FINAL REPORT

LEGAL SERVICES CORPORATION

Office of Compliance and Enforcement

Prairie State Legal Services, Inc.

Case Service Report/Case Management System Review

August 6-10, 2012

Recipient No. 514076

I. EXECUTIVE SUMMARY

Finding 1: PSLS' automated case management system ("ACMS") is generally sufficient to ensure that information necessary for the effective management of cases is accurately and timely recorded; however, there were a few instances of missing or inconsistent information between the ACMS and the case files, and improvement was required.

Finding 2: The intake procedures and case management systems of PSLS generally supports compliance-related requirements. However, there were a few inconsistencies noted with respect to screening for income prospects, income eligibility, and the provision of grievance information.

Finding 3: With one (1) exception, the sampled cases demonstrated that PSLS maintains the income eligibility documentation required by 45 CFR § 1611.4, CSR Handbook (2008 Ed., as amended 2011), § 5.3, and applicable LSC instructions for clients whose income does not exceed 125% of the Federal Poverty Guidelines. However, some revisions to PSLS' income eligibility policy were warranted to demonstrate compliance with 45 CFR Part 1611.

Finding 4: PSLS maintains asset eligibility documentation as required by 45 CFR §§ 1611.3(c) and (d) and CSR Handbook (2008 Ed., as amended 2011), § 5.4. There were no exceptions noted in the sampled files; however, some revisions to PSLS' asset eligibility policy were necessary to demonstrate compliance with 45 CFR Part 1611.

Finding 5: Sampled cases evidenced that PSLS is in compliance with the screening requirements of 45 CFR Part 1626 (Restrictions on legal assistance to aliens), but was in non-compliance with the documentation requirements of the regulation.

Finding 6: PSLS is in substantial compliance with the retainer requirements of 45 CFR § 1611.9 (Retainer agreements).

Finding 7: PSLS is in compliance with the requirements of 45 CFR Part 1636 (Client identity and statement of facts).

Finding 8: Sampled files and interviews evidenced compliance with the requirements of 45 CFR § 1620.3(a) and 45 CFR § 1620.4.

Finding 9: With two (2) exceptions, PSLS is in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6 (Description of legal assistance provided).

Finding 10: PSLS' application of the CSR case closure categories is generally consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011). There were limited patterns of error noted in the sampled files.

Finding 11: PSLS is in substantial compliance regarding the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3 (Timeliness of Cases).

Finding 12: PSLS is in compliance with the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.2 regarding duplicate cases.

Finding 13: Review of the recipient's policies and timekeeping records, and interviews with full-time attorneys who have engaged in the outside practice of law demonstrated that PSLS is in compliance with the requirements of 45 CFR Part 1604 (Outside practice of law).

Finding 14: A limited fiscal and sampled case file review, as well as interviews conducted with management and staff, evidenced compliance with the requirements of 45 CFR Part 1608 (Prohibited political activities).

Finding 15: Review of the recipient's policies and sampled files, as well as interviews conducted with members of management and staff, evidenced non-compliance with the documentation requirements of 45 CFR Part 1609 (Fee-generating cases). One (1) exception was noted.

Finding 16: A review of PSLS' accounting and financial records determined it appears to be in compliance with 45 CFR Part 1610 (Use of non-LSC funds, transfer of LSC funds, program integrity). Although, PSLS is in substantial compliance with 45 CFR § 1610.5 (Notification) improvement was necessary.

Finding 17: PSLS is in compliance with 45 CFR Part 1614 which is designed to ensure that recipients of LSC funds involve private attorneys in the delivery of legal assistance to eligible clients. However, a few exceptions were identified that required improvement.

Finding 18: PSLS is in compliance with the requirements of 45 CFR Part 1627 which prohibits recipients from using LSC funds to pay membership fees or dues to any private or nonprofit organization. PSLS is in compliance with approval of payments made to attorneys in excess of $25,000.00.

Finding 19: Review of the recipient's policies and sampled files, as well as a limited review of fiscal and other records, and interviews with management and staff members, evidenced that PSLS is in compliance with 45 CFR Part 1635 (Timekeeping requirement).

Finding 20: Sampled cases, as well as interviews with management and staff members, evidenced compliance with the requirements of 45 CFR Part 1642 (Attorneys' fees).

Finding 21: Review of sampled files, as well as a limited review of fiscal and other records, and interviews with management and staff members evidenced compliance with the requirements of 45 CFR Part 1612 (Restrictions on lobbying and certain other activities). However, review of the recipient's policies evidenced that the Board-approved policy did not contain all required provisions.

Finding 22: Review of sampled cases, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Parts 1613 and 1615 (Restrictions on legal assistance with respect to criminal proceedings and actions collaterally attacking criminal convictions).

Finding 23: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1617 (Class actions).

Finding 24: Review of sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1632 (Redistricting). However, some revisions to PSLS' policy were warranted to demonstrate compliance with 45 CFR Part 1632.

Finding 25: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1633 (Restriction on representation in certain eviction proceedings).

Finding 26: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1637 (Representation of prisoners).

Finding 27: Review of sampled files evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1638 (Restriction on solicitation). However, interviews with management and staff members identified a compliance concern and further improvement was recommended. Review of the recipient's policies evidenced that its Board of Director's approved policy did not contain all required provisions, however, the necessary improvements were made.

Finding 28: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1643 (Restriction on assisted suicide, euthanasia, and mercy killing).

Finding 29: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of certain other LSC statutory prohibitions (42 USC 2996f § 1007 (a) (8) (Abortion), 42 USC 2996f § 1007 (a) (9) (School desegregation litigation), and 42 USC 2996f § 1007 (a) (10) (Military selective service act or desertion).

Finding 30: A limited review of the signed written statements evidenced that PSLS is in compliance with the requirements of 45 CFR § 1620.6.

Finding 31: Review of the recipient's policies evidenced compliance with the requirements of 45 CFR Part 1644 (Disclosure of case information).

Finding 32: A limited review of PSLS' internal control policies and procedures demonstrated that they compare favorably to the elements outlined in Chapter 3 - Internal Control/Fundamental Criteria of an Accounting and Financial Reporting System of the Accounting Guide for LSC Recipients (2010 Ed.). However, a few exceptions were noted and further improvement was required.

Finding 33: A limited review of PSLS' policies and a limited observation of the recipient's offices demonstrated that PSLS takes adequate precautions to safeguard its automated information and data.

II. BACKGROUND OF REVIEW

On August 6-10, 2012, the Legal Services Corporation's ("LSC") Office of Compliance and Enforcement ("OCE") conducted a Case Service Report/Case Management System ("CSR/CMS") on-site visit at Prairie State Legal Services, Inc. ("PSLS"). The purpose of the visit was to assess the recipient's compliance with the LSC Act, regulations, and other applicable LSC guidance such as Program Letters, the Accounting Guide for LSC Recipients (2010 Ed.), and the Property Acquisition and Management Manual. The visit was conducted by a team of seven (7) attorneys and two (2) fiscal analysts. Four (4) of the attorneys were OCE staff members; the remaining three (3) attorneys were temporary employees.

Background of Program

PSLS is a non-profit legal services organization providing free legal services to low-income and disadvantaged residents in the LSC service area known as IL-7. PSLS has a staff of 107, with 65 attorneys, two (2) paralegals, and 40 other staff. PSLS is headquartered in Rockford, Illinois, and maintains offices in St. Charles, Bloomington, Kankakee, Ottawa, Peoria, Rock Island, Waukegan, Wheaton, Galesburg, McHenry and Joliet. Additionally, PSLS maintains outreach locations at local courthouses and homeless shelters. The team visited all offices except for the satellite office of Galesburg; the attorney located in the Galesburg office was interviewed, and Galesburg office cases were reviewed, at the Peoria office. PSLS practice areas include housing, family, consumer, and income maintenance law. PSLS involves private attorneys in the delivery of legal services through pro bono components in its local offices and small reduced fee contracts. PSLS operates attorney-client match programs and clinics in partnership with local courts and bar associations.

During 2012, PSLS received LSC funding of $2,603,696. In 2011, PSLS received LSC funding of $3,078,453, and aggregate funding of $8,709,087. During 2010, PSLS received LSC funding of $3,229,325 and aggregate funding of $9,159,140. PSLS was awarded a $71,500 TIG grant (09233) in 2009 for infrastructure development. This grant remains active.

During 2011, 81.5% of cases reported were closed with limited service case closure categories and 18.5% of cases closed were closed with extended service case closure categories. During 2010, 82.3% of cases reported were closed with limited service case closure categories and 17.7% of cases closed were closed with extended service case closure categories.

In 2010, PSLS' adjusted self-inspection rate was 5.0%, and during 2011 the rate of error was 3.5%. During 2010, the errors reported related to failure to document the legal assistance provided, failure to obtain citizenship attestations when required, and duplicate case reporting. During 2011, the errors reported related to failure to document the legal assistance provided and the failure to obtain citizenship attestations when required.

Overview of CSR/CMS Visit

The on-site review was designed and executed to assess PSLS' compliance with basic client eligibility, intake, case management, regulatory and statutory requirements, and to ensure that PSLS correctly implemented the 2008 CSR Handbook, as amended in 2011. Specifically, the review team assessed PSLS for compliance with the regulatory requirements of: 45 CFR Part 1611 (Financial eligibility); 45 CFR Part 1626 (Restrictions on legal assistance to aliens); 45 CFR §§ 1620.4 and 1620.6 (Priorities in use of resources); 45 CFR § 1611.9 (Retainer agreements); 45 CFR Part 1636 (Client identity and statement of facts); 45 CFR Part 1604 (Outside practice of law); 45 CFR Part 1608 (Prohibited political activities); 45 CFR Part 1609 (Fee-generating cases); 45 CFR Part 1610 (Use of non-LSC funds, transfers of LSC funds,

program integrity); 45 CFR Part 1614 (Private attorney involvement);[1] 45 CFR Part 1627 (Subgrants and membership fees or dues); 45 CFR Part 1635 (Timekeeping requirement); 45 CFR Part 1642 (Attorneys' fees);[2] 45 CFR Part 1630 (Cost standards and procedures); 45 CFR Part 1612 (Restrictions on lobbying and certain other activities); 45 CFR Parts 1613 and 1615 (Restrictions on legal assistance with respect to criminal proceedings and Restrictions on actions collaterally attacking criminal convictions); 45 CFR Part 1617 (Class actions); 45 CFR Part 1632 (Redistricting); 45 CFR Part 1633 (Restriction on representation in certain eviction proceedings); 45 CFR Part 1637 (Representation of prisoners); 45 CFR Part 1638 (Restriction on solicitation); 45 CFR Part 1643 (Restriction on assisted suicide, euthanasia, or mercy killing); 42 USC 2996f § 1007 (Abortion, school desegregation litigation and military selective service act or desertion); and whether the program's policies and procedures compared favorably to the elements outlined in Chapter 3 - Internal Control/Fundamental Criteria of an Accounting and Financial Reporting System of the Accounting Guide for LSC Recipients (2010 Ed.).

