIGIBLE APPLICANTS.....	3
C. PROJECT PARTNER ORGANIZATIONS.....	3
IV. APPLICATION AND SUBMISSION INFORMATION.....	4
A. APPLICATION DEADLINE IN LSC GRANTS ONLINE APPLICATION SYSTEM.....	4
B. MULTIPLE APPLICATIONS; ONE PROJECT PER APPLICATION.....	4
C. SUBMISSION IN LSC GRANTS ONLINE APPLICATION SYSTEM.....	4
D. APPLICATION COMPONENTS.....	4
E. CHARACTER LIMITS FOR NARRATIVE.....	5
F. LATE OR INCOMPLETE APPLICATIONS.....	5
V. APPLICATION QUESTIONS, REVIEW, AND SELECTION PROCESS.....	5
A. SELECTION CRITERIA AND APPLICATION QUESTIONS.....	5
Project Design (60%).....	6
Organizational Capacity (25%).....	9
Cost-Effectiveness and Budget Adequacy (15%).....	10
B. APPENDICES AND SUPPORTING DOCUMENTATION.....	10
C. ADDITIONAL BALANCING CHARACTERISTICS CONSIDERED DURING REVIEW PROCESS.....	11
D. REVIEW AND SELECTION PROCESS.....	11
1. Selection Factors and Phases in the Review and Selection Process.....	11
2. Anticipated Announcement and Award Dates.....	12
VI. AWARD ADMINISTRATION INFORMATION.....	12
A. AWARD NOTICES.....	12
1. Activities Prior to Award or Negotiated Starting Dates.....	12
2. No Credit Towards 12.5% Private Attorney Involvement Requirement.....	13
3. No Obligation for Future Funding.....	13
4. False Statements.....	13
5. Applicable Law.....	13
6. Federal Policies and Procedures.....	13
7. Waiver Authority.....	14
8. Freedom of Information Act.....	14
9. Conflicts of Interest.....	14
B. REPORTING REQUIREMENTS AND PERFORMANCE MEASURES.....	14
C. PAYMENT SCHEDULE AND CONTINUED FUNDING.....	15
D. ELIGIBLE COSTS, THIRD-PARTY TRANSFERS OF FUNDS, CONTRACTS, AND SUBGRANTS.....	15
VII. LSC CONTACTS.....	15

VIII. TECHNICAL ASSISTANCE	15
APPENDIX I: BUDGET INSTRUCTIONS.....	16
I. ELIGIBLE COSTS.....	16
II. PROJECT BUDGET	16
A. BUDGET FORM.....	17
B. BUDGET DETAIL	18
C. DESCRIPTION OF BUDGET LINE ITEMS.....	18
III. DISCOUNTS.....	20
IV. REPORTING ON EXPENDITURE OF FUNDS.....	21
V. PRIOR APPROVAL FOR PROPERTY ACQUISITION.....	21
APPENDIX II: BUDGET DETAIL INSTRUCTIONS (EXCEL TEMPLATE TABS 2-6).....	22
APPENDIX III: PURCHASES AND THIRD-PARTY TRANSFERS	28
APPENDIX IV: SUBGRANT FORM	30
APPENDIX V: CONTRACT FORM	32

Overview

Congress established the Legal Services Corporation (LSC) in 1974 as a private nonprofit corporation that provides grants for high-quality civil legal assistance to low-income Americans. LSC funds 134 independent nonprofit legal aid programs with almost 800 offices serving every state and the U.S. territories.

In March 2011, LSC's Board of Directors formed a Pro Bono Task Force to explore how to better engage pro bono lawyers to leverage LSC's federal funding and increase the resources available to serve low-income people. The Task Force included more than 60 distinguished leaders from the judiciary, major corporations, private practice, law schools, the federal government, the organized bar, pro bono programs, and the legal aid community. See [Pro Bono Task Force Members](#).

The Task Force issued a [comprehensive report and recommendations](#) in October 2012. The report provides a summary of findings that illustrate the current crisis in legal services and suggests ways that pro bono resources can be used to increase the supply of lawyers and others who are available to provide legal assistance. One of the Task Force's key recommendations was the creation of an Innovation Fund to encourage new ideas for engaging pro bono assistance. On January 17, 2014, the President signed Public Law 113-76, the Consolidated Appropriations Act of 2014, which included \$2.5 million in LSC's appropriation for a new grant program called the Pro Bono Innovation Fund, a program that will award grants to existing LSC grantees to strengthen the pro bono system and increase access to legal assistance for low-income people.

In the first year of Pro Bono Innovation Fund grant-making, LSC funded eleven projects to address the critical legal needs of underserved populations with more pro bono volunteers, with significant collaboration, and with technology enhancements. The Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-235 (December 16, 2014) increased LSC's appropriation for the Pro Bono Innovation Fund to \$4 million. Through competitive grant making, LSC will use the Pro Bono Innovation Fund to continue to leverage the impact and effectiveness of our grantee organizations.

I. Funding Opportunity Description

A. Purpose of the Pro Bono Innovation Fund

The purpose of the Pro Bono Innovation Fund is to develop and enhance pro bono programs that serve low-income clients to improve the reach, quality and effectiveness of the services clients receive. The Pro Bono Innovation Fund will support projects that are (1) innovative (new approaches or the adaptation of existing, successful approaches) and replicable (the innovation, if successful, could likely be implemented by other legal aid programs) or (2) replicates prior proven successful models.

B. Key Goals of the Pro Bono Innovation Fund

The Pro Bono Innovation Fund is designed to address the LSC's Pro Bono Task Force's findings that highlight the current crisis in legal services and suggest ways that pro bono can be used to increase the supply of lawyers and others who are available to provide legal assistance to low-income people. The key goals of the Pro Bono Innovation Fund are to:

1. Address gaps in the delivery of legal services to low-income people;
2. Engage more lawyers and other volunteers in pro bono service; and
3. Develop and implement new, innovative, and replicable strategies that address persistent challenges in pro bono delivery systems.

II. Award Information

A. Available Funds

A total of \$3,800,000 will be available for 2015 grant awards. Publication of these *Instructions* does not obligate LSC to award any specific number of grants or to obligate the entire amount of funding available.

B. Estimated Award Amounts

LSC expects award amounts for the FY 2015 Pro Bono Innovation Fund grant will vary. LSC recommends a minimum \$50,000 request, but LSC will consider requests for lesser amounts. In FY 2014, the average grant awarded was \$215,909. There is no maximum amount for Pro Bono Innovation Fund requests that are within the total funding available.

C. Project Period

The grant award will cover an 18- or 24-month project period. Applicants' projects, proposed goals and outcomes, and budget information should cover the full project period they are requesting. The project period is expected to commence in October 2015 once Applicants have been notified of award decisions and have submitted a signed grant agreement and assurances. See *Section VI: Award Administration Information* and *Appendix III: Purchases and Third-Party Transfers*.

D. Funding Instrument

The funding mechanism for the Pro Bono Innovation Fund is a grant.

III. LSC Requirements and Eligibility Information

A. LSC Requirements

Pro Bono Innovation Fund grants are subject to all the requirements of the Legal Services Corporation Act of 1974 as amended (LSC Act), any applicable appropriations acts and any other applicable law, rules, regulations, policies, guidelines, instructions, and other directives of including, but not limited to: [LSC Audit Guide for Recipients and Auditors](#), [the Accounting Guide for LSC Recipients \(2010 Edition\)](#), [CSR Handbook \(2008 Edition, as amended 2011\)](#), [the 1981 LSC Property Manual](#) (as amended), and [the Property Acquisition and Management Manual](#), with any amendments to the foregoing adopted before or during the period of the grant.

