



U.S. Department of Justice

Office of Justice Programs

Office for Victims of Crime

Mark Freedman  
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Legal Services Corporation  
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Washington, D.C. 20531

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Dear Mr. Freedman,

Thank you for your assistance in addressing the question of whether Legal Services Corporation (LSC) funds may be used as matching funds for certain Office for Victims of Crime (OVC) grant programs.

This letter confirms, consistent with 45 C.F.R. 1630.3(a)(8), that OVC permits LSC funds to be used to meet the match requirement for the Victims of Crime Act (VOCA) Victim Assistance Program, as well as any OVC discretionary program (e.g., OVC human trafficking victim service grants awarded under 22 U.S.C. 7105(b)(2)) where the match source rules in 2 C.F.R. 200.306(b)(5) are applicable.

The government-wide grant rules in 2 C.F.R. Part 200 (as well as rules that preceded these) set forth a requirement that funds used to match a Federal award not be "paid by the Federal Government under another Federal award." 2 C.F.R. § 200.306(b)(5). Those rules define a Federal award as one originating from a Federal agency. *Id.* at §§ 200.38 (Federal award), 200.37 (Federal awarding agency), 200.74 (pass-through entity), and 200.92 (subaward).

As described in the memoranda that you shared, LSC is not a Federal agency for these purposes. LSC receives federally appropriated funds, but the Legal Services Corporation Act established LSC as a non-profit corporation in the District of Columbia and specifically decreed that it "shall not be considered a department, agency, or instrumentality, of the Federal Government." 42 U.S.C. 2996b(a) and 2996d(e)(1). Thus, LSC grants are outside of section 200.306(b)(5), as they are not "paid by the Federal Government under a Federal award[.]" but rather, are paid by LSC, a non-profit organization.<sup>1</sup> This is consistent with a similar Department of Treasury opinion as well as certain descriptions of LSC's non-federal status by OMB and GAO.<sup>2</sup>

For projects funded under VOCA Assistance grants, where match is required by the VOCA Assistance Guidelines, OVC intended the Guidelines to mirror the government-wide rule with respect to the source of matching funds. Thus, for purposes of the VOCA Assistance match requirement, OVC understands LSC grants to be "derived from non-federal sources" (as the Guidelines paraphrase the government-wide rules) for the reasons set out above. Moreover, the Guidelines permit OVC to approve deviations from its VOCA Assistance Program match policy, and, to the extent necessary, OVC hereby

<sup>1</sup> OVC understands that LSC funds are subject to requirements applicable to federal funding in certain circumstances that do not appear applicable here.

<sup>2</sup> See e.g., Department of Treasury Memorandum GLS-107648-11 (March 26, 2011) (LSC funds are not Federal funds for matching purposes in the Low Income Taxpayer Clinic program); Letter from OMB to LSC re applicability of purchase scoring rules in OMB Circular A-11 (Oct. 20, 2015) (scoring rules do not apply because of LSC's status outside of the government); GAO Report re Legal Services Corporation, GAO-07-993 (Aug 15, 2007) (LSC grant programs are not subject to OMB rules including those now incorporated into 2 C.F.R. Part 200).

does so to clarify that LSC grants are allowable as matching funds for VOCA Assistance projects. *See* VOCA Assistance Guidelines, § IV.B.4.<sup>3</sup>

Use of LSC funds for match must comply with any restrictions that LSC places on such funds, and all other applicable match-related federal rules and requirements (e.g., VOCA Assistance program rules and 2 C.F.R. 200.306).

Sincerely,

A handwritten signature in black ink, appearing to read "Joye E. Frost". The signature is written in a cursive, flowing style.

Joye E. Frost  
Director

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<sup>3</sup> The Guidelines also permit match waiver, which is not relevant here, as this letter concerns OVC's clarification of match source rules. *Cf.* § IV.B.4; § IV.B.4.b.3.