In preparation for the visit, on May 15, 2012, OCE requested that PSLS provide certain case lists. Case lists requested included all cases reported in its 2010 CSR data submission ("closed 2010 cases"), all cases reported in its 2011 CSR data submission ("closed 2011 cases"), all cases closed between January 1, 2012 and June 15, 2012 ("closed 2012 cases"), and all cases which remained open as of June 15, 2012 ("open cases"). OCE requested that two (2) sets of lists be compiled - one (1) for cases handled by PSLS staff and the other for cases handled through PSLS' PAI component. OCE requested that each list contain the client name, the file identification number, the name of the advocate assigned to the case, the opening and closing dates, the CSR case closure category assigned to the case, the funding code assigned to the case, and an indication of whether the case was handled by staff or by a private attorney pursuant to 45 CFR Part 1614. PSLS was advised that OCE would seek access to case information consistent with Section 509(h), Pub. L. 104-134, 110 Stat. 1321 (1996), LSC Grant Assurance Nos. 10, 11, and 12, and the LSC *Access to Records* protocol (January 5, 2004). OCE instructed PSLS to notify OCE promptly, in writing, if it believed that providing the requested material, in the specified format, would violate the attorney-client privilege or would be otherwise protected from disclosure. On June 19, 2012, PSLS and LSC agreed that PSLS would not provide the names of HIV clients because state law prohibits such disclosure. In lieu of the client's full name on the case lists, PSLS provided unique client identifiers ("UCI") for each HIV client appearing on the case lists. The UCI was alpha-numeric and comprised of the HIV client's birth date, the first letter of the HIV client's last name, and the first letter of the HIV client's first name. During the on-site review, OCE team members tested the integrity of the alpha-numeric UCI and it was found to be reliable.

Thereafter, PSLS provided the materials. OCE made an effort to create a representative sample of cases that the team would review during the visit. OCE distributed the sample proportionately among open and closed cases and among PSLS' various offices. The sample consisted largely of randomly selected cases, but also included cases selected to test for compliance with those CSR instructions relative to timely closings, ACMS data integrity, application of the CSR case closure categories, and duplicate reporting.

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[1] In addition, when reviewing files with pleadings and court decisions, compliance with other regulatory restrictions was reviewed as more fully reported *infra.*

[2] On December 16, 2009, the enforcement of this regulation was suspended and the regulation was later revoked during the LSC Board of Directors meeting on January 30, 2010. During the instant visit, LSC's review and enforcement of this regulation was therefore only for the period prior to December 16, 2009.

CSR/CMS Visit

During the visit, PSLS cooperated fully and provided the requested materials. PSLS afforded access to information in the case files through staff intermediaries. PSLS maintained possession of the files and disclosed financial eligibility information, problem code information, and information concerning the general nature of the legal assistance provided to the client pursuant to the OCE and PSLS agreement of July 25, 2012. Additionally, with the exception of the previously discussed HIV cases, PSLS displayed client signatures as they appeared on citizenship/alien eligibility documentation, retainer agreements, and 45 CFR Part 1636 statements and displayed partial client signatures for HIV clients. OCE reviewed a sample of 798 case files during the visit;[3] 640 files were randomly selected and 158 were targeted files. OCE also interviewed members of PSLS' upper and middle management, fiscal personnel, staff attorneys, and support staff. OCE assessed PSLS' case intake, case acceptance, case management, and case closure practices and policies in all offices for staff and PAI programs, and at the DuPage county courthouse "Lawyer in the Courtroom," the Kane County "Foreclosure Help Desk," and the Waukegan homeless client outreach Public Action to Delivers Shelter project ("PADS"). OCE fiscal staff reviewed PSLS' compliance with the LSC grant, conducting a limited review of internal controls, prohibited political activities, fee-generating cases, lobbying activity, PSLS' use of non-LSC funds, its PAI component allocations, its use of LSC funds to pay membership dues and fees, timekeeping, attorney fees, cost standards and procedures, and other fiscal activities. A limited sampling of informational pamphlets and brochures were collected and reviewed.

Overview of Findings

During the course of the visit, OCE attempted to advise PSLS of any compliance issues as they arose. OCE notified members of PSLS' upper and middle management and fiscal personnel of compliance issues identified during the review. At the conclusion of the visit, OCE held a brief exit conference during which OCE advised PSLS of its preliminary findings. During the exit conference, OCE explained to PSLS that the findings were merely preliminary, that OCE may make further and more detailed findings in the Draft Report, and that PSLS would have 30 days to submit comments to the Draft Report. PSLS was advised that a Final Report would be issued that would include PSLS' comments. PSLS was further advised that OCE may request additional documentation or a demonstration that the required corrective action items have been implemented.

During the exit conference, OCE advised PSLS that its staff members were familiar with the LSC regulations, the CSR Handbook, and the Frequently Asked Questions disseminated by LSC. OCE further advised PSLS that although OCE detected limited patterns of non-compliance, there were instances of non-compliance concerning certain regulatory and reporting requirements; these included the failure to obtain attestations of citizenship/alien eligibility status and the failure to obtain documentation when providing legal assistance in fee-generating cases. Additionally, the sampled cases reflected a few instances of untimely closed or dormant files, some automated case management system ("ACMS") inconsistencies, missing retainer agreements, and limited patterns of case closure category errors. Interviews determined that a few inconsistencies existed with respect to screening for income prospects and income eligibility. A compliance concern was noted with respect to providing unsolicited advice to potential clients during outreach. A review of PSLS' policies reflected some need for revision in order to

[3]During the visit, PSLS was unable to locate closed 2010 Case No. 09E-13010694 and closed 2011 Case Nos. 05E-1016098 and 06E-1008474. PSLS reconstructed the physical files based upon the ACMS file and court records.

bring them into compliance with LSC regulations. A limited fiscal review identified some weaknesses in internal controls and the sending of notification letters.

With the noted exceptions, PSLS has in place policies, procedures, and practices designed to facilitate compliance-related activities. Additionally, PSLS exhibited a consistency of process and maintains a cultural connection between its intake units and its extended service units enhancing both units ability to perform compliance functions. PSLS staff and management exhibited a strong commitment to performing compliance-related activities and exhibited many compliance-related best practices. These factors resulted in the OCE team finding few compliance defects in sampled files. Similarly, while the fiscal team identified a few areas of fiscal oversight that should be strengthened by additional oversight practices, the limited review demonstrated that fiscal compliance was strong. PSLS responded favorably to OCE's assessment and advised they will be identifying and implementing additional oversight methods to further increase compliance with the LSC Act, regulations, and other authorities. As many of the compliance deficiencies were the result of a misunderstanding of LSC requirements, and not the failure to engage in compliance-related activities, it is anticipated that with improved understanding, PSLS will fully implement and correct the few compliance errors identified during the on-site review.

By letter dated November 27, 2012, OCE issued a Draft Report ("DR") detailing its findings, recommendations, and required corrective actions regarding the August 6 through 10, 2012, CSR/CMS visit. PSLS was asked to review the DR and provide written comments. By email dated January 10, 2012, PSLS requested that the deadline to submit comments be extended. OCE granted the request and PSLS submitted its comments, by regular mail, on January 23, 2013 with additional information being supplied by email on February 21 and March 4, 2013. PSLS' comments have been incorporated into this Final Report ("FR"), as necessary, and are affixed as exhibits in their entirety.

After reviewing the documentation submitted by PSLS concerning the actions it has taken, OCE has determined that PSLS evidenced its commitment to achieving and maintaining high compliance standards. PSLS implemented all of the Required Corrective Action items, as well as many of the OCE recommendations. The steps taken by PSLS to implement many of the required corrective actions items (training, best practice protocols, technology, and detailed in-person oversight practices) exceeded OCE requirements and the actions were clearly designed to promote a law firm culture that emphasizes compliance best practices.

III. FINDINGS

Finding 1: PSLS' automated case management system ("ACMS") is generally sufficient to ensure that information necessary for the effective management of cases is accurately and timely recorded; however, there were a few instances of missing or inconsistent information between the ACMS and the case files, and improvement was required.

Recipients are required to utilize automated case management systems and procedures which will ensure that information necessary for the effective management of cases is accurately and timely recorded in a case management system. At a minimum, such systems and procedures must ensure that management has timely access to accurate information on cases and the capacity to meet funding source reporting requirements. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.1.

LSC has determined that certain ACMS fields that are critical to eligibility (number in household, income, assets, citizenship/alien eligibility status, and LSC eligibility) may not have defaults because they tend to reduce the accuracy of the data submitted. Accuracy is reduced as there is no way to determine whether staff entering data into ACMS fields made an inquiry and decision regarding what should be entered in the field or simply skipped over the field, allowing the default value to be recorded.[4] The on-site review conducted by OCE of PSLS' ACMS identified no defaults in essential categories. Further, the on-site review found that staff is well-trained on data entry and data management of its ACMS.

As required by the CSR Handbook (2008 Ed., as amended 2011), §§ 3.2, 3.3, and 3.4, PSLS has implemented automated computer generated procedures to ensure that LSC compliance-related requirements are met and that CSRs are accurate. The first automated procedure implemented by PSLS is the use of "red asterisks," which serves as a warning system that required LSC compliance ACMS fields are incomplete. If an ACMS field displays a red asterisks, PSLS staff cannot save the intake or move on to another screen unless the missing information is entered into the required ACMS field. The second automated procedure implemented by PSLS is the generation of timeliness and duplicate reports that are used by managing attorneys. The use of the red asterisk and automated report system permits PSLS to identify and correct many potential critical compliance errors. However, for these measures to be effective, staff must assume the responsibility of taking action to correct the issues identified. Interviews revealed that staff members assume this responsibility as they diligently respond to the red asterisks when conducting intake interviews, and by managing attorney review of the duplicate and timeliness reports. Interviews further confirmed that management consistently conducts compliance checks to ensure that problems are being identified and corrected. The ACMS review found that, while the reports are a critical component of oversight used by PSLS, it is the staff members' and managing attorneys' commitment to review every intake using the automated reports and the PSLS LSC Compliance Checklist which supports the early identification of errors and provides PSLS with the ability to promptly correct deficiencies. Closed files evidenced few errors in the areas where oversight was performed and open files reflected that managing attorneys had found compliance errors and corrected the deficiencies. For example, files reviewed reflected that managing attorneys had conducted compliance checks and made notes identifying errors and necessary corrective action such as: (1) indicating that a file was incorrectly designated as PAI and instructing staff to correct the error by designating the file as a staff case in the ACMS, and (2) identifying files as duplicates and instructing staff to exclude them from the CSRs. *See* closed 2012 Case No. 12-0338790 and closed 2010 Case No. 10-0301927. The ACMS review found that PSLS maximized the utility of its automated report system as it facilitated the review of every file. In addition, PSLS' use of its Compliance Checklist demonstrated a best practice.

[4] *See* CSR Handbook (2008 Ed., as amended 2011), § 3.6.

Despite these efforts, the DR noted that further improvement was required because PSLS' compliance efforts failed to identify and correct all types of compliance errors. The ACMS review found that PSLS systems could be strengthened with the generation of additional "Missing Information" reports and compliance checklists. For example, PSLS does not consistently prepare a "Missing Demographic Report" to alert staff members when the ACMS files lack funding codes, open dates, closure dates, or other compliance-related information. Moreover, a review of the PSLS' LSC Compliance Checklist determined that there is no compliance review for missing funding codes, open or closure dates, PAI/staff designations, etc. By way of illustration, Section "A" of the PSLS LSC Compliance Checklist requires the reviewer to indicate whether a case is LSC eligible; however, the PSLS LSC Compliance Checklist does not require a review of whether a funding code has been assigned to the LSC or non-LSC eligible case.

The failure of management to prepare "Missing Demographic Reports" and review for missing information during its regular compliance reviews may be, in large part, the cause of the ACMS errors identified during the review. A few sampled cases were found to be missing necessary information or the information in the paper file and the ACMS was inconsistent. For example, open Case Nos. 12-0339024 and 12-0340232 were lacking funding code information, closed 2011 Case No. 11-0325557 was lacking funding code and opening date information, closed 2011 Case Nos. 11-0310528 and 11-0312897 were found to have inconsistent or inaccurate opening date information, and closed 2010 Case Nos. 10-0301927 and 10-0288848 were lacking funding code information and contained inconsistent opening date information. Although only a few files with missing, inconsistent, or inaccurate information were noted during the review, it is likely that more such files exist as a review of the case lists submitted by PSLS in preparation for the visit identified many other files missing funding code and opening and closure date information.

