



Program Letter 14-4

TO: All Executive Directors

FROM: Ronald S. Flagg *RSF*
General Counsel and Vice President for Legal Affairs

DATE: December 2, 2014

SUBJECT: LSC Funds as Matching Funds for Grants Funded by the Corporation for National and Community Service

LSC grantees may use LSC funds as matching funds in AmeriCorps grants and other grants funded by the Corporation for National and Community Service.

LSC permits LSC grantees to use LSC funds for matching requirements in federally financed programs only when “the agency whose funds are being matched determines in writing that [LSC] funds may be used for federal matching purposes.” 45 C.F.R. § 1630.3(a)(8).

Valerie Green, the general counsel at the Corporation for National and Community Service, has provided LSC with a written statement (attached to this Program Letter) that satisfies this requirement.

The use of LSC funds as matching funds must also meet any other applicable LSC or Corporation for National and Community Service requirements. LSC funds can be used only for LSC-permissible activities, regardless of whether they are used as matching funds, and can be used only in compliance with the Legal Services Corporation Act (42 U.S.C. §§ 2996 *et seq.*); applicable appropriations law; Legal Services Corporation rules, regulations (45 CFR Part 1600 *et seq.*), guidelines, and instructions; the Accounting Guide for LSC Recipients; the terms and conditions of the grant or contract; and other applicable law. This Program Letter is not preapproval of any specific activities, expenditures, or costs. Grantees should contact LSC if they are considering retroactively changing matching funds for Corporation for National and Community Service grants to LSC funds in prior years.

If you have any questions regarding the matching funds requirements, please contact Lora Rath in the Office of Compliance and Enforcement at rathl@lsc.gov or Mark Freedman in the Office of Legal Affairs at mfreedman@lsc.gov.

November 17, 2014

Mark Freedman
Senior Assistant General Counsel
Legal Services Corporation
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Washington, DC 20007

Dear Mr. Freedman,

Thank you for reaching out to discuss the issue of whether Legal Services Corporation (LSC) funds may be used as matching funds for grants issued by the Corporation for National and Community Service (CNCS). This letter confirms that CNCS is not aware of any prohibition on the use of LSC funds as matching funds for CNCS grants. CNCS expresses no opinion regarding whether this use of LSC funds meets any other CNCS or LSC requirements.

In general, CNCS does not opine on whether other federal funds can be used as match for CNCS grants even though the CNCS statutes and regulations do not prohibit the use of federal funds as a match for CNCS grants. *See* 42 U.S.C. 12571(e)(2) (permitting the use of funds from “other Federal sources” to meet CNCS matching requirements).¹

As described in the Department of Treasury memorandum GLS-107648-11 (March 26, 2011), LSC is not a federal agency and LSC funds provided through grants are not federal funds for purposes of federal grant matching restrictions. Nonetheless, LSC funds are appropriated by Congress. Thus, LSC permits LSC grantees to use LSC funds for matching requirements in federally financed programs only when “the agency whose funds are being matched determines in writing that [LSC] funds may be used for federal matching purposes.” 45 C.F.R. § 1630.3(a)(8).

In light of this Memorandum and LSC’s regulation, CNCS concludes that LSC funds, like other non-federal funds, are eligible to be used by CNCS grantees as matching funds provided they meet all other applicable match-related federal rules and regulations.

Please let me know if you have any questions or would like to discuss this further.

Best,



Valerie Green

¹ Indeed, I am aware that other federal agencies have interpreted their authorities to allow their funds to be used as match for CNCS funds.