Pro Bono Innovation Funds will be subject to grant conditions that can be found in the Grant Assurances for its FY 2014 grantees and that are similar to those in LSC's Technology Initiative Grant (TIG) program. See the TIG website's [compliance section](#) for more information and a copy of current *Grant Assurances*.

B. Eligible Applicants

To be eligible for Pro Bono Innovation Fund grants, Applicants must be current grantees of LSC Basic Field-General, Basic Field-Migrant, or Basic Field-Native American grants. In addition, to be eligible, Applicants must have submitted a Notice of Intent to Apply for Funding and have been invited by LSC to submit a full application. Any Applicants that have a current Pro Bono Innovation Fund grant must be up to date on all information and reporting requirements.

C. Project Partner Organizations

Organizations and entities that are not current LSC grantees are not eligible to apply directly to LSC for Pro Bono Innovation Fund grants. Collaborations between LSC grantees and project partner organizations can strengthen pro bono delivery systems and avoid duplication of services, and are therefore encouraged.

Before submitting an application involving a third-party transfer of funds, Applicants should be familiar with [LSC's subgrant and transfer requirements at 45 C.F.R. Parts 1610 and 1627](#), particularly as they pertain to subgrants to conduct programmatic activities. Applicants considering subgrants should also note that LSC recently revised [the Private Attorney Involvement provisions of 45 C.F.R. Part 1614](#), and the new rule became effective on November 14, 2014. The new rule affects the scope of the PAI transfer provision at 45 C.F.R. § 1610.7(c). Applicants are reminded that certain contracts and all subgrants require prior approval under 45 C.F.R. [Parts 1627 \(Subgrants\)](#) and [1630 \(Cost Standards\)](#).

Please see *Appendix III: Purchases and Third-Party Transfers* for more information on considerations when making formal arrangements with project partner organizations and other third parties.

Applicants must also consider arrangements with other organizations as part of their compliance with the program integrity requirements of [45 C.F.R. § 1610.8](#).

IV. Application and Submission Information

A. Application Deadline in LSC Grants Online Application System

Applications for the FY 2015 Pro Bono Innovation Fund grant program are due no later than **5:00 P.M. Eastern Time, Monday, May 18, 2015** in the LSC Grants online application system.

B. Multiple Applications; One Project per Application

Upon invitation by LSC, Applicants may submit multiple applications for Pro Bono Innovation Fund grants where the projects are discrete and not interdependent. A separate application with complete information is required for each project for which funding is sought.

C. Submission in LSC Grants Online Application System

Applicants must submit applications electronically via [the LSC Grants online application system](#). LSC will not accept applications or portions of applications by email or hard copy format. The online application for the Pro Bono Innovation Fund will be available in April 2015. It will be accessible through the homepage after Applicants log into the system.

LSC recommends that Applicants start applications in the system at least three weeks before the deadline. We also recommend that Applicants draft their applications as word processing documents, then copy and paste the information into the LSC Grants online application system. Please allow time to reformat documents in the application system, as the page and character limits provided in these *Instructions* are estimates and not exact. Also please note that the input fields in LSC Grants will only accept plain text formatting. Do not paste any formatted copy such as tables, bullets, or bold text. LSC will provide confirmation via email upon submission of each completed application. Please keep this email as verification that an application was submitted and received. If no confirmation email is received, please inquire about the status of your application at probonoinnovation@lsc.gov.

D. Application Components

Applications must be thorough and provide strong justification for receiving the requested funds. Reviewers will assess each application on the basis of the design of the proposed project, the Applicant's organizational capacity, and the cost-effectiveness and budget adequacy of the proposal. Completed applications must have the following components:

- *Pro Bono Innovation Fund Application Form*
 - *Project Title, Amount Requested, Total Project Budget, Grant Term*

- *Executive Summary*: Applicants will be asked to provide a concise one-paragraph description of the proposed project. The Executive Summary for successful applications will be published on the LSC website following grant awards.
- *Requesting funds through LSC's TIG program*: Applicants will be asked to indicate whether they are also applying for FY15 TIG funding for this project.
- *Narrative*
 - *Project Design*
 - *Organizational Capacity, Project Staffing and Sustainability*
 - *Cost-Effectiveness and Budget Adequacy*
- *Budget Detail and Budget Form*
- *Appendices and Supporting Documentation*
- *Subgrant Form(s), if applicable*
- *Budget Detail(s) and Form(s) for subgrantee(s), if applicable*
- *Contract Form(s), if applicable*

E. Character Limits for Narrative

The total page limit for the *Narrative* portion of the application is 20 double-spaced pages or 42,000 characters in a standard word processing document. The *Budget Form*, *Budget Detail*, and *Appendices* are not included in the page limit. The LSC Grants online application system will enforce character limits that are slightly different than those in word processing programs (by approximately 1 percent) and Applicants are strongly encouraged to allow enough time before the grant deadline to ensure the application *Narrative* sections fit within the character limits in the system.

F. Late or Incomplete Applications

LSC may consider an application after the deadline, but only if the Applicant has submitted an email to probonoinnovation@lsc.gov explaining the circumstances that caused the delay. Communication with LSC staff, including assigned Program Liaisons, is not a substitute for sending an explanatory email to probonoinnovation@lsc.gov. At its discretion, LSC may consider incomplete applications. LSC will determine the admissibility of late or incomplete applications on a case-by-case basis.

V. Application Questions, Review, and Selection Process

A. Selection Criteria and Application Questions

Reviewers will assess the applications using the following Selection Criteria: Project Design, Organizational Capacity and Project Staffing, and Cost-Effectiveness and Budget Adequacy. All successful Applicants will demonstrate that their project(s) can accomplish LSC's key goals of addressing gaps in service to low-income clients, engaging more lawyers

and other volunteers in pro bono service, and developing and implementing innovative and replicable solutions to persistent challenges in pro bono delivery systems.

The weights assigned to each category are detailed in the following chart. Reviewers will assess application narratives against these Selection Criteria and weigh them accordingly.

Category	Percentage	Sub-Category	Percentage
Project Design	60	Need Statement - client needs and current gaps in service	10
		Role of the Pro Bono Volunteers	15
		Goals, Objectives, and Activities	10
		Innovation(s) and Potential for Replication	15
		Proposed Performance Measures	10
Organizational Capacity, Project Staffing, and Sustainability	25	Track Record on Pro Bono and Collaboration	5
		Ability to provide project support, oversight, and capable leadership	10
		Plans and potential to sustain the project beyond the grant period	10
Cost-Effectiveness and Budget Adequacy	15	Cost-Effectiveness and Budget Adequacy	15

Below are the *Narrative Questions* that will appear in the LSC Grants online application system. Also listed below are the reviewers' rating criteria for each question. In drafting responses to the *Narrative* questions, Applicants who are proposing to partner with third-parties, including by contract or subgrant, must provide an explanation and discussion of the partnership's role where relevant in the *Narrative*.

Project Design (60%)

1. Needs Statement: Please provide a description of the client needs and gaps in service that this project seeks to address. Please also provide a statement that sets

forth the challenge or inefficiency in the pro bono system that will be the focus of this project.

Reviewers will assess the extent to which the Applicant:

- Provides a clear description of client needs and the current gaps in service.
- Clearly demonstrates the need for the project by using available statistical information and other data to identify the gap(s) in services.
- Describes any current efforts (by the Applicant or other entities) that are related to the client needs and gaps in service, including an explanation why the Applicant and other service providers cannot meet the needs with current resources.
- Explains how the proposed project will address the needs and gaps in service identified.