A few other errors were identified; however, no additional patterns of non-compliance were noted. *See* closed 2012 Case No. 12-0337908 (Case designated in ACMS as not LSC eligible, however, the information documented in the file reflected that the case was LSC eligible) and closed 2011 Case No. 11-03024726 (ACMS indicated that the case was opened and closed on February 1, 2012, however, the information documented in the file reflected that the case was opened and closed in 2011, and then reopened in 2012).

Based on a comparison of the information elicited from the ACMS to information contained in the files sampled, PSLS' ACMS is generally sufficient to ensure that information necessary for the effective management of cases is timely and accurately recorded. However, some improvement is required because almost every ACMS inconsistency found during the on-site review appeared to be a result of human error that could have been avoided by a review of a or "Missing Demographic Report" by using a compliance checklist which requires a comparison of the paper file to the ACMS to detect missing information. Accordingly, and as a required corrective action, the DR directed PSLS to ensure that information necessary for the effective management of cases is accurately and timely recorded. It was recommended that PSLS program additional "red asterisks" into its ACMS and revise its PSLS LSC Compliance Checklist to require identification and review of missing data during compliance reviews. It was also noted that a few small modifications to its ACMS and forms may have been all that was necessary to identify and resolve the ACMS patterns of error identified during the compliance visit and to further strengthen PSLS best practices.

In its comments to the DR, PSLS noted that it has taken a number of actions designed to ensure that the information necessary for the effective management of cases is accurately and timely recorded in the ACMS. PSLS explained that it located the source of the "date open" errors and corrected this problem by

programming its ACMS to require staff to select an open date before a case may be closed. PSLS now generates ACMS reports to identify cases without open dates and funding codes.

Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 1.

Finding 2: The intake procedures and case management systems of PSLS generally supports compliance-related requirements. However, there were a few inconsistencies noted with respect to screening for income prospects, income eligibility, and the provision of grievance information.

The intake procedures of PSLS' Telephone Counseling Program's ("TCP") centralized intake and advice hotline, as well as those of the main and branch offices, and of the outreach locations (the DuPage county courthouse "Lawyer in the Courtroom," the Kane County "Foreclosure Help Desk," and the Waukegan homeless client outreach PADS project) were assessed by interviewing and observing receptionists, secretaries, and attorney and managing attorney staff members during the on-site review. The interviews and observations revealed that intake procedures performed by staff generally support the recipient's compliance-related requirements, concerning the CSR Handbook (2008 Ed., as amended 2011), § 3.2 (Duplicates and Conflicts), 45 CFR Part 1611 (Income Eligibility Screenings), 45 CFR §§ 1611.2 (d), 1611.3 (d)(1), 1611.3(e) (Asset Eligibility Screenings), 45 CFR Part 1620 (Priorities), 45 CFR Part 1626 (Citizenship Screenings, and Program Letter 06-2, Violence Against Women Act ("VAWA") 2006 Amendments). However, some exceptions were noted with respect to screening for citizenship and income eligibility.

The forms used by PSLS to determine eligibility were obtained on-site and evaluated to determine whether they were in compliance with LSC regulation and authorities so as to ensure that applicants for services are determined eligible in a uniform and consistent manner throughout the program. These forms include: conflict and release of information forms, printed ACMS intake sheets, and the Application for Legal Services completed by in-person applicants (this form includes a citizenship attestation and financial eligibility information). Additionally, the PSLS LSC Compliance Checklist and sample closing letters were obtained while on-site. These forms were evaluated for consistency and compliance with LSC regulation and authority. With limited exceptions, discussed herein, each of these documents comply with the requirements of the CSR Handbook (2008 Ed., as amended 2011), § 5.5. Additionally, paper PAI intake forms were identified and reviewed. These forms are discussed *infra* in Finding 17.

The on-site review found that a majority of PSLS intake is conducted by telephone through its program-wide TCP which is located in the Wheaton and Waukegan offices. The TCP telephone counselors are usually generalists who receive calls from anywhere in the PSLS service area. The intake conducted by the main and branch offices and at outreach locations is conducted in-person and by telephone and focuses on work in the counties served by that particular office. The review found that PSLS intake, whether centralized or specific to branch offices or outreach locations, is conducted pursuant to uniform procedures, policies, and practices. Consistency is maintained due to the detailed written intake procedures that are available to staff on the program's intranet and also by training.

Description of Models:

Telephone Counseling Program

The TCP is located in the Waukegan and Wheaton offices. The TCP hours of operation are Monday through Thursday from 9:00am to 2:00 pm. The units are managed by both an experienced Managing and

Supervising Attorney. The Supervising Attorney manages day-to-day intake operations in the Wheaton office and supervises a staff of part-time attorney telephone counselors, a paralegal, a Vista attorney, and a law student volunteer (who conducts intake but who does not provide legal advice unless under the direct physical supervision of the Vista attorney). The Managing Attorney is located in the Waukegan office and manages day-to-day intake operations in that office, supervising a staff of part-time attorney telephone counselors, secretaries, and volunteers, as well as supervising the Supervising Attorney of the Wheaton office.

Intake calls are answered by any of the TCP telephone counselors. The caller is provided with the option of leaving a message to be called back the same day or being placed in the queue for the intake line. Calls, by order of time called, are automatically routed to the next available TCP staff member who conducts an eligibility screening guided by the ACMS screens. The calls are sent to either a high or low priority queue based upon problem type. Beginning with a duplicate check, intake staff obtains demographic, program-wide conflict, income, asset, over-income factors, and citizenship information. PSLS staff demonstrated familiarity with program priorities.

If the caller is eligible for services, the facts concerning the nature of the legal problem are compared to PSLS priorities and written case acceptance guidelines. If the review determines that the case should be rejected, the applicant is so advised and the appropriate rejection letter is sent to the caller. If the review determines that the applicant should be provided with legal information or referral, the telephone counselor will provide the information or referral orally or by use of standardized information letters and pamphlets. If the review determines the applicant should be accepted for legal assistance, the telephone counselors obtain the facts relevant to the legal problem, analyze the legal issue(s), and then provide advice that may be brief or quite lengthy, and may involve substantial research. Observation of the TCP included many instances of applicants who were repeat callers. In these instances, the telephone counselors reviewed citizenship and financial eligibility with the repeat caller to ensure the client remained eligible and that the file was not a duplicate before providing legal assistance. The telephone counselors documented the assistance provided to the client in the ACMS notes field and indicated that sometimes they may summarize this advice in a confirmatory advice letter. On-site case review demonstrated that the advice that is documented in the case notes, advice letters, and other documents meets the requirements of the CSR Handbook (2008 Ed., as amended 2011). At the conclusion of the TCP advice, the case may be closed. If so, the telephone counselor assigns the case closure category and closes the electronic file with the assistance of the PSLS LSC Compliance Checklist. The TCP Managing Attorney reviews every accepted and rejected file upon closure. The Managing attorney conducts this review by comparing the PSLS LSC Compliance Checklist against the electronic file, which includes a review to ensure the files contain evidence of the legal assistance provided to the client.

After receiving brief assistance, if the case is not closed it is referred to the main or branch offices for staff or PAI assistance. The cases are electronically transferred from the TCP according to case acceptance guidelines and distribution protocols. Cases are sent to the receptionists of the main and branch offices or to a designated case handler for “pick up” every morning. The TCP and the main and branch office Managing Attorneys check the open and transfer electronic lists for their offices to ensure appropriate case actions are taken for all open and transferred TCP files. Except in the few instances when an applicant is screened in-person, main and branch office staff members are responsible for obtaining citizenship attestations or reviewing eligible alien status documentation prior to accepting TCP applicants for services. This procedure is slightly different at the Joliet office. The Joliet office is not linked into the TCP to the extent that cases are not referred directly via the transfer queue. The TCP refers the applicant directly to the Joliet office telephone number in the event that the caller requires services that cannot be provided by the TCP, or if, after intake and consultation, the applicant requires further services that can be provided by the Joliet office.

Overall, staff reported having access to the CSR Handbook (2008 Ed., as amended 2011) and having had attended CSR training in June of 2012.

In-Person Intake

Each office, including the outreach locations, conduct(s) in-person intake as necessary.

Main and Branch Offices:

Paralegals, legal secretaries, receptionists, and volunteers perform in-person and telephone intake. Managing and staff attorneys may perform intake as needed. The non-attorney staff in all offices indicated that they do not provide any legal advice or assistance. Moreover, non-attorney intake staff stated the provision of general information and the sending out of pamphlets was considered to be a matter, not a CSR case. If an applicant's issue is an emergency, then every effort will be made to screen for eligibility and provide the applicant with a consultation with an attorney that day.

The intake screening process consists of a "pre-screen," and if pre-screening reveals no issues, a full intake. The "pre-screen" process requires that an in-person applicant complete a Conflict Sheet by providing PSLS with his or her date of birth, the last four (4) digits of his/her social security number, and information about the opposing party. The information from the Conflict Sheet is used to check for conflicts and duplicates and provides simple and clear conflict information. If no issues are revealed during the pre-screen, an applicant receives an Application for Legal Services and a Release to complete. Either the intake will be completed at that time or an appointment to complete the intake will be scheduled. If intake screening is conducted over the telephone, then the applicant is mailed the application and may be provided with other paperwork to review and sign. The applicant is required to bring this information to the office when an appointment is scheduled. If an applicant is not a citizen, staff is required to copy the eligible alien status documentation and complete the Eligible Alien Exception and VAWA Determination form.

Interviews found that staff conducts eligibility screening guided by the ACMS and that cases are handled pursuant to the PSLS protocols. Every effort is made to screen applicants in a private office. However, if private offices are not available, as they are not in the Joliet office**,** the applicant is advised that they may call in later for a telephone intake or may complete intake with the understanding that there may be a waiver of the attorney-client privilege.

Outreach Locations:

Outreach is conducted in most offices as a method to conduct intake within the larger community, to provide the community with legal information and education, and to provide legal assistance. The legal assistance provided may be advice and brief service consultation, document preparation, negotiation or representation in courts of law. Clients are determined to be eligible prior to the outreach or applicants may be screened on-site. If they are screened on-site, applicants are required to complete the Application for Legal Services and every effort is made to check conflicts. The Application for Legal Services is then entered into the ACMS by remote access, if possible. If remote access is not possible, an application is entered into the ACMS upon return to the office. Written citizenship attestations or alien eligibility documentation is obtained during outreach. Managing Attorneys report that oversight of outreach activities is conducted by review of the intakes and by discussion upon the attorney's return to the office.

Group Case Eligibility:

Group case acceptance meetings are held weekly in order to determine the appropriate level of legal service to provide. For example, discussions at the group case acceptance meetings may determine that a client needs additional legal advice or needs extensive legal services, or that an applicant's legal issue does not fit into the office's priorities or meet other eligibility criteria--in that instance, the applicant will not be provided with any assistance. At case closing, the attorneys in the main and branch offices assign the case closure category and close the file. All offices close files by use of the PSLS LSC Case Compliance Checklist which is attached to every file and is a screen in the ACMS. The frequency and extent of Managing Attorney file review varies throughout the program. Interviews revealed that some managers review every accepted and rejected file upon closure, while other managers reviewed only a sample of such files. Similarly, case reviews of open cases vary based upon the attorney and the practice area. Additionally, the case acceptance procedure is slightly different in the Joliet office because it is not done by meeting but is done by the individual attorney in consultation with the Managing Attorney, based on the office schedule, the priority of the case, and the level of involvement necessary (all factors which go into group case acceptance at the other offices).

