



July 20, 2000

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RE: Use of LSC Funds as matching funds for VOCA grant,  
External Opinion Number ~~EX2000-012~~ **EX-2000-1016**

Dear Mr. Hausen:

I am writing in response to your verbal inquiry to Cynthia Schneider about whether your program may legitimately use Legal Services Corporation funds as matching funds for your Victims of Crime Assistance Act (VOCA) grant, in light of the fact that VOCA does not permit income eligibility determinations.

The regulation that applies to the use of LSC funds as matching funds for a federal grant is 45 CFR Part 1630. Section 1630.3 reads, in relevant part, as follows:

- (a) *General criteria.* Expenditures by a recipient are allowable under the recipient's grant or contract only if the recipient can demonstrate that the cost was: . . . (8) Not included as a cost or used to meet cost sharing or matching requirements of any other federally financed program, unless the agency whose funds are being matched determines in writing that Corporation funds may be used for federal matching purposes; . . . .

Thus the general rule under Section 1630.3(a) is that a recipient program may use LSC funds as matching funds for a federal grant if the federal agency whose funds are being matched makes a written determination that LSC funds may be used for federal matching purposes, and provided that the other requirements enumerated in Section 1630.3 are satisfied.

In an opinion letter to the Land of Lincoln Legal Assistance Foundation dated October 22, 1997, a copy of which is attached hereto, the Office of Legal Affairs stated that it is permissible for recipient programs to use LSC funds as matching funds for a VOCA grant.

Notwithstanding the determination that LSC funds may be used as matching funds for a VOCA grant, over-income clients served under the VOCA grant may *not* be counted on the CSR. Pursuant to Section 4.3 of Program Letter 2000-3, programs should report cases in which financial eligibility determinations are not permitted by conditions attaching to federal funding under Titles III or IV of the Older Americans Act; Title XX of the Social Security Act; and the Violence Against Women Act. The statutes enumerated in that section are, however, the only statutes under which occasional, over-income clients should be counted on the CSR.

Although Section 5.2 of Program Letter 2000-3, in discussing required documentation for reported cases, states exceptions for the above-mentioned statutes “and other federally-funded programs where financial eligibility determinations are not permitted,” the Office of Information Management issued a correction to that Program Letter on June 15, 2000, stating that the preceding language in quotations should have been omitted from the Program Letter. I enclose a copy of “Corrections to Program Letter 2000-3” for your information. If you have questions concerning the reporting of cases on the CSR, please contact John Meyer of the Office of Information Management at (202) 336-8909.

I hope this information satisfies your inquiry. If you have any other questions or need clarification, please do not hesitate to contact the Office of Legal Affairs.

Sincerely,

Dawn M. Browning  
Assistant General Counsel

Victor M. Fortuno  
General Counsel