2. Role of the Pro Bono Volunteers: Please provide your analysis of the pro bono capacity of the private bar and legal community in your area and, the volunteers you seek to target and recruit in your Pro Bono Innovation Project, and detail the role of the volunteers in your project.

Reviewers will assess the extent to which the Applicant:

- Provides analysis and information about the pro bono capacity of the legal community in Applicant's area, including trends and demographic shifts using available statistical information and other data.
- Provides context and information on the pro bono community in Applicant's service area.
- Clearly identifies the specific segment(s) of the bar or other volunteers who will be the focus of the project and a strategy for recruitment.
- Details a clear, well-defined role for the volunteers that leverages their skills and experience.
- Makes a strong case that the targeted volunteers are well situated to address the client need and gap in services, and demonstrates analysis of what will be needed to use those volunteers effectively.
- Makes connections to current demographic trends or new opportunities in the Applicant's local, state, or regional legal market (e.g., New York State Bar's pro bono admission requirement, focus on retiring and emeritus lawyers, new rules on limited scope representation or government lawyer pro bono, change in local legal community demographics such as an increasing presence of large law firms and legal departments or a shift to more solo and small firm practitioners).

3. Goals, Objectives, and Activities: Please describe the project goals and objectives and the specific project activities that are designed to meet gaps in service and engage more pro bono volunteers to meet the identified client needs.

Reviewers will assess the extent to which the Applicant:

- Articulates the project's goals and objectives in clear, concrete, and measurable terms.

- Identifies the specific activities and strategies that will be implemented to achieve the goals and objectives.
- Describes how the pro bono project addresses identified client need and gaps in service.

4. Innovation(s) Proposed and Potential for Replication: Please describe the innovative and replicable strategies that the project will employ.

Reviewers will assess the extent to which the Applicant:

- Clearly describes the innovative strategies being employed in the project, and specifies whether the project's approach is original or whether the project replicates or is based on a new application of an effective practice or successful model.
- Articulates how the proposed project's innovations will address the current challenge, problem, or inefficiency in the pro bono system described in the Need Statement.
- Demonstrates that current practices or solutions to address the challenge have not proven to be adequate, are not achieving outcomes at scale, or are too slow to respond to client needs and/or volunteer potential.
- If proposing to replicate an effective practice within a new or different context, Applicant provides a description of studies or evaluations conducted that provide evidence that the proposed replication is effective for the proposed community need and challenge in the pro bono delivery system.
- Illustrates the degree to which the challenges or problem in the pro bono delivery system being addressed is commonly found in the legal services community.
- Makes the case for potential replication and adaptation based on considerations such as cost and complexity of the strategies employed in the project.

5. Proposed Performance Measures: Please identify specific, measurable outcomes that the project proposes to accomplish in the proposed timeframe.

Reviewers will assess the extent to which the Applicant:

- Clearly identifies specific measurable outcomes that will be achieved through the proposed project.
- Identifies outcomes that are aligned with the key goals of the Pro Bono Innovation Fund.
- Specifies the outcome measures, evaluation methods, and data sets that will be used to assess and demonstrate the project's achievements.
- Provides an appropriate list of characteristics the Applicant will use to assess the progress and outcomes as a result of the project activities.
- Describes a reasonable, yet rigorous, evaluation plan to ensure the needed data are obtained and compiled over the grant period.
- Describes how the results achieved will be reported to LSC.

Organizational Capacity (25%)

1. Track Record on Pro Bono and Collaborative Efforts: Please provide an overview of Applicant's success in collaborative and pro bono efforts, including specific and recent examples indicating the dates/years the partnerships and collaborations were in effect.

Reviewers will assess the extent to which the Applicant:

- Demonstrates a track record of success with pro bono and private attorney involvement efforts.
- Demonstrates a history of partnerships and collaboration with community stakeholders.
- Demonstrates sufficient oversight of existing LSC-funded private attorney involvement relationships from a programmatic, fiscal, and a regulatory compliance perspective.

2. Ability to Provide Project Support, Oversight, and Capable Leadership: Please describe Applicant's capacity to set and implement goals and provide programmatic and financial oversight of this project. The response should include relevant information about the key staff who will be responsible for the project.

Reviewers will assess the extent to which the Applicant:

- Describes experience operating and providing oversight to successful programs or projects comparable to the one being proposed, including specific examples of prior accomplishments and outcomes in these efforts.
- Clearly describes how the Applicant will prevent and detect compliance issues and hold itself, subgrantees, and contractors accountable if instances of risk or noncompliance are identified.
- Describes a staffing plan that engages staff members with sufficient capacity and experience to be effective and compliant with programmatic and fiscal requirements.
- Presents a qualified roster of staff members that have the experience and capacity to effectively implement the proposed project. This includes the involvement of senior management and board members, as appropriate.
- For projects that include contracts or subgranting funds to another organization, describes experience monitoring contractors or subgrantees for compliance with regulatory, fiscal, and programmatic requirements.

3. Plans and Potential to Sustain the Project Beyond the Grant Period: Please describe Applicant's strategy to sustain the proposed project beyond the grant period. The response should include information on current or future partners and funders and the Applicant's plans to adapt its operations and staffing to support the project after the grant period.

Reviewers will assess the extent to which the Applicant:

- Discusses the plans and strategies to sustain the project beyond the proposed grant term.
- Identifies other potential sources of support for the project.
- Describes potential changes to internal operations and staffing to support the project beyond the proposed grant term.

Cost-Effectiveness and Budget Adequacy (15%)

1. Budget Justification: Please provide a brief statement to supplement the *Budget Form and Budget Detail* that describes how the project budget, including other sources of support, will advance the desired goals, objectives, and activities being proposed.

Reviewers will assess the extent to which the Applicant:

- Proposes a reasonable and justifiable budget consistent with the proposed goals and objectives of the project.
- Presents a budget adequate to successfully support the project activities.
- Submits a budget that is understandable and free from mathematical errors.
- Provides clear detail and adequate narrative that demonstrates the relationship of budgeted items to project activities.
- Demonstrates past success in managing LSC grant funds and complying with LSC fiscal requirements and guidelines.

Please see *Appendix I: Budget Instructions* for more information on eligible costs and completing proposed project budgets.

B. Appendices and Supporting Documentation

In addition to the *Narrative*, up to 30 total pages may be submitted to support the project proposal.¹ The Appendices must include the résumés of key staff responsible for the proposed project. Letters of commitment to the project from any key partner whose participation is necessary for the completion of the project are also required.

Appendices may also include documents such as maps, relevant data and statistical information, letters of support from key partners and community stakeholders, information on past projects, and credentials of partners and other entities involved in the project. Please have all letters of support or commitment addressed to: **James J. Sandman, President, Legal Services Corporation**, and submitted in LSC Grants. Letters and other supporting documentation that are not submitted in LSC Grants will not be considered as part of the application submission.

¹ Uploads are limited to file extension types of .doc, .docx, .xls, .xlsx, .pdf, and .rtf only. Any portion of the application that exceeds the specified page limits will not be reviewed.

C. Additional Balancing Characteristics Considered During Review Process

In selecting Applicants to receive awards under these *Instructions*, LSC will assess the *Selection Criteria* listed above but will also take into account balancing criteria, such as geographic location, types of approaches, and available funding.

D. Review and Selection Process

1. Selection Factors and Phases in the Review and Selection Process

The assessment of applications involves a wide range of considerations. The review and selection process includes:

Phase I - Eligibility Review. LSC staff will review all applications to determine compliance with the eligibility requirements identified in *Section II: Eligibility Information* and in *Section IV: Application and Submission Information*. The eligibility review does not include reading the entire application. Applications that do not meet all eligibility criteria will not be considered for *Programmatic Review*.

