

**Protocol for the Allocation
Of
Private Contributions of Funds to LSC**

(for inclusion in the LSC Accounting and Administrative Manuals)

Approved July 18, 2105

1. Protocol and Purposes

This Protocol (“Protocol”) governs the procedure for the allocation of private contributions of funds to the Legal Services Corporation (“LSC” or “Corporation”).

The purpose of this Protocol is to provide guidance to LSC’s Board of Directors (“Board”), members of the Institutional Advancement Committee (“IAC”), staff, and other stakeholders concerning the allocation of private contributions of funds to LSC. This Protocol does not address the acceptance and use of private contributions of funds, which are set forth in the *Protocol for the Acceptance and Use of Private Contributions of Funds*. LSC’s Board reserves the right to revise or revoke this Protocol at any time and to make exceptions. Any changes or exceptions to this Protocol must be approved by the Board in writing. This Protocol, and any changes or exceptions to it, will be made available on the LSC website at www.lsc.gov.

2. Definitions

An Initiator is a Director, non-Director member of the IAC officer, or LSC employee who submits a request to allocate Private Funds toward a proposed project or program. LSC employees must submit requests through the LSC President, who has full discretion whether or not to approve submission of the proposal for consideration through the process in Section 3.

Private Funds are financial contributions received by LSC from a private source. Private Funds include, but are not limited to, financial contributions, solicited or unsolicited, designated or non-designated, made by a third party in the form of a gift and/or a grant. For purposes of this Protocol, designated funds are funds that are restricted by the donor for a designated purpose or time period. Non-designated funds are funds given to LSC by a third party to use toward projects or programs that will advance LSC’s mission of providing financial support for civil legal aid to persons financially unable to afford such assistance. Private Funds do not include in-kind contributions of goods or services or funds appropriated to LSC by the federal government. Private Funds may not be used for any purpose prohibited by the Legal Services Corporation Act or Title V of Public Law 104-134, 110 Stat. 1321, 1321-50 (1996) (LSC FY 1996 appropriation) as incorporated by reference in Title V of Public Law 105-119, 111 Stat. 2440, 2510 (LSC FY 1998

appropriation), to the extent incorporated in LSC's appropriation at the time of the expenditure.

3. Procedure for the Allocation of Private Funds

Before any Private Funds subject to this Protocol are allocated to a project or program, the allocation must be approved through the following process:

A. An Initiator submits in writing via email to the Chief Development Officer a detailed description of the proposed project or program, estimated budget, and timeline for completion. If the Initiator seeks to launch a project or program from the *Legal Services Corporation at 40: A Campaign for Justice* case statement ("Case Statement"), the Initiator will submit in writing to the Chief Development Officer a request to launch the specific Case Statement project or program and the Chief Development Officer will draft the corresponding budget and proposed timeline, if needed.

B. Upon receipt of the written proposal, the Chief Development Officer will forward the proposal to the General Counsel to assess the proposal for potential legal issues. If the General Counsel determines there are no legal issues, the Chief Development Officer will forward the proposal to the President for his or her recommendation. If the proposal presents a legal issue, the General Counsel will advise the Chief Development Officer of any such issue(s) and the Chief Development Officer, in collaboration with the Office of Legal Affairs and, if appropriate, the Initiator will attempt to resolve those legal issues before the proposal is evaluated further. Upon successful resolution of any legal issue(s), the Chief Development Officer will forward the proposal to the President for his or her recommendation. If the legal issues cannot be resolved, the proposal will not be evaluated further and the Chief Development Officer will communicate the denial to the Initiator.

C. Upon the President's recommendation, the Chief Development Officer will submit the proposal to the Chair of the IAC, who will present the proposal to the full IAC for review.

D. If the IAC recommends to the Board that LSC allocate the Private Funds to the proposal, the Board will vote on the recommendation.

E. Upon Board approval, the President will identify the offices and staff members that will be responsible for implementing, monitoring, and reporting on the project or program.

F. If the IAC, President, or Board, as appropriate, determines that LSC will not pursue the project proposal, the Chief Development Officer will communicate the reason for the decision to the Initiator.

G. The Chief Development Officer will retain documentation related to all project proposals consistent with LSC's Records Management Policy.

4. Accounting for Use of Private Funds

Any Private Funds allocated to an approved project or program shall be accounted for and reported as receipts and disbursements separate and distinct from federal funds.

5. Use of Private Funds

In the event that Private Funds are to be used to pay for expenses for which federal funds may not be used, such Private Funds must be received and their use approved pursuant to this Protocol prior to any such expense being incurred. Furthermore, under no circumstance will LSC use federal funds to pay for any such expense at any time—regardless of whether Private Funds would be available to reimburse the federal funds account.

6. Reporting

Once the allocation of Private Funds has been approved pursuant to this Protocol, the Chief Development Officer will be responsible for reporting on the project or program to the appropriate donor(s) and will provide the IAC all reporting documents shared with any such donor(s).