Issues Related to Financial Eligibility Screening:

Reasonable Income Prospects

LSC regulations and other authorities requires that recipients make reasonable inquiry into the income prospects of each applicant for LSC funded legal assistance and to document the applicant's response as part of the its financial eligibility determinations pursuant to 45 CFR § 1611.7.[5] The on-site review found that PSLS ACMS and its intake forms include questions designed to elicit an inquiry into an applicant's reasonable income prospects and that staff members regularly make such inquiries. However, during the on-site observations of the ACMS and the intake process, as well as during interviews, it was found that the reasonable income prospects inquiry is often limited to increases in the applicant's income. An inquiry into an applicant's reasonable income prospects should include both increases and decreases to his/her income. Thus, the review determined that the inquiry was insufficient. As a required corrective action, the DR directed PSLS to screen applicants consistent with the requirements of 45 CFR § 1611.7(a)(1). It was also recommended that PSLS should modify its ACMS, its intake forms, and its intake practices to ensure that the inquiry into every applicant's reasonable income prospects is consistent with 45 CFR § 1611.7(a)(1) (increases and decreases). It was further recommended that staff be provided training concerning this requirement.

Income Eligibility

PSLS' paper intake forms and ACMS intake fields were reviewed. The review identified an inconsistency between the paper and ACMS screening in two (2) areas: total cash receipts and the consideration of exceptions to income for applicant's whose incomes are between 125-200% of the Federal Poverty Guidelines ("FPG"). The on-site review found that while the ACMS fields included inquiry into all of the sources of income required to be considered during financial eligibility determinations pursuant to 45 CFR § 1611.2(i) and PSLS policy, the paper intake forms omit income sources such as strike benefits from union funds, training stipends, military family allotments, regular insurance or annuity payments, and income from dividends, interest, rents, royalties or from estates and trusts.[6] Moreover, while the ACMS fields included all of the authorized exceptions available to applicants whose incomes are between 125-200% of the FPG, the paper intake forms omitted

[5] *See* 45 CFR § 1611.7(a)(l) and Office of Legal Affairs ("OLA") Advisory Opinion AO 2009-1006 (September 3, 2009).
[6] *See* 45 CFR §1611.2(i).

consideration of whether the applicant pays alimony or incurs unpaid non-medical expenses associated with age or physical infirmity of a family member residing with the applicant.

The review further identified that the "Pre-Intake Screen" on the ACMS indicates that there are two (2) exceptions to the 200% ceiling: (1) grants with a higher ceiling or (2) those applicants seeking to maintain government benefits. The ACMS does not note the exception for medical or nursing home expenses set forth in PSLS' Financial Eligibility Policy.[7] The Application for Legal Services form does not note any exceptions for applicants whose incomes exceed 200% of the FPG. Interviews revealed that some staff members responsible for conducting intakes were not aware of the authorized expenses exception for applicants whose household incomes exceed 200% of the FPG, indicating that those applicants would be determined to be over LSC income guidelines and would not be found eligible for LSC services.

As a required corrective action, the DR directed PSLS to screen applicants consistent with the requirements of 45 CFR § 1611.2(i) and all authorized exceptions as set forth in its Financial Eligibility Policy. It was also recommended that PSLS modify its paper intake Application for Legal Services to include all sources of income required by LSC regulations and PSLS policy and modify its ACMS "Pre-Intake Screen" to indicate the exception for medical or nursing home expenses set forth in its Financial Eligibility Policy. As the implementation of LSC regulations should be consistent throughout the program, it was further recommended that PSLS train staff on the requirements of 45 CFR § 1611.5 (exceptions to annual income ceiling).

Citizenship and Eligible Alien Status Screening

As described above, staff members are familiar with the requirements of 45 CFR Part 1626. However, interviews revealed an area where staff members lacked knowledge of the requirements of 45 CFR Part 1626. A few staff members were unaware that they must obtain written citizenship attestations and verify eligible alien status when an applicant drops off paperwork or when the TCP conducts an intake while the applicant is physically in another office location. As a required corrective action, the DR directed PSLS to put new procedures in place to ensure that staff members obtain citizenship attestations for every client with whom there is in-person contact-- even if the contact is limited to the applicant dropping off paperwork or when the TCP conducts an intake while the applicant is in another office location.

Grievance Information

The on-site review found that applicants are advised of their grievance rights at the time of intake and also if their application is denied. However, a review of sample closing letters revealed that PSLS only encloses a pamphlet describing its grievance procedures to those applicants not provided with services. It is a best practice for PSLS to enclose a pamphlet describing its grievance procedures to those applicants provided with services, as well as those applicants denied legal services. This will ensure that every applicant and client is provided with consistent written grievance information.

Conclusion:

With a few exceptions, PSLS' intake procedures and case management system support the program's compliance-related requirements. A few issues were identified which relate to training staff on the nuances of income prospects, authorized exceptions, citizenship attestations, as well as, maintaining consistency between PSLS forms, policies, procedures, and practices. With these few exceptions, the on-

[7] *See* PSLS Policy on Financial Eligibility, Part II.B.4.

site review found a high level of compliance which may have resulted in few intake compliance defects being identified in the review.

In its comments to the DR, PSLS noted that it adopted OCE's recommendations and has taken a number of other remedial actions designed to maintain consistency and bring its income eligibility screening procedures into compliance with LSC regulations. To this end, PSLS modified its ACMS, paper intake forms, and intake practices to ensure the screening of reasonable decreases in income prospects, as well as having conducted mandatory reasonable income prospects training for its entire staff. PSLS has also modified its paper intake forms to ensure the screening of all categories of income required by LSC regulation and PSLS policy. Finally, PSLS modified its ACMS Pre-Intake Screen and paper intake forms to indicate the exception for medical or nursing home expenses authorized by 45 CFR § 1611.5(a).

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with those comments, as well as a review of PSLS' Post LSC Monitoring Compliance Topics and attendance lists ("presentation materials"), PSLS has taken sufficient action designed to implement Required Corrective Action items 2 and 3.

Finding 3: With one (1) exception, the sampled cases demonstrated that PSLS maintains the income eligibility documentation required by 45 CFR § 1611.4, CSR Handbook (2008 Ed., as amended 2011), § 5.3, and applicable LSC instructions for clients whose income does not exceed 125% of the Federal Poverty Guidelines. However, some revisions to PSLS' income eligibility policy were warranted to demonstrate compliance with 45 CFR Part 1611.

Recipients may provide legal assistance supported with LSC funds only to individuals whom the recipient has determined to be financially eligible for such assistance. *See* 45 CFR § 1611.4(a). Specifically, recipients must establish financial eligibility policies, including annual income ceilings for individuals and households, and record the number of members in the applicant's household and the total income before taxes received by all members of such household in order to determine an applicant's eligibility to receive legal assistance.[8] *See* CSR Handbook (2008 Ed., as amended 2011), § 5.3. For each case reported to LSC, recipients shall document that a determination of client eligibility was made in accordance with LSC requirements. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.2.

In those instances in which the applicant's household income before taxes is in excess of 125% but no more than 200% of the applicable Federal Poverty Guidelines ("FPG") and the recipient provides legal assistance based on exceptions authorized under 45 CFR § 1611.5(a)(3) and 45 CFR § 1611.5(a)(4), the recipient shall keep such records as may be necessary to inform LSC of the specific facts and factors relied on to make such a determination. *See* 45 CFR § 1611.5(b), CSR Handbook (2008 Ed., as amended 2011), § 5.3.

For CSR purposes, individuals financially ineligible for assistance under the LSC Act may not be regarded as recipient "clients" and any assistance provided should not be reported to LSC. In addition, recipients should not report cases lacking documentation of an income eligibility determination to LSC. However, recipients should report all cases in which there has been an income eligibility determination showing that the client meets LSC eligibility requirements, regardless of the source(s) of funding supporting the cases, if otherwise eligible and properly documented. *See* CSR Handbook (2008 Ed., as amended 2011), § 4.3.

[8] A numerical amount must be recorded, even if it is zero. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.3.

As stated in Finding 2, PSLS provided its financial eligibility policy in advance of the review. In compliance with 45 CFR §§ 1611.3(c)(1), 1611.3(d)(1) and 1611.3(e), the policy set forth the eligibility requirements to receive LSC funded assistance. The policy established an annual income ceiling of 125% of the FPG, established asset ceilings, and specified that when assessing the financial eligibility of a victim of domestic violence, the program will consider only the income and assets of an applicant and will not consider assets jointly held with the perpetrator.

However, the policy was not found to be in compliance for the following reasons:

1. The policy failed to specify "that only individuals and groups determined to be financially eligible under the recipient's financial eligibility policies and LSC regulations may receive legal assistance supported with LSC funds." [9] This provision is required to be part of all financial eligibility policies for LSC funded legal assistance pursuant to 45 CFR § 1611.3(b).

2. The policy failed to include all of the "total cash receipts" income sources required by LSC regulation. For example, the policy fails to include other regular sources of financial support that are currently and actually available to the applicant.[10] These cash receipt items are income sources that must be considered when determining an applicant's financial eligibility pursuant to 45 CFR § 1611.2(i).

3. While PSLS provided documentation that its Board of Directors adopted the government benefits exception, PSLS failed to provide documentation that its Board of Directors reviewed whether the income eligibility standards of the TANF, SSI, and food stamps programs (now known as the Supplemental Nutrition Assistance Program ("SNAP")) are at or below 125 % the FPG and whether these programs' maximum asset ceilings are at or below Board-approved asset ceilings pursuant to 45 CFR § 1611.4(c).[11] As such, in the DR it was explained that the PSLS' Board of Directors must take some identifiable action to recognize the asset test of the governmental program being relied upon. This would ensure that the eligibility standards of the governmental program have been carefully considered and incorporated into the overall financial eligibility policies adopted and regularly reviewed by the governing body.[12] It was further explained in the DR that, when adopting this provision, the Board of Directors must identify which programs have eligibility standards consistent PSLS' policy for LSC-funded cases. The DR further noted that the failure of the Board of Directors to formally recognize the asset test has not led PSLS to improperly apply this provision because interviews and case file review demonstrated that staff routinely screen for income and assets for all applicants. Thus, there was no concern that PSLS is improperly applying this provision.

4. The policy incompletely stated that PSLS may consider a child care expense for an applicant's whose income is between 125-200% of the FPG when determining financial eligibility.[13] This provision was an incomplete expression of LSC regulation which requires

[9] *See* PSLS Eligibility Guidelines (February 11, 2012).
[10] *See* PSLS Eligibility Guidelines Section II (B)(2) (February 11, 2012).
[11] *See* PSLS Eligibility Guidelines, Section II (B) (February 11, 2012) and May 4, 2005 Revised Financial Eligibility Guidelines.
[12] *See* Preamble to 45 CFR Part 1611, 70 Fed. Reg. 45545 to 45562 (August 8, 2005) at 45553.
[13] *See* PSLS Eligibility Guidelines, Section II (B)(3)(d)(B) (February 11, 2012.

> that expenses, such as child care may be considered if "necessary for employment, job training, or educational activities in preparation for employment." [14]

Additionally, PSLS policies seemed to refer to an older version of current financial eligibility regulations because the policy contained a list of "other disqualifying criteria' used in the determination of eligibility for applicants under the maximum income level. Some of the examples of "disqualifying criteria" were whether the applicant has previously obtained legal services based upon material and intentional misrepresentation, has engaged in threatening or hostile actions toward PSLS staff or volunteers, or has a history of lack of cooperation and contact with PSLS. The policy required the staff member to consider the availability of private legal representation, and the consequences for the applicant if legal assistance is denied.[15] These circumstances are more in the nature of case acceptance criteria rather than financial eligibility criteria, and appear to be holdover language from the 1983 version of the financial eligibility regulations. Interviews with staff indicated that staff is not considering "disqualifying criteria" when determining eligibility for services. In the DR, it was recommended that PSLS review this language in light of the current regulatory focus on criteria that concerns the applicant's financial ability to afford legal assistance rather than the circumstances that resulted in the applicant's limited financial means.

PSLS' group eligibility policy is consistent with the requirements of 45 CFR § 1611.6.[16] In addition, PSLS has developed procedures for groups to ensure eligibility for services in compliance with 45 CFR § 1611.7(a)(2)(b) and (c). The review demonstrated no instances in which PSLS staff members failed to conduct the necessary eligibility analysis required for LSC funded assistance because none of the offices reviewed had ever had occasion to process a group for intake – the staff in each office indicated they would consult with the managing attorney and review the program procedures if such a case arose.