Phase II - Expert and Programmatic Review. External experts and internal reviewers (LSC staff) will assess the application based on the Program Design, Organizational Capacity, and Budget Adequacy and Cost Effectiveness selection criteria. External experts will be recruited based on their demonstrated expertise in pro bono, innovation, nonprofit management, and legal services delivery systems. All reviewers will be screened for conflicts of interest.

LSC will engage external experts and internal reviewers (LSC staff) with relevant knowledge and expertise in innovation, pro bono, legal aid delivery systems, and the justice stakeholder community to evaluate eligible applications.

Phase III - Quality Control and Risk Assessment. LSC staff will identify outstanding applications that demonstrate high alignment with the *Selection Criteria*, alignment with the key goals of the Pro Bono Innovation Fund, and an excellent track record of administrative operations and programmatic success. This process is also designed to achieve a balanced portfolio of the following characteristics: geographic representation, types of client needs addressed, types of pro bono volunteers, and innovative and replicable models.

LSC staff will also evaluate the risks to the Pro Bono Innovation Fund posed by each Applicant, including conducting due diligence to ensure an Applicant's ability to manage grant funds, including any past LSC history of fiscal concerns. This evaluation is in addition to the Applicant's eligibility and the quality of its application, and results from this assessment will inform funding decisions. In evaluating risk, LSC may consider any relevant information relating to the Applicant, including: past or present special grant conditions, LSC compliance reviews, fiscal reviews, quality reviews, self-inspection, basic field grant applications, audited financial statements, CSR data, PAI and/or Fund Balance

waivers, record in managing TIG and Disaster Relief grants, audits and investigations, and overall timeliness and completion of LSC-required reports and grant applications.

LSC may also consider an Applicant's financial stability; ability to effectively implement statutory, regulatory, and other requirements imposed on grant recipients; reports and findings from financial audits; quality management systems; IRS Form 990s; annual reports; and publically available information including information from the Applicant's website.

Phase IV - Clarification Process. At this stage, some Applicants will receive requests to provide clarifying information regarding their proposal. A request for clarification does not guarantee a grant award. Applicants should be prepared to provide supporting documentation described in the *Narrative*. Applications should contain all the necessary information when submitted. LSC may make decisions based only on the information submitted and will request clarifying information at its discretion.

Phase V - Program Staff Recommendation. LSC staff will recommend applications for selection based on the results of the *Programmatic Review, Quality Control and Risk Assessment, Applicant Clarifications*, and the goals and selection factors stated in these *Instructions*.

Phase VI - Selection for Funding. The LSC President will make final awards based on his assessment of the applications, the staff recommendations, the selection criteria, and achieving a balanced portfolio of grants.

2. Anticipated Announcement and Award Dates

LSC will announce the results of this competition in **July 2015**. Successful Applicants will receive an official notification that their application was selected for an award. This notification is not an authorization to begin grant activities. The *Notice of Grant Award*, signed by the LSC President or his designee, is the authorizing document for grant activities, and will be sent at a later date. Grantees whose applications were not selected for funding will also receive separate notification.

VI. Award Administration Information

A. Award Notices

1. Activities Prior to Award or Negotiated Starting Dates

Applicants are hereby notified that there is no obligation on the part of LSC to cover pre-award costs out of a Pro Bono Innovation Fund grant. If an Applicant incurs any project costs prior to the project start date negotiated at the time of award, it does so solely at its own risk.

2. No Credit Towards 12.5% Private Attorney Involvement Requirement

Pro Bono Innovation Fund grant awards may not substitute for, or be credited against, LSC's regulatory requirement that LSC grantees spend an amount equivalent to 12.5 percent of their annualized basic field award to involve private attorneys and others in the delivery of legal assistance to eligible clients. See 45 C.F.R. § 1614.2(a).

3. No Obligation for Future Funding

If an application is selected for funding, LSC has no obligation to provide any additional or future funding in connection with that award. Renewal of an award to increase funding or extend the period of performance is at the sole discretion of LSC.

4. False Statements

A false statement on an application is grounds for denial or termination of funds and grounds for possible punishment by a fine or imprisonment as provided in 18 U.S.C. § 1001.

5. Applicable Law

All grants made pursuant to this solicitation will be subject to the LSC Act of 1974, as amended, applicable appropriations acts, any other laws affecting LSC funds or LSC grantees, and all lawful requirements of the rules, regulations, policies, guidelines, instructions, and other directives of LSC (LSC Laws, Rules, and Regulations). Any amendments to or other applicable LSC Laws, Rules, and Regulations adopted during the period of this grant shall also apply.

The LSC Act as amended, can be found at 42 U.S.C. § 2996 *et seq.* Public Law 113-235 (2014), contains the FY 2015 LSC appropriation. The terms of the FY 2015 appropriation incorporate most of the restrictions imposed on grantees of LSC funds by Public Law 105-119 and Public Law 104-134, the FY 1998 and FY 1996 LSC appropriations. Some of those restrictions have been modified by other laws, most of which are addressed in the revised regulations and/or in LSC program letters. The LSC regulations can be found at 45 C.F.R. Part 1600 *et seq.* Please see the Federal Register for regulations that have been revised or promulgated since the last publication of the Code of Federal Regulations. The LSC Laws, Rules, and Regulations, including program letters and other policies and guidelines, can be found on [LSC's website](#) and are available by contacting LSC directly.

6. Federal Policies and Procedures

Grantees and sub-grantees are subject to all provisions of federal law relating to the proper use of Federal funds referenced in 45 C.F.R. Part 1640. The Applicant understands that if it violates any of these federal laws, it may be subject to civil, criminal, and/or administrative penalties. Grantees and subgrantees are also obligated to inform

employees and board members of these federal laws and their consequences both to the grantee or subgrantee and to themselves as individuals as required in 45 C.F.R. § 1640.3.

7. Waiver Authority

Under extraordinary circumstances and when it is in the interest of the eligible client community, LSC, upon its own initiative or when requested, may waive provisions in these *Instructions* at its sole discretion. Waivers may be granted only for requirements that are discretionary and not mandated by statute or regulation. Waiver requests must be submitted by email to probonoinnovation@lsc.gov and must set forth the extraordinary circumstances for the request. Please see *Section VII: LSC Contacts*.

8. Freedom of Information Act

LSC may receive requests for copies of applications submitted to it. Applicants are hereby notified that the applications they submit are subject to the Freedom of Information Act. For guidance on the availability of information submitted by any Applicant, see LSC's Freedom of Information Act Regulation, 45 C.F.R. Part 1602. To assist LSC in making disclosure determinations, Applicants may identify sensitive information and label it "confidential."

9. Conflicts of Interest

Applicants must indicate whether the proposed project raises any actual or potential conflicts of interest. Applicants must also disclose any actual or potential conflicts or interest in connection with any proposed contracts or subgrants related to the project. See *Appendix IV: Subgrant Form and Appendix V: Contract Form*. Grantees will be required to identify and resolve actual, apparent, or potential conflicts of interest, including updating prior information, at any time that they are discovered, even after payments to third parties are provided. Generally, grantees should identify and resolve possible conflicts prior to entering into negotiations with a third-party.

B. Reporting Requirements and Performance Measures

Pro Bono Innovation Fund grantees will be required to use performance measures to assess the progress of their projects. Grantees should expect to work with LSC to finalize the expected performance measures they will use, which may include some standardized measures related to the LSC's key goals for the Pro Bono Innovation Fund.

