

**Protocol for the Acceptance and Use
Of
In-Kind Contributions to LSC**

(for inclusion in the LSC Accounting and Administrative Manuals)

1. Protocol and Purpose

This Protocol for the Acceptance and Use of In-Kind Contributions (“Protocol”) governs the solicitation and acceptance of contributions of *goods or services* by the Legal Services Corporation (“LSC” or “Corporation”). This Protocol is not meant to apply to *financial* contributions subject to the Protocol for the Acceptance and Use of Private Contributions of Funds to LSC. This Protocol governs the solicitation of contributions of goods or services only from Prospects approved by the Board for purposes of the Protocol for the Acceptance and Use of Private Contributions and Funds to LSC.

The purpose of this Protocol is to provide guidance to LSC’s Board of Directors, (“Board”), members of committees of the Board, LSC employees, and other stakeholders concerning gifts of goods or services to LSC, and to provide guidance to donors and their professional advisors when making donations of goods or services to LSC. LSC’s Board reserves the right to revise or revoke this Protocol at any time, and to make exceptions. Any changes or exceptions to the Protocol must be approved by the Board. This Protocol and any changes or exceptions to the Protocol will be made available on the LSC website at www.lsc.gov.

All applications for grants or solicitations for contributions of goods or services will be coordinated with the Chief Development Officer to ensure compliance with this Protocol.

2. Grants and Gifts

For the purposes of this Protocol, a “grant” is defined as any opportunity to receive goods or services made available by a third party pursuant to a Request for Proposal (“RFP”) or other equivalent application process. “Grant” does not include procurement contracts for which LSC issues an RFP. A “gift” is a contribution of goods or services, solicited or unsolicited, made available by a third party, through means other than a grant.

Solicitations for gifts for LSC staff events/functions (e.g., LSC Cares silent auction; Black History Month events) are not subject to this Protocol.

The Corporation’s In-Kind Committee (“Committee”) will evaluate prospects for in-kind contributions and determine whether to pursue or decline the grant or gift. The Chief Development Officer, the Ethics Officer, the General Counsel, and the Director of Government Relations and Public Affairs make up the Committee.

Before any member of the Board of Directors (“Director”), member of a Board committee, officer, or LSC employee pursues any grant or gift subject to this Protocol, the proposed grant or gift application must be approved through the following process:

A. A Director, member of a Board committee, officer, or LSC employee (“Initiator”):

- learns of an opportunity to apply, or intends to develop an opportunity, for a grant or gift of goods or services from an individual or another organization; or
- is presented with an unsolicited contribution of goods or services.

B. The Initiator provides information on the opportunity, in writing, to the Chief Development Officer, with a copy to the Initiator’s office head. The Initiator will submit the information using the Prospect Information Form (“Form”), attached as the appendix to this Protocol.

C. Upon receipt of the Form, the Chief Development Officer will forward the Form to the Committee.

D. The Committee will take the following actions:

- The Chief Development Officer will assess the proposal to determine whether LSC has an existing relationship with the prospective donor, including an in-progress solicitation.
- The Ethics Officer will assess the prospect for potential conflicts of interest.
- The General Counsel will assess the prospect for potential legal issues.
- The Committee will convene and determine whether it is appropriate for LSC to pursue the opportunity.

E. If the Committee decides that LSC will pursue the opportunity, the Chief Development Officer will note the decision on the Prospect Information Form. The Chief Development Officer will identify the offices and staff members that will be responsible for developing the application or making the request.

F. If the Committee determines that pursuing the opportunity raises a significant policy issue for the Corporation or may place unanticipated burdens on the Corporation (e.g., an obligation to provide upkeep or maintenance on a donation of personal or real property), the Committee will forward the opportunity, along with its analysis and recommendation for action, to the President for decision. If the opportunity will result in a contribution of goods or services the fair market value of which exceeds \$5,000, the Committee will forward the opportunity and a recommendation for action to the President for decision.

G. If the Committee determines that LSC will pursue the opportunity, but the opportunity is presented by a non-approved Prospect or Prospects and has a fair market value of \$5,000 or less, the Committee will present the proposed opportunity to the President for approval no later than ten business days in advance of submission of the application or the solicitation. If the opportunity has a fair market value that exceeds \$5,000, the Committee will present the proposed opportunity to the Board for approval no later than ten business days in advance of submission of the application or the solicitation.

H. If the Committee, President, or Board, as appropriate, determines that LSC will not pursue the opportunity, the reason for the decision will be noted on the Prospect Information Form. A copy of the form will be returned to the Initiator.

I. The Chief Development Officer will retain completed Prospect Information Forms for all opportunities presented for consideration consistent with LSC's records retention policy.

J. If a Director, member of a Board committee, officer, or LSC employee receives an unsolicited gift of goods or services, he or she must immediately notify the Chief Development Officer of the gift, including the nature of the goods or services, and the donor.

3. Notification to Donors

The Chief Development Officer will send a letter acknowledging receipt of any grant or gift of goods or services within 72 hours of receipt or notice of receipt.

4. Accounting

Should LSC engage in a solicitation of contributions of goods or services, the Comptroller shall provide an accounting of any additional expense to the Corporation associated with the solicitation.

5. Donors' Use of Legal Counsel

In order to avoid potential conflicts of interest, LSC should encourage prospective donors to seek the assistance of their own legal and financial advisers in matters relating to their gifts and the resulting tax and estate planning consequences.

6. Ethical Considerations and Conflict of Interest

LSC is committed to the highest ethical business practices in fundraising. All donor engagement on behalf of LSC will adhere to LSC's Code of Ethics and Conduct and the Donor Bill of Rights.

LSC shall not apply for grants or solicit or accept gifts that:

- A. Violate the terms of LSC's organizational documents, including, but not limited to, the LSC Act, LSC's appropriations acts, LSC's regulations, or the LSC Code of Ethics and Conduct;
- B. Would jeopardize LSC's status as a tax-exempt organization under federal or state law;
- C. Are for purposes that do not further LSC's objectives; or
- D. Could damage LSC's reputation.

7. Gift Agreements

Where appropriate, LSC shall enter into a written gift agreement with the donor, specifying the terms of any restricted gift, which may include provisions regarding donor recognition.

8. Pledge Agreements

Acceptance by LSC of pledges by donors of future support of LSC shall be contingent upon the execution and fulfillment of a written charitable pledge agreement specifying the terms of the pledge, which may include provisions regarding donor recognition.

9. Fees

LSC will not accept a gift unless the donor is responsible for (1) the fees of independent legal counsel retained by the donor for completing the gift; (2) appraisal fees; (3) all other third-party fees associated with the transfer of the gift to LSC.

10. Valuation

LSC shall record gifts of goods in accordance with applicable IRS rules.

Adopted on July 22, 2014