With the exception of non-LSC funded closed 2012 Case No. 12-0340089, all case files reviewed contained income eligibility documentation required by 45 CFR § 1611.4, CSR Handbook (2008 Ed., as amended 2011), § 5.3, and applicable LSC instructions for clients whose income does not exceed 125% of the FPG. Moreover, for those files reviewed in which the client's income was in excess of the 125% of the FPG threshold, PSLS properly documented its review of the factors and, in accord with its policy, applied two (2) types of "spend downs." Some examples include closed 2011 Case Nos. 11-0317429, 11-0320802, 10-0297175, and 11-0315632. Additionally, files reviewed where the client's income exceeded 125% of the FPG, and which failed to contain evidence that PSLS considered the exceptions required by 45 CFR 1611.5, were "senior" cases funded with non-LSC funds that were designated as non-CSR reportable. Examples include closed 2012 Case Nos. 12-0338731, 12-0338158, and 12-0333348.

Accordingly, the review determined that PSLS is in compliance with the income eligibility documentation required by 45 CFR §§ 1611.4, and 1611.6, the CSR Handbook (2008 Ed., as amended 2011), § 5.3, and applicable LSC instructions for clients whose income exceeds 125% of the FPG; however, PSLS' financial eligibility policy was found to not be in compliance with these requirements. Thus, it was noted in the DR that further improvement was required and, as a required corrective action, PSLS was directed to ensure that PSLS Eligibility Guidelines are consistent with 45 CFR §§ 1611.5, 1611.3(b), 1611.2(i), 1611.4(c), and 1611.5(a)(4)(iv). LSC also stated that it was available to review any proposed changes to PSLS' Part 1611 eligibility policies prior to them being submitted for Board of Director approval.

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[14] *See* 45 CFR § 1611.5(a)(4)(iv).
[15] *See* PSLS Eligibility Guidelines, Section II (D) (February 11, 2012).
[16] *See* PSLS Eligibility Guidelines, Section III (February 11, 2012).

In its comments to the DR, PSLS noted that its Board of Directors has adopted revised Financial Eligibility Policies that now include "other regular sources of financial support that are currently and actually available to the applicant" and that child care expenses may only be considered if they are "necessary for employment, job training, or educational activities in preparation for employment." The Board of Directors also reviewed whether the income eligibility standards of TANF, SSI, and Food Stamps programs (now known as SNAP) were at or below 125 % the FPG and whether these programs' maximum asset ceiling limits were at or below Board-approved asset ceilings pursuant to 45 CFR § 1611.4(c). Based on this review, the PSLS Board of Directors determined that the Food Stamps program failed to satisfy LSC regulatory criteria and adopted revised Financial Eligibility Policies that omit the receipt of food stamps from the government benefits exception. PSLS' Financial Eligibility Policies specify "that only individuals and groups determined to be financially eligible under its financial eligibility policies and LSC regulations may receive legal assistance supported with LSC funds." PSLS further modified its ACMS and paper intake forms consistent with its revised policies and has provided its staff with training on these revised policies, ACMS changes, and forms.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with those comments , as well as a review of its presentation materials and the minutes from the Board of Directors' meeting held on February 9, 2013, PSLS has taken sufficient action designed to implement Required Corrective Action item 4.

Finding 4: PSLS maintains asset eligibility documentation as required by 45 CFR §§ 1611.3(c) and (d) and CSR Handbook (2008 Ed., as amended 2011), § 5.4. There were no exceptions noted in the sampled files; however, some revisions to PSLS' asset eligibility policy were necessary to demonstrate compliance with 45 CFR Part 1611.

As part of its financial eligibility policies, recipients are required to establish reasonable asset ceilings in order to determine an applicant's eligibility to receive legal assistance. *See* 45 CFR § 1611.3(d)(1). For each case reported to LSC, recipients must document the total value of assets except for categories of assets excluded from consideration pursuant to its Board-approved asset eligibility policies.[17] *See* CSR Handbook (2008, as amended 2011), § 5.4.

In the event that a recipient authorizes a waiver of the asset ceiling due to the unusual circumstances of a specific applicant, the recipient shall keep such records as may be necessary to inform LSC of the reasons relied on to authorize the waiver. *See* 45 CFR § 1611.3(d)(2).

The revisions to 45 CFR Part 1611 changed the language regarding assets from requiring the recipient's governing body to establish, "specific and reasonable asset ceilings, including both liquid and non-liquid assets," to "reasonable asset ceilings for individuals and households." *See* 45 CFR § 1611.6 in prior version of the regulation and 45 CFR § 1611.3(d)(1) of the revised regulation. Both versions allow the policy to provide for authority to waive the asset ceilings in unusual or meritorious circumstances. The older version of the regulation allowed such a waiver only at the discretion of the Executive Director. The revised version allows the Executive Director or his/her designee to waive the ceilings in such circumstances. *See* 45 CFR § 1611.6(e) in prior version of the regulation and 45 CFR § 1611.3(d)(2) in the revised version. Both versions require that such exceptions be documented and included in the client's files.

[17] A numerical total value must be recorded, even if it is zero or below the recipient's guidelines. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.4.

PSLS' financial eligibility policy establishes an asset ceiling at $15,000 for an applicant's household. Exempt from consideration are the value of the applicant's homestead real estate; all motor vehicles used for transportation by the applicant or a member of the applicant's household; clothing and professionally prescribed health aids for the applicant or member of the applicant's household; equity interest up to $4,000 in any other property; the cash value of life insurance policies; endowment policies or annuity contracts payable to a household member; and work-related equipment which is essential to employment or self-employment of an applicant or member of a family unit provided that the owner is attempting to produce income consistent with its value up to $1,500. The policy further provides that the Executive Director or his designee may waive the established ceilings in unusual circumstances. In such a case, the decision shall be documented and included in the client's file and a record maintained indicating the number of clients so served and the factual bases for the decisions. [18]

A comparison of this policy with 45 CFR Part 1611 indicates that PSLS' asset policies are in compliance with LSC regulations. The exceptions in the policy of the vehicles, and equity value of work-related equipment are permissible pursuant to 45 CFR § 1611.3(d)(1). The exceptions for clothing and professionally prescribed health aids for the applicant or member of the applicant's household; equity interest up to $4,000 in any other property; the cash value of life insurance policies, endowment policies or annuity contracts payable to a household are exempt from attachment under state law pursuant to 735 ILCS 5/12-100, and thus are permissible pursuant to 45 CFR § 1611.3(d)(1).

Although, the exception in the policy for "homestead real estate," is in compliance with LSC regulations, it does not reflect the current screening practices of staff. In Illinois, homestead exemptions vary depending upon marriage and how title to the property is held, etc. Depending on these factors, homestead amounts may be $15,000, $30,000, or $100% of the property's value.[19] Interviews during the on-site review revealed that staff members do not determine the particular homestead amount available to applicants. Instead staff routinely excludes the entire value of a household's principal residence. PSLS is advised that while 45 CFR § 1611.3(d)(1) does not require recipients to adopt policies to exclude the value of a principal residence, LSC does require recipients to screen applicants for assets in accordance with its Board-approved policies. If those policies include more stringent exemptions, such as only exempting the "homestead" value of the real estate, then PSLS must screen all applicants consistent with these policies. During the on-site review, LSC recommended that PSLS address this issue by requiring staff to adhere to the "homestead" values or to revise its asset policies to exempt the value of principal residences.

PSLS is in compliance with the asset eligibility documentation required by 45 CFR §§ 1611.3(c) and (d) and CSR Handbook (2008 Ed., as amended 2011), § 5.4. However, as noted above, and as a required corrective action, the DR directed PSLS to ensure that assets are screened in a manner consistent with the Board of Director's intent (homestead real estate value) or that PSLS' policies reflect its staff screening practices (principal residence). Thus, some revisions to its asset eligibility policy were warranted to demonstrate compliance with 45 CFR Part 1611.

In its comments to the DR, PSLS noted that it has revised its Financial Eligibility Policies to exempt the value of principal residences. The Financial Eligibility Policies were adopted by its Board of Directors on September 8, 2012.

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[18] *See* PSLS Policy on Financial Eligibility, Section II (C) (February 11, 2012).
[19] *See* 735 Ill. Comp. Stat. 5/12-901 and 5/12-902.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, as well as a review of its LSC Compliance Manual (February 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 5.

Finding 5: Sampled cases evidenced that PSLS is in compliance with the screening requirements of 45 CFR Part 1626 (Restrictions on legal assistance to aliens), but was in non-compliance with the documentation requirements of the regulation.

The level of documentation necessary to evidence citizenship or alien eligibility depends on the nature of the services provided. With the exception of brief advice or consultation by telephone which does not involve continuous representation, LSC regulations require that all applicants for legal assistance who claim to be citizens execute a written attestation. *See* 45 CFR § 1626.6. Aliens seeking representation are required to submit documentation verifying their eligibility. *See* 45 CFR § 1626.7. In those instances involving brief advice and consultation by telephone, which does not involve continuous representation, LSC has instructed recipients that the documentation of citizenship/alien eligibility must include a written notation or computer entry that reflects the applicant's oral response to the recipient's inquiry regarding citizenship/alien eligibility. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.5; *See also*, LSC Program Letter 99-3 (July 14, 1999). In the absence of the foregoing documentation, assistance rendered may not be reported to LSC. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.5.

Prior to 2006, recipients were permitted to provide non-LSC funded legal assistance to an alien who had been battered or subjected to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse's or parent's family residing in the same household, or an alien whose child had been battered or subjected to such cruelty.[20] Although non-LSC funded legal assistance was permitted, such cases could not be included in the recipient's CSR data submission. In January 2006, the Kennedy Amendment was expanded and LSC issued Program Letter 06-2, "Violence Against Women Act 2006 Amendment" (February 21, 2006), which instructs recipients that they may use LSC funds to provide legal assistance to ineligible aliens, or their children, who have been battered, subjected to extreme cruelty, is the victims of sexual assault or trafficking, or who qualify for a "U" visa. LSC recipients are now allowed to include these cases in their CSRs.

During the on-site review files were sampled and written citizenship attestations forms were obtained to assess whether PSLS was in compliance with the restrictions contained in 45 CFR Part 1626, as well as the documentation requirements of 45 CFR Part 1626 and the CSR Handbook (2008 Ed., as amended 2011), § 5.5.

With the exception of open Case No. 11-0331857 and closed 2012 Case No. 12-0336471 S-l43, all sampled files in which there was in-person contact contained a citizenship attestation or eligible alien status documentation. In cases in which brief services were provided by telephone, all files contained a notation that the applicant verbally declared his citizenship or eligible alien status. Sampled cases where PSLS provided services pursuant to Program Letter 06-2, "Violence Against Women Act 2006 Amendment" (February 21, 2006), contained documentation of the domestic violence status. Some examples include closed 2012 Case Nos. 11-0321544 and 12-0333824, and closed 2011 Case Nos. 10-0307595 and 11-031576 (files indicated clients were provided with domestic abuse legal services and suffered domestic violence).

[20] *See* Kennedy Amendment at 45 CFR § 1626.4.

Additionally, the on-site review identified a file where the citizenship attestation was obtained after representation commenced and thus was not timely obtained as required by 45 CFR § 1626.3. *See* closed 2012 Case No. 07E-7011404 (the file was opened on July 9, 2007 and the attestation was obtained on January 7, 2012). In a few other files reviewed it was difficult to discern whether the attestations were obtained before legal assistance was provided to the client because the forms were not dated. *See* open Case No. 12-0335220, closed 2012 Case Nos. 11-0328115 and 12-0332240, and closed 2011 Case Nos. 11-0319470 and 11-0327765.