If the grant is awarded, the project goals, objectives, and activities will be agreed upon by LSC and the grantee, then included as part of the grant award package. Interim payments will be made based on narrative reports showing progress toward achieving project goals and objectives. The final payment will be made after the final report and final financial report is submitted and approved for the grant closeout.

C. Payment Schedule and Continued Funding

Applicants who are selected for funding should plan for the project to have an initial grant payment in October 2015, and subsequent fixed payments scheduled for each six months of the grant term afterwards. Eighteen-month projects will have a total of 4 fixed payments each equaling 25% of the total grant award. Twenty-four month projects will have a total of 5 fixed payments each equaling 20% of the total grant award. Initial payments will be made after the grant acceptance letter and conflict of interest disclosure form(s) are returned to LSC. Following the initial payment, periodic payments will be scheduled at six month intervals contingent on sufficient progress and timely reporting. The final payment will be available upon approval of the project final report and final financial report. Please note that payments may be withheld due to insufficient progress or late reporting.

Continued funding is contingent upon satisfactory progress and compliance. For all projects, grantees must demonstrate satisfactory performance with respect to key program goals and requirements in their reports, as well as compliance with the terms and conditions of the grant in order to ensure continued funding. A decision by LSC to withhold a payment will not constitute a suspension, termination, lesser reduction of funding, or disallowed cost under the LSC regulations.

D. Eligible Costs, Third-Party Transfers of Funds, Contracts, and Subgrants

Please see the *Appendices* to these *Instructions* for information on eligible costs and third-party transfers of funds including contracts and subgrants.

VII. LSC Contacts

These *Instructions* will available online at <http://grants.lsc.gov/apply-for-funding/pro-bono-innovation-fund>.

For more information or to reach a member of the Pro Bono Innovation Team, please send an email to probonoinnovation@lsc.gov.

For technical questions or issues with the LSC Grants online application system, please send an email to techsupport@lsc.gov.

VIII. Technical Assistance

LSC will host technical assistance webinars and/or workshops to answer questions about the funding opportunity, compliance and regulatory issues, and the overall application process; LSC strongly encourages all Applicants to participate in these sessions. The schedule of calls and call-in information will be posted on LSC's website and/or sent to LSC grantees via email.

Appendix I: Budget Instructions

The proposed budget should be sufficient to allow the Applicant to perform the activities described in the *Narrative* and provide a full explanation of costs and their purpose, justification, and the basis of Applicant's calculations. Reviewers will consider the budget information as part of their assessment of the *Cost Effectiveness and Budget Adequacy* criteria.

Applicants must submit a proposed budget that includes the proposed Pro Bono Innovation Fund's share of the project and other sources of support. Submitting complete budget information requires Applicants to do the following three steps:

1. Complete a project *Budget Detail* in the Excel template provided which will populate the project *Budget Form*;
2. Upload the completed Excel *Budget Detail* into LSC Grants; and
3. Reenter *Budget Form* data into LSC Grants.

It is important for Applicants to provide the complete and total cost of the project in the *Budget Detail* template because it automatically populates the *Budget Form* for the project. If project-related expenses, including in-kind staff time, do not appear in the budget, reviewers will not assume those costs will be contributed as part of the project.

If an Applicant is selected for a Pro Bono Innovation Fund grant, LSC will determine the final amount of LSC funds and will negotiate the final budgets with Awardees.

I. Eligible Costs

LSC will allow costs that are directly related to the project, subject to 45 C.F.R. Part 1630, *Cost Standards and Procedures*. This includes costs for: personnel; fringe benefits; purchase or rental of computer hardware, software, and other end-user equipment; telecommunication services and related equipment; consultants and other contractual services; travel; and supplies. All costs must be reasonable and directly related to the project. *Please note that all costs for the proposed project must be captured through line items—there is no general "administrative cost" line item and indirect costs will not be approved.* In addition, all of the Part 1630 requirements must be complied with, including obtaining prior approvals required by Part 1630, the Property Management and Acquisition Manual, Part 1627, and any other LSC requirements. The award of a grant does not constitute a prior approval unless it specifically states otherwise.

II. Project Budget

Applicants are provided with an Excel template for their total and detailed budget information. The template is referred to as the *Project Budget*. The *Project Budget* template is illustrated in *Appendix II* and provided as a separate document to these *Instructions*. The first tab of the *Project Budget* template is called the *Budget Form* and the subsequent sheets of the template are referred to as the *Budget Detail*.

There are three budget categories in the *Project Budget: Personnel Expenses, Project Expenses, and Third-Party Transfers*. Within these categories, there are a total of twelve budget line items available.

The *Project Budget* also shows who is contributing to each of the twelve budget items in columns for (A) the amount requested from LSC for this grant, (B) the Applicant’s contributions from other sources, (C) cash contributions from other partners, and (D) the value of in-kind contributions from other partners. The last column, (E), provides the total of columns (A) - (D).

A. Budget Form

The *Budget Form* provides aggregated, total budget for the project. In the Excel *Project Budget* template, the *Budget Form* amounts are automatically tabulated from the amounts the Applicant provides in the *Budget Detail* sheets of the Excel template. After completing the *Project Budget*, Applicants must also manually enter the *Budget Form* information into a duplicate copy of the *Budget Form* which is in LSC Grants.

Each line of the *Budget Form* provides the total for that category. For example, in the *Budget Form*, item 2b will be the total costs for *Equipment* purchases or rental for the Applicant. If the project plans to make several different equipment purchases, the total is displayed in the *Budget Form* by pulling data from the *Budget Detail* (explained in more detail below). The *Budget Form* is the aggregate amount and the *Budget Detail* is itemized.

Below is the *Budget Form* that will be completed in the LSC Grants online application system for the project **and** on the first sheet of the completed Excel template for the *Project Budget*:

		A	B	C	D	E
		Pro Bono Innovation Fund Share	Applicant Share	Cash Support from Other Partners	In-Kind Support from Other Partners	Total Columns A through D
1. Personnel Expenses	a. Salaries/Wages					
	b. Fringe Benefits					
	<i>Subtotal Personnel Expenses</i>					
2. Project Expenses	a. Travel					
	b. Equipment					
	c. Software					
	d. Supplies					
	e. Communication					

	f. Training					
	g. Evaluation					
	h. Other (Identify)					
	<i>Subtotal Project Expenses</i>					
3. Third-Party Transfers	a. Contract					
	b. Subgrant					
	<i>Subtotal Third-Party Transfers</i>					
TOTALS						
Percentage of Total Project						

B. Budget Detail

The *Budget Detail* sets out the itemized description, purpose, and calculation for each budget line item. The *Budget Detail* populates the budget items listed in the *Budget Form* through five sheets in the Excel *Project Budget (Tabs 2-6)*. This is where Applicants detail proposed expenditures in relation to the project activities and timetable. In the *Budget Detail* tabs, Applicants are asked to fully explain each budget item, including descriptions and specific costs. The budget must be reasonable for the tasks proposed, and the relationship of items in the budget to the *Project Narrative*, especially the project goals, objectives, and activities, should be clearly defined and communicated to allow for effective evaluation of the project.

When the grant award is made, unless it is modified by agreement with LSC, the Applicant is committed to the budget submitted in the application, including contributions from the Applicant and from other partners. Please be sure that the anticipated additional resources are realistic. Grantees may need to change their budgets during the course of the project and these Pro Bono Innovation Fund budget changes may require LSC approval.

