

September 24, 1990
Final Text

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEGAL SERVICES CORPORATION
REGARDING 45 CFR PART 1628, ON FUND BALANCES
(offered by Howard Dana and Blakeley Hall)

WHEREAS, the LSC regulations governing fund balances that may be retained from year to year (45 C.F.R., Part 1628) permit LSC recipients to retain no more than 10 percent of their annualized support and give the Corporation the discretion to permit retention of up to 25 percent of said annualized support, under certain limited circumstances; and

WHEREAS, prudence dictates that the Corporation and its recipients now prepare for the prospect of significant reductions in funding in 1991, as a result of sequestration; now

THEREFORE, be it resolved that the Board of Directors of the Legal Services Corporation hereby finds that the prospects of sequestration constitutes extraordinary circumstances that warrant waiver under Part 1628, and that the staff shall approve fund balance waivers for such programs as may seek to adopt appropriate budgetary measures to prepare for this contingency.

FURTHERMORE, notwithstanding the above, if it is determined by November 1, 1990, that there will be no sequestration, this motion shall be of no force and effect.

HOWEVER, if prior to November 1, 1990, it becomes known that there will be a sequestration in an amount of less than 15 percent, then the 25 percent fund balance authorized by this resolution shall be reduced by the same percentage amount that the sequestration level is less than 15 percent.

(By way of example, if prior to November 1, the sequestration level is set at 13 percent, then this resolution would authorize a fund balance of 23 percent.)