PSLS was found to be in non-compliance with the documentation requirements of 45 CFR Part 1626 and CSR Handbook (2008 Ed., as amended 2011), § 5.5. The on-site review determined that almost every citizenship inconsistency found during the review appeared to be a result of human error that could have been avoided by an earlier and more focused review of the attestation contained in the file by staff. It was therefore recommended that PSLS develop additional procedures for obtaining written citizenship attestations when required, such as developing an "Opening Compliance Checklist" to note whether the citizenship or eligible alien status documentation has been obtained, the date it was obtained, and whether it was signed and present in the file. As a required corrective action, the DR directed PSLS to ensure it obtains the required level of documentation necessary to evidence citizenship or alien eligibility pursuant to 45 CFR Part 1626.

In its comments to the DR, PSLS noted that it has revised its Operations Manual and ACMS compliance page to require staff to scan all citizenship/alien documentation into the ACMS for easy storage and retrieval. PSLS has provided mandatory training for its entire staff on this issue. PSLS has additionally retained a vendor to assist with an ACMS modification that will ensure that timely and dated attestation forms are obtained.

Accordingly, and based upon the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 6.

Finding 6: PSLS is in substantial compliance with the retainer requirements of 45 CFR § 1611.9 (Retainer agreements).

Pursuant to 45 CFR § 1611.9, recipients are required to execute a retainer agreement with each client who receives extended legal services from the recipient. The retainer agreement must be in a form consistent with the applicable rules of professional responsibility and prevailing practices in the recipient's service area and shall include, at a minimum, a statement identifying the legal problem for which representation is sought, and the nature of the legal service to be provided. *See* 45 CFR § 1611.9(a).

The retainer agreement is to be executed when representation commences or as soon thereafter is practical and a copy is to be retained by the recipient. *See* 45 CFR §§ 1611.9(a) and (c). The lack of a retainer does not preclude CSR reporting eligibility.[21] Cases without a retainer, if otherwise eligible and properly documented, should be reported to LSC.

During the on-site review, extended service cases were sampled to assess whether PSLS was executing retainer agreements in accordance with 45 CFR § 1611.9. The review demonstrated that PSLS uses a standard paper retainer agreement form and has the capability to create a retainer agreement online using its ACMS. The online retainer agreement requires the staff member to enter the nature of the case, the

[21] However, a retainer is more than a regulatory requirement. It is also a key document clarifying the expectations and obligations of both client and program, thus assisting in a recipient's risk management.

scope of representation, and requires the staff member to fully explain the retainer agreement to the client.[22] Thus, staff members consistently are reminded to supply all of the information that is needed to define the services that PSLS has agreed to provide. PSLS' proactive development of online retainer agreement prompts to ensure that retainers are fully executed is another best practice indicator.

It is, however, necessary for PSLS to consider that for the online retainer agreement to be successful, staff must use it to create the agreements. The review identified that staff does not always obtain retainer agreements when required. A few sampled cases were identified in which the file lacked executed retainer agreements when the intermediary described a level of service which required a retainer to be executed, such as closed 2012 Case Nos. 11-0329519, 10-0303823 and 10-02666013, and closed 2011 Case No. 10-0291721. This indicates that the staff members are not using the online or the paper retainer agreements in all cases where they are required.

The review further identified a second compliance concern, as PSLS indicated during the entrance presentation that it fails to report cases to LSC in the CSRs that lack retainer agreements, where required. The review of the ACMS confirmed that its compliance page requires staff to exclude cases from the CSRs if the file lacks a retainer when required. For example, when staff is closing the file in the ACMS, staff is required to answer "yes" or "no" to whether non-PAI cases closed with extended services case closure categories contained a retainer agreement. If staff answers "no" to this question, it is the equivalent to deselecting the case and excluding it from CSR reporting.[23] During the on-site review, PSLS was reminded that the lack of a retainer does not preclude CSR reporting eligibility.

Sampled cases evidenced that PSLS is in substantial compliance with the retainer requirements of 45 CFR § 1611.9. As a required corrective action, the DR directed PSLS to ensure that cases without a retainer, if otherwise eligible and properly documented, are reported to LSC. To implement this corrective action, it was recommended that PSLS modify Question 2 of its ACMS CSR Determination page (which is where users indicate CSR eligibility) consistent with the retainer requirements of 45 CFR § 1611.9.

In its comments to the DR, PSLS noted that it has modified Question 2 on its ACMS compliance page to require staff to include cases in the CSRs even when the files lack retainer agreements. PSLS has also provided mandatory training for its entire staff concerning the reporting of cases without retainer agreements.

Accordingly, and based upon the comments to the DR, as well as review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 7.

Finding 7: PSLS is in compliance with the requirements of 45 CFR Part 1636 (Client identity and statement of facts).

LSC regulations require that recipients identify by name each plaintiff it represents in any complaint it files, or in a separate notice provided to the defendant, and identify each plaintiff it represents to prospective defendants in pre-litigation settlement negotiations. In addition, the regulations require that recipients prepare a dated, written statement signed by each plaintiff it represents, enumerating the particular facts supporting the complaint. *See* 45 CFR §§ 1636.2(a) (1) and (2).

[22] *See* Quick Overview of PSLS Systems.
[23] *See* Quick Overview of PSLS Systems, CSR determinations, Question 2.

The statement is not required in every case. It is required only when a recipient files a complaint in a court of law or otherwise initiates or participates in litigation against a defendant, or when a recipient engages in pre-complaint settlement negotiations with a prospective defendant. *See* 45 CFR § 1636.2(a).

Sampled cases evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1636 (Client identity and statement of fact) as all sampled files contained these statements, where required, pursuant to 45 CFR Part 1636.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 8: Sampled files and interviews evidenced compliance with the requirements of 45 CFR § 1620.3(a) and 45 CFR § 1620.4.

LSC regulations require that recipients adopt a written statement of priorities that determines the cases which may be undertaken by the recipient, regardless of the funding source. *See* 45 CFR § 1620.3(a). Except in an emergency, recipients may not undertake cases outside its priorities. *See* 45 CFR § 1620.6.

Prior to the review, PSLS provided its priorities for review.[24] PSLS' priority goals for low-income people are to protect eligible persons from serious risk to health or safety in those situations where a legal solution can remedy the issue. PSLS ensures that eligible persons are able to meet their basic human needs, to enable eligible persons to preserve or obtain income, assets, or benefits needed to improve their ability to meet their basic human needs or to better care for members of their household. PSLS provides children with resources that will facilitate their healthy development and protects the legal rights of parents with regard to their children PSLS enhances a person's efforts and opportunities to be self-sufficient and/or to maximize personal autonomy of persons with disabilities. Finally, PSLS ensures low-income residents have access to the systems of justice.

Sampled cases and interviews evidenced compliance with the requirements of 45 CFR § 1620.3(a) and 45 CFR § 1620.4.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 9: With two (2) exceptions, PSLS is in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6 (Description of legal assistance provided).

LSC regulations specifically define "case" as a form of program service in which the recipient provides legal assistance. *See* 45 CFR §§ 1620.2(a) and 1635.2(a). Consequently, whether the assistance that a recipient provides to an applicant is a "case", reportable in the CSR data depends, to some extent on whether the case is within the recipient's priorities and whether the recipient has provided some level of legal assistance, limited or otherwise.

If the applicant's legal problem is outside the recipient's priorities, or if the recipient has not provided any type of legal assistance, it should not report the activity in its CSR. For example, recipients may not

[24] *See* PSLS Priorities Policy (November 12, 2011) and 2010-2011 PSLS Priorities Study.

report the mere referral of an eligible client as a case when the referral is the only form of assistance that the applicant receives from the recipient. *See* CSR Handbook (2008 Ed., as amended 2011), § 7.2.

Recipients are instructed to record client *and* case information, either through notations on an intake sheet or other hard-copy document in a case file, or through electronic entries in an ACMS database, or through other appropriate means. For each case reported to LSC such information shall, at a minimum, describe, *inter alia*, the level of service provided. *See* CSR Handbook (2008 Ed., as amended 2011), § 5.6.

The on-site review assessed whether legal assistance was documented in the sampled files and whether this documentation satisfied the standards set LSC regulations and CSR Handbook (2008 Ed., as amended 2011), § 5.6. All files contained documentation of the legal assistance provided to the client with the exceptions of closed 2010 Case Nos. 10-0308209 and 10-0301927. Review of the Operations Manual indicates that PSLS provides detailed instructions for attorney's notes and the information necessary to include in closing letters to the client. PSLS requires staff to store its client notes in ACMS for convenient retrieval by any staff member so that documentation concerning the client's legal matter is easily available to any PSLS staff member in the event the client requires further assistance.[25] Staff members indicate that every file contains a Compliance Checklist so that compliance can be easily checked throughout the duration of the case. Upon observation during case review, intermediaries appeared to have no difficulty locating evidence of legal advice in case files because the files appeared to be well-ordered. PSLS' proactive development of internal case file documentation standards may be responsible for the few description of legal advice errors identified by LSC during the on-site review and is another best practice indicator.

Sampled cases demonstrated that with two (2) exceptions, PSLS is in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6 (Description of legal assistance provided).

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 10: PSLS' application of the CSR case closure categories is generally consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011). There were limited patterns of error noted in the sampled files.

The CSR Handbook defines the categories of case service and provides guidance to recipients on the use of the closing codes in particular situations. Recipients are instructed to report each case according to the type of case service that best reflects the level of legal assistance provided. *See* CSR Handbook (2008 Ed., as amended 2011), § 6.1.

The review assessed whether PSLS' application of the CSR case closure categories is consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011). The sampled files contained numerous examples of correctly used case closing categories, including more complex case closure categories. However, the review also identified limited patterns of error.

The first pattern of error noted was the apparent misunderstanding of the "K-Other" ("K") case closure category. The CSR Handbook requires cases be closed in the category that best reflects the level of service provided, and if a descriptive closure category is applicable then the K closure category should not

[25] *See* PSLS Operations Manual (revised June 18, 2012) at page 178 and 180.

be used.[26] There were several cases, such as closed 2011 Case Nos. 11-0311068, 11-0310990, 10-0305096, 08E-14020918, and 08E-14021425 and closed 2010 Case Nos. 08E-14009153, 09-0260638, 10-0294970, and 08E-1400897, in which the program employed the K closure category for cases where another case closure category more accurately described the nature of the legal services performed. For example, closed 2010 Case No. 10-0294970 was closed with a K closure category; however, the more appropriate action would have been to close the file "B-Limited Action/Brief Services" ("B") because PSLS prepared a will and power of attorney on the client's behalf. The files noted above indicate that PSLS should review the use of the K closure category as LSC does not intend for this closure category to be used frequently because most common services provided to clients should fit more accurately within another case closure category.

A second noteworthy pattern of error was the underreporting of the level of service provided in various cases. There were several sampled files closed with "A-Counsel and Advice" ("A"), "B-Limited Action/Brief Services" ("B"), or "F-Negotiated Settlement without Litigation" ("F") case closure categories when the files evidenced a higher, or significantly higher, level of service. For example, closed 2012 Case No. 07E-8000611 was closed as B when the more appropriate action would have been to close the file with an "L-Extensive Services ("L") because the attorney performed extensive research, obtained records, and assisted with the preparation of an Individualized Education Plan for an administrative law hearing. Further, closed 2011 Case Nos. 10-0302037, was closed as A, and should have been closed as L because the attorney obtained and reviewed medical, Social Security and other records before the client withdrew from the case, and 10-0292839 was closed as B, and should have been closed as L because the file reflected extended services were provided to the client during 2010 and 2011. Additional examples include closed 2012 Case Nos. 12-0340553 and 12-0341498 that were closed as B and F respectively, and should have been closed as "G-Negotiated Settlement with Litigation" ("G") because the files reflected that PSLS negotiated settlements on each client's behalf while in litigation. Interviews revealed that TPC staff assigned the A case closing category to every TPC regardless of the level of service actually provided to the client. OCE observed this to be the case as TPC attorneys closed the file A when the more appropriate action would have been to close the file with a B because the attorney conducted research or because the cumulative legal assistance provided to the client reflected a B level of service as the client called the TPC hotline on numerous occasions throughout the year and received legal advice on each occasion. These errors indicate that PSLS should review its assignment of case closure categories, as it may be under-reporting the level of service provided to its clients.