C. Description of Budget Line Items

1a. Salaries and Wages: Include the salary or wages of personnel who will staff or have responsibilities for the proposed Pro Bono Innovation Fund project, indicating the share that will be attributable to this grant, the Applicant, or another partner. Each staff person included in the budget must be described in both the application *Narrative* and in the *Budget Detail*. Individuals or personnel from other organizations with whom the Applicant is planning to contract or subgrant will have their information listed separately in the appropriate *Contract* or *Subgrant* budget line, in a *Contract Form* or *Subgrant Form*, and in the *Subgrant Budget Form Tabs 5 and 6 of the Excel template*. This requirement applies to all contracts and subgrants that will be supporting the proposed project and not only those that are funded directly by the grant.

1b. Fringe Benefits: Include cost of benefit(s) for the project staff. In the *Budget Detail*, Applicants will identify the fringe benefit rate as a percentage of the salaries to which they apply. Allowable fringe benefits typically include FICA, worker's compensation, retirement, SUTA, health and life insurance, IRA, and 401K or 403(b). If the total fringe benefit amount is over 35% of the salary subtotal line, Applicants must list the covered items separately and justify the cost in the narrative below. Holidays, leave, and other similar vacation benefits are not included in the fringe benefit rates, but are absorbed into the personnel expenses (salary) budget line item.

2a. Travel: Include costs for project staff travel that is directly related to the project. Allowable costs are transportation, lodging, subsistence, and other related expenses. In the *Budget Detail Tab 3*, please provide a calculation that includes itemized costs for airfare, transportation, lodging, per diem, and other travel-related expenses multiplied by the number of trips and project staff per trip. Where applicable, identify the current standard reimbursement rate(s) of the organization for mileage, daily per diem, and similar supporting information. Reimbursement should not exceed the federal mileage rate unless as a result of Applicant policy and justified in the description of travel items below the *Travel Budget Detail*. Only domestic travel is allowable. Applicants may include travel costs associated with participation in conferences such as LSC's TIG conference, the ABA Equal Justice Conference, the National Legal Aid and Defender Conference, and the Pro Bono Institute's Annual Conference.

2b. Equipment: Equipment is defined as tangible, non-expendable personal property having a useful life of more than one year. In the *Budget Detail Tab 3*, if applicable, please show the unit cost and number of units you are requesting. Applicants will also be asked to provide a brief justification for the purchase or rental of the equipment under Item/Purpose below the *Equipment Budget Detail*. Applicants may be asked to provide further explanation of equipment costs that exceed 10% of the total LSC funds requested.

2c. Software: Software can include the purchase of off-the-shelf software that is directly related to the project. It can also include subscriptions, user licenses, or add-on modules for existing software necessary for the proposed Pro Bono Innovation Fund project.

2d. Supplies: Include the funds necessary for the purchase of consumable supplies and materials. In the *Budget Detail Tab 3*, Applicants should provide a list of the types of supplies that will be necessary for the project with a calculation for cost determinations.

2e. Communication: Include the costs necessary to maintain communications and connectivity for the project, and to market and promote the project to clients and volunteers. This can include web content development, use of social media, promotional materials, translation services, and advertising. It can also include data charges or plans necessary to maintain communications for the project.

2f. Training: Include the costs associated with training staff on project requirements or to enhance the skills staff need for effective project implementation. These costs can also

include the expenses associated with training pro bono volunteers including materials, meeting space fees, and incidentals.

2g. Evaluation: Include costs for project evaluation activities, including additional staff time, use of evaluation consultants, purchase of instrumentation, and other costs.

2h. Other: Include and explain any other project-related costs not otherwise captured in the categories above.

3a. Contracts: Contracts can include the total costs for third-parties to provide services related to the project's operations and that are not subgrants for programmatic activities. This can include contracts to: provide software coding for new online templates, provide project management support in technology implementation efforts, conduct technical training, conduct surveys, provide graphic design or user interface services, or conduct web or software development work. Where applicable, please indicate the hourly rate for contractors. See *Appendix III: Purchases and Third-Party Transfers* for more information and *Appendix V* for a copy of the *Contract Form*.

Applicants with expenses listed under *Contracts* should list each entity or type of entity with whom Applicants propose to contract in *Budget Detail Tab 5*.

3b. Subgrants: Subgrants include costs for third parties to engage in programmatic activities that the grantee would otherwise be expected to carry out in furtherance of the project goals and activities. This can include subgrants towards third-party personnel to conduct intake, place cases, recruit and train volunteers, or develop substantive content in any format for the eligible client population or pro bono volunteers. See *Appendix III. Purchases and Third-Party Transfers* for more information and *Appendix IV* for a copy of the *Subgrant Form*.

Applicants with expenses listed under *Subgrants* will be asked to complete and upload a *Subgrant Form* for each entity with whom Applicants seek to subgrant funds, in *Tab 6* detailing the expenses that will fall under subcontract. For each proposed subgrantee, Applicants should create a separate budget sheet for the subgrant in the Excel template by duplicating *Tab 6* as many times as necessary. Please note, the subgrant information provided in these tabs will not automatically pull into the *Budget Form*. Once the *Subgrant Detail* information is complete, the Applicant must manually enter the total costs in the appropriate lines at *Tab 5* to populate the master *Budget Form*.

III. Discounts

The value of products or services must reflect the fully discounted price to the Applicant. For instance, if there is a 70% discount on computer equipment, then the value of the equipment should appear in the budget as the actual amount paid (i.e., 30% of the undiscounted price of the computer equipment).

IV. Reporting on Expenditure of Funds

The Applicant should include a statement of the methods that it will adopt and the records that it will keep to track and identify the source and application of the grant funds. These methods should include separate reporting of the grant funds by line item in the annual audit and recordkeeping to track all time and costs charged to this grant separate from other funds. See [LSC's Accounting Guide for LSC Recipients](#), 2010 Edition, for guidance on financial accounting and reporting standards.

V. Prior Approval for Property Acquisition

The provisions of [45 CFR § 1630.5](#), requiring prior approval to use LSC funds to purchase any individual item or a group of related items over \$10,000 in value, apply to Pro Bono Innovation Fund grants. In order to expedite purchases after the grant award, Applicants may indicate in their *Budget Narrative* where there are anticipated purchases that will require prior approval once the grant award is made. Applicants anticipating purchases over \$10,000 should also review the procedures for requesting prior approval, which can be found in Section 3 of the [LSC Property Acquisition and Management Manual \(PAMM\)](#). For questions about this process, please contact Megan Lacchini, Deputy Director – General Compliance, LSC Office of Compliance and Enforcement, Telephone: 202.295.1506; Email: lacchinim@lsc.gov.

Appendix II: Budget Detail Instructions (Excel Template Tabs 2-6)

Once the *Project Budget* is complete, Applicants must additionally manually enter the *Budget Form* information into a duplicate copy of the *Budget Form* which is in LSC Grants. Below are instructions for Applicants to reference in order to accurately complete the *Budget Detail* sheets of the Excel *Project Budget* template.

1a. Personnel: Salaries/Wages and Fringe Benefits

i. In the table below, please provide the following detail for each *project staff person at the Applicant's organization for whom the Applicant is requesting LSC Pro Bono Innovation Funds*. List each individual separately with his/her name and title, annual salary, the percentage of time that will apply to the grant, the amount charged to the Pro Bono Innovation Fund, the amount charged to the Applicant's other funds, and the Other Partner(s) shares through cash or in-kind contributions. If the Applicant is planning to subgrant for personnel at another entity as part of this project, the personnel costs related to each subgrant must be detailed in a separate *Subgrant Form Tabs 5 and 6*.

