

Legal Services Corporation
Grant Assurance #19 Detail Instruction
(Date of Execution of this Document: August 2009)

**Planning the Orderly Conclusion of the Role and Responsibilities
of a Recipient of LSC Funds**

In the event that the Applicant merges or consolidates with another LSC grantee, changes its current identity or status as a legal entity, or ceases to be a direct recipient of LSC grant funds at the end of the grant term or during the grant term for whatever reason:

- a. It agrees to provide the LSC Office of Program Performance with written notice at least sixty (60) calendar days prior to any of the above events;
- b. It will submit to the LSC Office of Program Performance, either at the time that it provides the written notice in (a) above, or within fifteen (15) calendar days from being notified by LSC that it will cease to be a recipient of LSC grant funds, a plan for the orderly conclusion of the role and responsibilities of the Applicant as a recipient of LSC funds. The plan should describe:
 1. The immediate transition planning with the new provider, particularly as related to intake, accounting of all open cases (including PAI cases) and transfer of existing cases and contracts;
 2. The projected LSC fund balance remaining after the cessation of funding, including an estimate of any anticipated unrealized derivative funds. The Applicant understands that the expenditure of any LSC funds after the cessation of LSC funding shall have the express written approval of LSC pursuant to 45 CFR section 1630.5(b)(1). The Applicant further understands that the existing LSC fund balance amount, if any, shall be returned to LSC at the time of the submittal of the closing audit, and that any later realized derivative funds, whether anticipated at the time of close out or not, shall be returned to LSC within 15 calendar days of their receipt by the Applicant;
 3. An accounting of all real property purchased in whole or in part with LSC funds. The Applicant agrees to abide by any agreement it has with LSC governing the purchase of real property purchased in whole or in part with LSC funds. The accounting should include:
 - i. the address and a brief description of the property and the date it was acquired;
 - ii. the total amount of funds expended to acquire or improve the property, including principal and interest payments, and payment for capital improvements;

- iii. the total amount of LSC funds expended to acquire or improve the property, including principal and interest payments, and payment for capital improvements;
 - iv. an independent valuation of the fair market value of the property;
 - v. a statement indicating the program's proposed plans for disposing of the property pursuant to the Property Acquisition and Management Manual, if applicable, and any real property agreement between LSC and the program; and
 - vi. copies of any agreements or contracts between LSC and the Applicant related to the property, including any agreements or contracts governing the disposition of the property and any correspondence relating to the initial approval of use of LSC funds to acquire the property.
- 4. The total costs associated with cessation of LSC funding, and funds available to meet those costs, supported by a budget detailing the planned close out expenditures, and plans for securing payment or reimbursement due under contract from non-LSC sources; and
- 5. An accounting of each item of personal/non-expendable property purchased after October 15, 2001 in whole or in part with LSC funds that has a current market value exceeding \$5,000. The accounting list should include for each item of property:
 - i. a brief description of the property item;
 - ii. the date of acquisition of the property item;
 - iii. the total amount of funds expended to acquire the property;
 - iv. the amount of LSC funds expended to acquire the property;
 - v. the fair market value of the property; and
 - vi. a proposed plan for disposing of all such property pursuant to the Property Acquisition and Management Manual, as applicable, that includes: if the property is proposed to be transferred to an LSC recipient, the name of the LSC recipient to whom the property will be transferred; or if the property is proposed to be transferred to another non-profit organization serving the poor in the Applicant's service area, the name and address of such organization. The Applicant understands that such transfers must have the prior approval of LSC.

- c. It shall certify at the time it submits the plan(s) as required by (b) above that an Independent Public Accountant will audit the recipient's financial statements, internal controls and compliance with applicable laws and regulations in accordance with the LSC Audit Guide for Recipients and Auditors and Government Auditing Standards. The audit must encompass the full period of the grant term and any transitional funds awarded by LSC unless otherwise directed in writing by LSC. It shall submit to LSC's Office of the Inspector General an engagement letter from its Independent Public Accountant that includes an estimate of the LSC-funded portion of the total estimated audit cost as required under section 509(c) of the 1996 LSC appropriations act and subsequent appropriations acts;
- d. It shall certify at the time it submits the plan(s) as required by (b) above that it will submit Grant Activity Reports in a format specified by LSC in a timely manner;
- e. It shall participate in an orderly and professional transition of functions to the new provider delivering services in the service area;
- f. It understands and agrees that, after it gives notice to LSC or after receipt of notice from LSC of the cessation of funding, the receipt of all future installments after such notice shall be contingent upon satisfactory completion of all closeout obligations imposed by LSC including the obligations described herein; and
- g. It agrees that any attorneys' fees claimed or collected and retained by the Applicant after the cessation of funding that relate to LSC funded work performed during the grant term shall be considered derivative income, subject to return to LSC in accordance with paragraph b (2), above.