As a required corrective action, the DR directed PSLS to review the application of its case closure categories and ensure the correct assignment of these categories. The DR recommended that PSLS provide training to staff consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011). It was further recommended that PSLS prepare a Reference Guide which would be an accessible reminder of appropriate closure code categories when staff close files and assign case closure categories.

In its comments to the DR, PSLS noted that it has adopted OCE's recommendation regarding the use of reference guides to alert staff to the appropriate case closure categories during case closings. The comments also noted that PSLS has created "hover screens" in its ACMS that mirror the language of the CSR Handbook (2008 Ed., as amended 2011) and has provided mandatory training for its entire staff concerning case closure categories.

Accordingly, and based upon the comments to the DR, as well as review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 8.

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[26] *See* CSR Handbook (2008 Ed., as amended 2011), § 8.1 fn. 41.

Finding 11: PSLS is in substantial compliance regarding the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3 (Timeliness of Cases).

To the extent practicable, programs shall report cases as having been closed in the year in which assistance ceased, depending on case type. Cases in which the only assistance provided is counsel and advice or limited action (CSR Categories A and B), should be reported as having been closed in the grant year in which the case was opened. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.3(a).[27] There is, however, an exception for limited service cases opened after September 30, and those cases containing a determination to hold the file open because further assistance is likely. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.3(a). All other cases (CSR Categories F through L, 2008 CSR Handbook) should be reported as having been closed in the grant year in which the recipient determines that further legal assistance is unnecessary, not possible or inadvisable, and a closing memorandum or other case-closing notation is prepared. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.3(b). Additionally LSC regulations require that systems designed to provide direct services to eligible clients by private attorneys must include, among other things, case oversight to ensure timely disposition of the cases. *See* 45 CFR § 1614.3(d)(3).

The review assessed compliance with the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3. The review demonstrated that while most of the files were timely closed, there were a few exceptions noted in the sample. Examples include open Case No. 08E-14003418 (This case was opened during 2008 and the last legal work documented in the file was in 2011, with no notations in the file of any further legal assistance needed or provided since 2011, and therefore this case is dormant), closed 2012 Case No. 07E-8000611 (This case was opened in 2007 and the last legal work documented in the file was in 2008, with no notations in the file of any further legal assistance needed or provided since 2008, and therefore was untimely closed), and closed 2011 Case No. 08E-11000759 (This limited services PAI case was opened in 2008 and closed in 2011. The last legal work documented in the file was in 2009, with no notations in the file of any further legal assistance needed or provided since 2009, and therefore was untimely closed).

PSLS is in substantial compliance regarding the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3.

As no pattern of error was identified, no recommendations or corrective actions are required. PSLS offered no comments in response to this Finding.

Finding 12: PSLS is in compliance with the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.2 regarding duplicate cases.

Through the use of automated case management systems and procedures, recipients are required to ensure that cases involving the same client and specific legal problem are not recorded and reported to LSC more than once. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.2.

[27] The time limitation of the 2001 Handbook that a brief service case should be closed "as a result of an action taken at or within a few days or weeks of intake" has been eliminated. However, cases closed as limited action are subject to the time limitation on case closure found in CSR Handbook (2008 Ed., as amended 2011), § 3.3(a) this category is intended to be used for the preparation of relatively simple or routine documents and relatively brief interactions with other parties. More complex and/or extensive cases that would otherwise be closed in this category should be closed in the new CSR Closure Category L (Extensive Service).

When a recipient provides more than one (1) type of assistance to the same client during the same reporting period, in an effort to resolve essentially the same legal problem, as demonstrated by the factual circumstances giving rise to the problem, the recipient may report only the highest level of legal assistance provided. *See* CSR Handbook (2008 Ed., as amended 2011), § 6.2.

When a recipient provides assistance more than once within the same reporting period to the same client who has returned with essentially the same legal problem, as demonstrated by the factual circumstances giving rise to the problem, the recipient is instructed to report the repeated instances of assistance as a single case. *See* CSR Handbook (2008 Ed., as amended 2011), § 6.3. Recipients are further instructed that related legal problems presented by the same client are to be reported as a single case. *See* CSR Handbook (2008 Ed., as amended 2011), § 6.4.

During the review several cases were targeted to test for duplicate reporting of cases and no duplicate files were identified. Interviews reflected that intake staff members were familiar with the CSR Handbook (2008 Ed., as amended 2011), § 3.2 and that PSLS has implemented procedures to check for duplication when a case is entered into the case management system. PSLS reviews every file at intake, upon opening, and upon closing to determine whether it is a duplicate of another existing case. PSLS then prepares duplicate reports to assist management with their review of cases for potential duplicates not identified during staff reviews. PSLS has developed systems that required all staff to review the file and identify duplicate reporting both by automated systems and manual review. These procedures are further best practice indicators.

PSLS is in compliance with the requirements of the CSR Handbook (2008 Ed., as amended 2011), § 3.2.

There are no recommendations or corrective actions required. PSLS offered no comments in response to this Finding.

Finding 13: Review of the recipient's policies and timekeeping records, and interviews with full-time attorneys who have engaged in the outside practice of law demonstrated that PSLS is in compliance with the requirements of 45 CFR Part 1604 (Outside practice of law).

This part is intended to provide guidance to recipients in adopting written policies relating to the outside practice of law by recipients' full-time attorneys. Under the standards set forth in 45 CFR Part 1604, recipients are authorized, but not required, to permit attorneys, to the extent that such activities do not hinder fulfillment of their overriding responsibility to serve those eligible for assistance under the Act, to engage in pro bono legal assistance and comply with the reasonable demands made upon them as members of the Bar and as officers of the Court.

A review of the recipient's outside practice policy and timekeeping records, as well as interviews with management and staff members, was conducted to assess compliance with the requirements of 45 CFR Part 1604 (Outside practice of law). The review demonstrated that PSLS has policies and practices in place to ensure compliance.

Prior to the CSR/CMS review, PSLS provided a copy of its policies governing the outside practice of law by full-time attorneys employed with PSLS. The policy contains restrictions and procedures which comport with 45 CFR Part 1604 and are more stringent than required by LSC regulation.[28] Additionally,

[28] *See* PSLS Policy on Outside Practice (February 11, 2012).

the review of timekeeping records, as well as interviews with management and the staff members who were granted permission to engage in outside practice activities from January 1, 2010 through June 15, 2012, demonstrated that the subject matter of the cited circumstances were within the guidelines of 45 CFR § 1604.4, approval to engage in the activity was sought and was granted by the Executive Director.[29]

Based on a review of PSLS' policies and timekeeping records, as well as interviews with attorneys who engaged in the outside practice of law during the review period, PSLS is in compliance with the requirements of 45 CFR Part 1604

There are no recommendations or corrective actions required. PSLS offered no comments in response to this Finding.

Finding 14: A limited fiscal and sampled case file review, as well as interviews conducted with management and staff, evidenced compliance with the requirements of 45 CFR Part 1608 (Prohibited political activities).

LSC regulations prohibit recipients from expending grants funds or contributing personnel or equipment to any political party or association, the campaign of any candidate for public or party office, and/or for use in advocating or opposing any ballot measure, initiative, or referendum. *See* 45 CFR Part 1608.

A comprehensive review of PSLS' pamphlets, brochures, flyers, etc. and an inspection of waiting areas and other public spaces in these offices were conducted to assess compliance with 45 CFR Part 1608. The majority of the materials displayed at each office visited were informational flyers produced by the recipient providing landlord-tenant or debt collection information. In addition, the offices also displayed pamphlets from public service and other entities, for example marriage and family counseling, consumer credit counseling, or domestic violence assistance. Bulletin boards and other depictions in the offices' public space were reviewed. The materials were found to be free of any prohibited political message, expression, symbol, image, or allusion, and in compliance with 45 CFR Part 1608.

A limited review of the vendor list, chart of accounts, cash receipts and cash disbursement journals, general ledger, trial balance reports, and PSLS' personnel manual, demonstrated that from January 1, 2010 through June 15, 2012, PSLS appears to have not expended LSC grant funds, personnel or equipment in prohibited political activities and that PSLS is in compliance with 45 CFR § 1608.3(b).

A limited fiscal review, as well as review of sampled cases, disclosed no evidence that staff members, while engaged in legal assistance activities supported under the Act, engaged in any political activity, provided voters with transportation to the polls, or provided similar assistance in connection with an election or voter registration activity. Finally, interviews with management disclosed no evidence that PSLS employees have intentionally supported or identified the Corporation with any partisan or nonpartisan political activity, or with the campaign of any candidate for public or party office.

PSLS is in compliance with the requirements of 45 CFR Part 1608 (Prohibited political activities).

There are no recommendations or corrective actions required. PSLS offered no comments in response to this Finding.

[29] The circumstances concerning one (1) attorney's outside practice in the Bloomington office could not be reviewed because the staff and managing attorney were no longer employed by PSLS.

Finding 15: Review of the recipient's policies and sampled files, as well as interviews conducted with members of management and staff, evidenced non-compliance with the documentation requirements of 45 CFR Part 1609 (Fee-generating cases). One (1) exception was noted.

Except as provided by LSC regulations, recipients may not provide legal assistance in any case which, if undertaken on behalf of an eligible client by an attorney in private practice, reasonably might be expected to result in a fee for legal services from an award to the client, from public funds or from the opposing party. *See* 45 CFR §§ 1609.2(a) and 1609.3.

Recipients may provide legal assistance in such cases where the case has been rejected by the local lawyer referral service, or two (2) private attorneys; neither the referral service nor two (2) private attorneys will consider the case without payment of a consultation fee; the client is seeking, Social Security, or Supplemental Security Income benefits; the recipient, after consultation with the private bar, has determined that the type of case is one (1) that private attorneys in the area ordinarily do not accept, or do not accept without pre-payment of a fee; the Executive Director has determined that referral is not possible either because documented attempts to refer similar cases in the past have been futile, emergency circumstances compel immediate action, or recovery of damages is not the principal object of the client's case and substantial attorneys' fees are not likely. *See* 45 CFR §§ 1609.3(a) and 1609.3(b).

LSC has also prescribed certain specific recordkeeping requirements and forms for fee-generating cases. The recordkeeping requirements are mandatory. *See* LSC Memorandum to All Program Directors (December 8, 1997).

In light of recent regulatory changes, LSC has prescribed certain specific requirements for fee-generating cases. *See* Program Letters 09-3 (December 17, 2009) and 10-1 (February 18, 2010). LSC has determined that it will not take enforcement action against any recipient that filed a claim for, or collected or retained attorneys' fees during the period of December 16, 2009 through March 15, 2010. Enforcement activities related to claims for attorneys' fees filed prior to December 16, 2009, or fees collected or retained prior to December 16, 2009, are no longer suspended and any violations which are found to have occurred prior to December 16, 2009 will subject the grantee to compliance and enforcement action. Additionally, the regulatory provisions regarding accounting for and use of attorneys' fees and acceptance of reimbursement from clients remain in force, and violations of those requirements, regardless of when they have occurred, will subject the grantee to compliance and enforcement action.

PSLS has a written policy governing fee-generating cases.[30] This policy is in compliance with 45 CFR Part 1609.