Name & Position Title	Project Personnel								
	Full Annual Salary	% Time Dedicated to the Project per year	Number of months on project	Prorated project salary	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>John Smith/Project Director</i>	60,000	100%	18	90,000	60,000	30,000	0	0	90,000
<i>Jane Doe/Grants Manager</i>	45,000	20%	18	13,500	13,500	0	0	0	13,500
Salary Subtotal					73,500	30,000	0	0	103,500
Fringe Benefits Rate									
Total Fringe Benefits					0	0	0	0	0
TOTAL Personnel Expenses					73,500	30,000	0	0	103,500

ii. Please provide a brief statement of the project responsibilities of the listed staff members.

iii. For project staff included in the *Budget Detail* and for whom LSC Pro Bono Innovation Funds are not being requested, please provide a brief explanation of the amounts included and the project responsibilities of these individuals.

iv. Please provide a flat Fringe Benefits rate that is consistent with the overall rate in the Applicant organization. For benefit rates charged to the LSC share that exceed 35%, please provide a list of benefits included and the justification for the higher rate in the Narrative below.

2a. Project Expense: Travel

- i. In the table below please include costs for project staff travel that is directly related to the project. Allowable costs are transportation, lodging, subsistence, and other related expenses.

Travel						
Purpose of Travel	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Annual State Bar Conference</i>	780 miles RT x .40/mile = \$312 Lodging \$150/night x 2 nights = \$300 Per diem \$35/day x 2 days = \$70 Conference Fee: \$300 waived	682			300	982
Total Travel		682	0	0	300	982

- ii. Please provide a brief description and justification for the travel items listed above.

2b. Project Expense: Equipment

- j. Please provide the following detail for equipment necessary for the project.

Equipment						
Item/Purpose	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Tablets purchase</i>	3*\$500	1,000	500			1,500
Total Equipment		1,000	500	0	0	1,500

- ii. Please provide a brief description and justification for the equipment listed above.

2c. Project Expense: Software

- i. Please provide the following detail for software necessary for the project.

Software						
Item/Purpose	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Item/Purpose goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Software formula to reflect the additional lines.</i>						0
<i>Item/Purpose</i>						0
<i>Item/Purpose</i>						0
<i>Item/Purpose</i>						0
Total Software		0	0	0	0	0

ii. Please provide a brief description and justification for the software costs listed above.

2d. Project Expense: Supplies

i. Please provide the following detail for supplies necessary for the project.

Supplies						
Item/Purpose	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Item/Purpose goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Supplies formula to reflect the additional lines.</i>						0
Item/Purpose						0
Item/Purpose						0
Item/Purpose						0
Total Supplies		0	0	0	0	0

ii. Please provide a brief description and justification for the supply costs listed above.

2e. Project Expense: Communication

i. Please provide the following detail for communication costs necessary for the project.

Communication						
Item/Purpose	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Purpose of Communication goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Communication formula to reflect the additional lines.</i>						0
Item/Purpose						0
Item/Purpose						0
Item/Purpose						0
Total Communication		0	0	0	0	0

ii. Please provide a brief description and justification for the communication costs listed above.

2f. Project Expense: Training

i. Please provide the following detail for trainings related-to or required for the project or for the project staff to accomplish the goals and activities of the project.

Training						
Item/Purpose	Calculation	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Item/Purpose goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Training formula to reflect the additional lines.</i>						0
<i>Item/Purpose</i>						0
<i>Item/Purpose</i>						0
<i>Item/Purpose</i>						0
Total Training		0	0	0	0	0

i. Please provide a brief description and justification for the training costs listed above.

2g. Project Expense: Evaluation

i. Please provide a brief description and justification for evaluation expenses.

Evaluation						
Evaluation	Calculation (if applicable)	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Include ONLY Total Evaluation costs here. Do NOT itemize.</i>						0

2h. Project Expense: Other

i. Please include and explain any other project-related costs not otherwise captured in the categories above.

Project Expense: Other						
Project Expense: Other	Calculation (if applicable)	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Project TOTAL
<i>Include any other project related costs not otherwise captured</i>						0

3a. Third-Party Transfers: Contracts

Please indicate the cost of each contract below. In the LSC Grants online application system, Applicants with expenses listed under Contracts must also complete an online Contract Form for each entity with whom Applicant seeks to contract. For costs associated with *Contracts*, please complete the *Third-Party Contract Form* in the LSC Grants online application system, a copy of which can be found in *Appendix V*.

Contracts					
Contractor	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Year One TOTAL
<i>Contractor Name/Purpose goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Contracts formula to reflect the additional lines.</i>					0
<i>Contractor/Purpose</i>					0
<i>Contractor/Purpose</i>					0
<i>Contractor/Purpose</i>					0
Total Contracts	0	0	0	0	0

3b. Third-Party Transfers: Subgrants

- i. In the LSC Grants online application system, Applicants with expenses listed under Subgrants must also complete an online Subgrant Form for each entity with whom Applicant seeks to subgrant funds. Please use the next tab entitled "Subgrant Budget" to complete a detailed Budget Form per subgrantee. The Excel template allows applicants to make duplicate copies of the *Subgrant* sheet for each subgrantee organization.

Subgrants					
Subgrant	Pro Bono Innovation Fund Share	Applicant Share	Cash from other Partner(s)	In-Kind from Other Partner(s)	Year One TOTAL
<i>Subgrantee Organization Name goes here (insert as many lines as necessary below.) Please make sure to adjust the Total Subgrants formula to reflect the additional lines.</i>					0
<i>Subgrantee</i>					0
<i>Subgrantee</i>					0
<i>Subgrantee</i>					0
Total Subgrants	0	0	0	0	0

ii. Third-Party Transfers: Subgrant Budget Form

		A	B	C	D	E
		Pro Bono Innovation Fund Share	Applicant Share	Cash Support	In-Kind Support from Other Partners	TOTAL (Columns A through D)
1. Personnel Expenses	a. Salaries/Wages					0
	b. Fringe Benefits					0
	<i>Subtotal Personnel Expenses</i>	0	0	0	0	0
2. Project Expenses	a. Travel					0
	b. Equipment					0
	c. Software					0
	d. Supplies					0
	e. Communication					0
	f. Training					0
	g. Evaluation					0
	h. Other					0
	<i>Subtotal Project Expenses</i>	0	0	0	0	0
TOTALS		0	0	0	0	0

Appendix III: Purchases and Third-Party Transfers

LSC encourages Applicants to work with other access to justice partners on projects and realizes that for many projects grantees will need to formally contract or subgrant with third parties to accomplish the goals of the proposed project. Such partnerships, subgrants, and contracts can raise special issues and be subject to certain LSC regulations and procedures. Grantees should be familiar with these and take them into account during the design and planning of the project.

Subgrants: All Pro Bono Innovation Fund grants are subject to [45 C.F.R. Parts 1610 and 1627](#) regarding transfers and subgrants. Applicants should review [LSC Program Letter 10-3](#) for an explanation of these requirements to ensure compliance with these regulations.

The general rule under 45 C.F.R. § 1610.7(a) is that transfers/subgrants of LSC funds apply the LSC restrictions to both the LSC and non-LSC funds of the subgrantee in the same manner as they apply to the primary grantee (subject to modifications on priorities and timekeeping provided at section 1610.7(b)).

Nonetheless, section 1610.7(c) addresses transfers/subgrants that are “for the sole purpose of funding private attorney involvement activities (PAI) pursuant to 45 CFR part 1614” and provides a limited exception to the general rule. For these transfers, the LSC restrictions apply only to the subgrant funds and the LSC restrictions do not apply to the other funds of the subgrantee.

Although Pro Bono Innovation Fund grants are not eligible for allocation to a grantee’s 12.5% PAI requirement under Part 1614, Pro Bono Innovation Fund subgrants may qualify for the section 1610.7(c) exception if they meet two requirements:

- 1) The subgrant is for activities that meet the substantive requirements of Part 1614.
- 2) The subgrant is for those activities only (and not for any other activities that do not meet the substantive requirements of Part 1614).

LSC recently revised 45 C.F.R Part 1614. The new rule with a description of the enacted changes appears at <https://federalregister.gov/a/2014-24456>.

Contracts: As noted in the *Eligible Costs* section of *Appendix I*, all of the Part 1630 requirements, including obtaining prior approvals, must be complied with. The award of a grant does not constitute a prior approval unless it specifically states otherwise. Although applicants can propose a particular third-party contractor, approval of a Pro Bono Innovation Fund application does not imply LSC approval of any specific contractor for the project; all procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open and free competition, and all third-party expenditures, regardless of cost, must be appropriately documented.

Two additional requirements for Pro Bono Innovation Fund supported contracts are:

1. **Competition in contracts for services:** When a grantee expends more than \$3,500 of a Pro Bono Innovation Fund grant on a single contract for goods provided or services to be performed by a third-party that is not otherwise subject to the LSC Property Acquisition and Management Manual, the grantee will: (a) solicit bids from a minimum of three providers; if it is necessary to award a contract on the basis of fewer than three responses or to purchase from a “Sole Source” due to technical or quality requirements, organizational or personnel expertise, knowledge of the program, the lack of dependable vendors or when there is an emergency, the reasons for this shall be documented; (b) maintain documentation for LSC review, including: the solicitation and receipt of bids or sole-source justification; the reason for selection of a contractor; senior management approval of contractor selection and any sole source justification; the terms and conditions of the agreement; and all payments, adjustments and credits; (c) provide a copy of the contract to LSC with the payment request for the period in which the contract was executed (submission of the contract and the resulting LSC payment do not constitute LSC approval of the contracting process); and (d) ensure the proper expenditure, accounting for, and audit of the contracted funds.
2. **Administrative plans:** LSC requires administrative plans for grants where significant portions of the project management are contracted out to third parties. This might occur if the project proposes a technology-based project management contract or a project management contract to a significant partner and is not intended to apply where the contracts are primarily for hardware, software, or technical development work. Applicants planning to contract project management services will be asked to work with LSC staff to submit and have approved by LSC an administrative plan that clearly outlines the grantee's duties and responsibilities for financial oversight and audits, project management, contract coordination, evaluation, and reporting. When the grantee is receiving part of the grant as a fee for this administration, the plan will detail who will exercise these duties for the grantee and how the fee was calculated.

Appendix IV: Subgrant Form

Instructions

LSC requires additional information about proposed subgrants that are necessary for the proposed project. On the form below, please provide the requested information on the **subgrants** that your program plans to enter into as part of this proposed project. While LSC is primarily interested in subgrants that are directly funded by the grant, providing information on non-LSC funded subgrants, if applicable, allows reviewers to have complete information about the project and the proposed project expenses.

- Please provide one *Subgrant Form* for each subgrant being proposed in your project. **These forms should be saved as Word Documents and uploaded into LSC Grants.**
- Provide as much information as possible about the planned subgrant, including the expected subgrant amount, planned oversight activities, and the subgrantee's anticipated role and responsibilities.
- If your application is selected for funding, Applicants will be asked to submit a formal request to LSC for subgrant approval under [45 C.F.R. Part 1627](#). Please note that no part of this application or a Pro Bono Innovation Fund award constitutes a subgrant application or formal LSC approval of a subgrant pursuant to Part 1627.

- 1. Pro Bono Innovation Fund Subgrant Amount**
- 2. Name of Proposed Subgrantee Organization**
- 3. Describe the qualifications of the proposed subgrantee (e.g., length of time in existence, number of staff, type of organization, reputation in the legal community).**
- 4. Describe the proposed subgrantee's role in the project and describe all subgrantee activities that will be supported by the Pro Bono Innovation Fund subgrant.**
- 5. If the subgrant is expected to qualify as a [45 C.F.R. 1610.7\(c\)](#), exclusively PAI subgrant, then do all of the above-described activities of the subgrantee meet the substantive requirements of LSC's current PAI rule at [45 C.F.R. 1614](#)?**
- 6. Please identify your proposed methods for providing oversight in (a) assessing the quality of the work being provided by the subgrantee, and (b) ensuring the subgrantee's adherence to applicable LSC requirements.**
- 7. Does this proposed subgrantee currently receive a subgrant from your organization of LSC or non-LSC funds for PAI activities? If so, please describe the**

current subgrant including the amounts of LSC and of non-LSC funds being subgranted.

- 8. Please disclose the nature of any actual or potential conflicts of interest that the Applicant may have with the proposed subgrantee. This includes Applicant staff or board members who may also serve as board members or staff at the proposed subgrantee.**
- 9. For proposed subgrantees who are not current LSC grantees, please provide the names and affiliations of the proposed subgrantee's Board of Directors.**

Appendix V: Contract Form

Instructions

LSC requires additional information about proposed contracts that are necessary for the proposed project. On the form below, please provide more information on the **contracts** that your program plans to enter into as part of the proposed project. While LSC is primarily interested in contracts that are directly funded by the grant, providing information on non-LSC funded contracts, if applicable, allows reviewers to have complete information about the project and the proposed project expenses. This form is for non-subgrant contracts. If your contract is a subgrant according to [45 C.F.R. Part 1627](#), complete the separate form entitled, *Subgrant Form* in the online application system as described above.

- Please provide one form for each contract being proposed in your project. **These forms should be saved as Word Documents and uploaded into LSC Grants.**
- Provide as much information as possible about the planned contracts, including the expected contract amount, planned oversight activities, and the contractor's anticipated role and responsibilities.
- Either identify a specific third party that your organization intends to contract with or, if that entity is not yet known, indicate that the contractor will be decided later.
- Specific contractors may be proposed in this application. Please note, however, that proposing a contractor in this form does not imply LSC approval of any specific contractor for the proposed project. All procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open and free competition; and all third-party expenditures, regardless of cost, must be appropriately documented. *Please refer to [45 C.F.R. Part 1630](#) and the [LSC Accounting Guide](#) for additional guidance on contractor selection.*
- Recipients will be subject to special provisions, including the selection of a contractor, when they expend more than \$3,500 of Pro Bono Innovation Fund funds on a single contract for goods provided or services to be performed by a third party. See Appendix III, above.
- **PLEASE NOTE:** If the contractor's responsibilities will include any *programmatic activities* then the contract is a subgrant and a *Subgrant Form* must be completed. Programmatic activity includes activities that involve substantive content development or client services typically handled by an LSC grantee. Grantees and potential contractors should review all the subgrant and transfer requirements, including the guidance in [LSC Program Letter 10-3 regarding programmatic activities](#). See Appendix III, above.

- 1. Contract Amount from Pro Bono Innovation Fund Grant**
- 2. Describe the contractor's project role, including specific tasks and responsibilities. Additionally, justify the use of third parties to accomplish these tasks and responsibilities.**
 - a. Are you proposing a specific third-party contractor?**

If yes, please indicate the proposed contractor.
 - b. If you are proposing a specific third-party contractor, provide an explanation of how and why the proposed contractor was identified, including the competition process. If you are not proposing a specific third-party contract, provide your plan for selecting the contractor, including the competition process.**
- 3. Please identify your proposed methods of overseeing performance by the contractor. This includes information on what skills your program possesses to fully monitor contract performance.**
- 4. Please disclose the nature of any actual or potential conflicts of interest that the Applicant may have with the proposed contractor. This includes relations that Applicant staff, board, or family members may have with the proposed contractor.**