During the on-site review, LSC funded closed 2010 Case No. 10-0293624 was identified as a fee-generating case. The intermediary relayed that, in this case, the client suffered personal injuries after falling down a set of stairs. PSLS advised the client concerning his cause of action for negligence, advised him of the owner's defense of contributory negligence, and advised him concerning the possible damages that could be obtained as a result of suffering injuries from the owner's negligence. PSLS provided services consistent with its priority to ensure low-income residents are afforded with access to the justice system. The CSR Handbook (2008 Ed., as amended 2011), § 2.1 states that recipients may report the provision of legal assistance as a case if the case is within the recipient's priorities and the type of legal assistance provided is not prohibited by the LSC Act, regulations, or other applicable law.[31] To

[30] *See* PSLS Policy on Fee Generating Cases (February 11, 2012). Staff members are required to complete a "Fee Generating Cases Form" for each fee-generating case accepted.
[31] *See* CSR Handbook (2008 Ed., as amended 2011), § 2.1.

the extent that the case appears to involve issues within PSLS' priorities, it is reportable to LSC. However, to the extent that the case involves legal assistance provided in a fee-generating case, the legal assistance provided was inconsistent with 45 CFR § 1609.3(a).[32]

During the on-site review, PSLS disagreed contending that it understands the LSC restrictions to apply only to the initiation of or participation in litigation, and since a mere consultation with a client cannot generate fees, the legal assistance is not inconsistent with 45 CFR § 1609.3(a). After due consideration of PSLS' arguments during the on-site review, in the DR, LSC reminded PSLS that 45 CFR Part 1609 restricts recipients' ability to provide legal assistance in fee-generating cases supported with LSC funds. LSC regulations define "legal assistance" rather broadly as the provision of any legal services to a client.[33] The provision of legal services occurs whenever an attorney applies legal judgment to the client's particular set of facts.[34] As defined, 45 CFR Part 1609 applies to all levels of legal assistance, even the provision of telephone advice during a consultation where no litigation is being contemplated.[35] PSLS is reminded that it may provide advice in fee generating cases by making either of the determinations set forth in 45 CFR §§ 1609.3(b)(2) or (3) or by supporting such activities with non-LSC funds.

As sampled files, as well as interviews with members of management and staff, disclosed evidence that PSLS provided legal assistance in a fee-generating case, during the on-site review, PSLS was found to bein non-compliance with the requirements of 45 CFR Part 1609 (Fee-generating cases). As a required corrective action, the DR directed PSLS to ensure that it does not use LSC funds to provide assistance in fee-generating cases unless the requirements of 45 CFR Part 1609 are met. The DR also recommended that PSLS provide training to its staff and revise its procedures consistent with the requirements of 45 CFR Part 1609.

In its comments to the DR, PSLS noted that it will support its permissible 45 CFR Part 1609 activities with non-LSC funds. In addition, the comments reported that a new "LTF-Potential Fee Generating" funding code has been created to identify the proper funds to support these activities and PSLS has provided mandatory training for its entire staff on this issue.

Accordingly, and based upon the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 9.

Finding 16: A review of PSLS' accounting and financial records determined it appears to be in compliance with 45 CFR Part 1610 (Use of non-LSC funds, transfer of LSC funds, program integrity). Although, PSLS is in substantial compliance with 45 CFR § 1610.5 (Notification) improvement was necessary.

Part 1610 was adopted to implement Congressional restrictions on the use of non-LSC funds and to assure that no LSC funded entity engage in restricted activities. Essentially, recipients may not themselves

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[32] Similarly, to the extent that PSLS only provided legal information, the file was not reportable to LSC. *See* CSR Handbook (2008 Ed., as amended 2011), §§ 2.1(e) and 2.3 and should not have been included in CSR data.
[33] *See* 45 CFR § 1600.1.
[34] *See* ABA Standards for the Provision of Civil Legal Aid, August 2006 and CSR Handbook (2008 Ed., as amended 2011).
[35] Arguably, a recipient might be able to provide "legal information," but the files mentioned in this Finding went beyond "legal information." *See* CSR Handbook (2008 Ed., as amended 2011), § 2.3.

engage in restricted activities, transfer LSC funds to organizations that engage in restricted activities, or use its resources to subsidize the restricted activities of another organization.

The regulations contain a list of restricted activities. *See* 45 CFR § 1610.2. They include lobbying, participation in class actions, representation of prisoners, legal assistance to aliens, drug related evictions, and the restrictions on claiming, collecting or retaining attorneys' fees.

Recipients are instructed to maintain objective integrity and independence from any organization that engages in restricted activities. In determining objective integrity and independence, LSC looks to determine whether the other organization receives a transfer of LSC funds, and whether such funds subsidize restricted activities, and whether the recipient is legally, physically, and financially separate from such organization.

i) Whether sufficient physical and financial separation exists is determined on a case by case basis and is based on the totality of the circumstances. In making the determination, a variety of factors must be considered. The presence or absence of any one or more factors is not determinative. Factors relevant to the determination include: the existence of separate personnel;

ii) the existence of separate accounting and timekeeping records;

iii) the degree of separation from facilities in which restricted activities occur, and the extent of such restricted activities; and

iv) The extent to which signs and other forms of identification distinguish the recipient from the other organization.

See 45 CFR § 1610.8(a); *see also*, OPO Memo to All LSC Program Directors, Board Chairs (October 30, 1997).

Recipients are further instructed to exercise caution in sharing space, equipment and facilities with organizations that engage in restricted activities--particularly if the recipient and the other organization employ any of the same personnel or use any of the same facilities that are accessible to clients or the public. But, as noted previously, standing alone, being housed in the same building, sharing a library or other common space inaccessible to clients or the public may be permissible as long as there is appropriate signage, separate entrances, and other forms of identification distinguishing the recipient from the other organization, and no LSC funds subsidize restricted activity. Organizational names, building signs, telephone numbers, and other forms of identification should clearly distinguish the recipient from any organization that engages in restricted activities. *See* OPO Memo to All LSC Program Directors, Board Chairs (October 30, 1997).

While there is no *per se* bar against shared personnel, generally speaking, the more shared staff, or the greater their responsibilities, the greater the likelihood that program integrity will be compromised. Recipients are instructed to develop systems to ensure that no staff person engages in restricted activities while on duty for the recipient, or identifies the recipient with any restricted activity. *See* OPO Memo to All LSC Program Directors, Board Chairs (October 30, 1997).

The PSLS Board of Directors certified compliance with 45 CFR § 1610.8(b) by executing a program integrity letter on September 12, 2009, September 25, 2010, and on September 10, 2011. PSLS does not appear to be engaged in any restricted activities which would present 45 CFR Part 1610 compliance issues based

upon a limited review of trial balances for the review period, chart of accounts, the vendor's list, observation of the physical location of the offices, and from interviews. A limited review of the cash trial balances for the review period identified no inappropriate transfers pursuant to 45 CFR § 1610.7, or expenditures pursuant to 45 CFR § 1610.4 of its LSC and non-LSC funds by the recipient. A limited review of fiscal activities, as well as the review of sampled cases, disclosed no instances where non-LSC funds were used for any purpose prohibited by 45 CFR Part 1610.

The limited review demonstrated that PSLS appears to be in compliance with the requirements of 45 CFR Part 1610 (Use of non-LSC funds, transfer of LSC funds, program integrity). A limited review of the cash receipts journal, list of individual donors, grants, contracts, and donor notification letters from January 1, 2010 through June 15, 2012, disclosed non-compliance with 45 CFR § 1610.5 (Notification). Recipients are required by 45 CFR § 1610.5 (Notification) to provide sources of funds in the amount of $250 or more with written notification of the prohibitions and conditions tied to the use of the funds due to the recipient's receipt of LSC funding.[36] PSLS receives funding from federal governmental agencies, foundations, law firms, and individuals. The fiscal review found that it is the practice of PSLS to send out written notification to all individual contributors and to all potential grant funders describing LSC prohibitions that govern the funds PSLS is soliciting. The fiscal review, however, evidenced that PSLS failed to provide this written notification to all funders and/or funding sources who contributed $250 or more. For example, eight (8) sampled notification letters either could not be located for review or PSLS could not produce sufficient documentation to evidence that the letters, although drafted, had actually been sent.

Although, PSLS is in substantial compliance with 45 CFR § 1610.5, improvement was necessary. As a required corrective action, the DR directed PSLS to ensure it provides the required 45 CFR § 1610.5 notification to funding sources of $250 or more. The DR further noted that, by way of best practice, PSLS should consider incorporating the 45 CFR § 1610.5 restriction provisions in its solicitation requests to avoid confusion on whether or not a funding source notification letter should be sent.

In its comments to the DR, PSLS noted that it has revised its procedures. PSLS' comments indicated that the program was entering receipts of grants or contributions above $250 into its fundraising database and using this database to generate funder notification letters. After receipt of the comments to the DR, OCE reminded PSLS that the required 45 CFR § 1610.5 notification applies to funding sources of $250 *or more* and not to contributions above $250. Via email on March 4, 2013, PSLS notified OCE that it has modified its Operations Manual to reflect that the required 45 CFR § 1610.5 notifications apply to funding sources of $250 *or more*.

Accordingly, and based upon the comments to the DR, as well as a review of its revised Operations Manual (February 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 11.

Finding 17: PSLS is in compliance with 45 CFR Part 1614 which is designed to ensure that recipients of LSC funds involve private attorneys in the delivery of legal assistance to eligible clients. However, a few exceptions were identified that required improvement.

LSC regulations require LSC recipients to devote an amount of LSC and/or non-LSC funds equal to 12.5% of its LSC annualized basic field award for the involvement of private attorneys in the delivery of legal assistance to eligible clients. This requirement is referred to as the "PAI" or private attorney involvement requirement.

[36] *See* 45 CFR § 1610.5.

Activities undertaken by the recipient to involve private attorneys in the delivery of legal assistance to eligible clients must include the direct delivery of legal assistance to eligible clients. The regulation contemplates a range of activities, and recipients are encouraged to assure that the market value of PAI activities substantially exceed the direct and indirect costs allocated to the PAI requirement. The precise activities undertaken by the recipient to ensure private attorney involvement are, however, to be determined by the recipient, taking into account certain factors. *See* 45 CFR §§ 1614.3(a), (b), (c), and (e)(3). The regulations, at 45 CFR § 1614.3(e)(2), require that the support and expenses relating to the PAI effort must be reported separately in the recipient's year-end audit. The term "private attorney" is defined as an attorney who is not a staff attorney. *See* 45 CFR § 1614.1(d). Further, 45 CFR § 1614.3(d)(3) requires programs to implement case oversight and follow-up procedures to ensure the timely disposition of cases to achieve, if possible, the results desired by the client and the efficient and economical utilization of resources.

Recipients are required to develop a PAI Plan and budget. *See* 45 CFR § 1614.4(a). The annual plan shall take into consideration the legal needs of eligible clients in the geographical area, the delivery mechanisms potentially available to provide the opportunity for private attorneys to meet legal needs, and the results of consultation with significant segments of the client community, private attorneys and bar associations, including minority and women's bar associations. The recipient must document that its proposed annual Plan has been presented to all local bar associations and the Plan shall summarize their response. See 45 CFR §§ 1614.4(a) and (b).

Additionally, 45 CFR Part 1614 requires that recipients utilize a financial management system and procedures that document its PAI cost allocations, identify and account for separately direct and indirect costs related to its PAI effort, and report separately the entire allocation of revenue and expenses relating to the PAI effort in its year-end audit.

Expenditures and Allocations

Interviews with the Executive Director, the Director of Finance, and the Benefits and Payables Administrator evidenced that during the review period PSLS maintained two (2) active reduced fee payment contracts. The first was dated June 7, 2011, for an agreed hourly rate of $25. The second was dated February 26, 1986, for an agreed hourly rate of $85. A limited review of the reduced fee contract invoices/bills during 2011 found that the contracts were mathematically correct and that the contracts were in compliance with LSC regulations. No exceptions were noted.

The review also found that PSLS' cost allocation methodology is adequately documented. Accordingly, PSLS is in compliance with the requirements of 45 CFR § 1614.3(e)(1)(ii).

A review of the Audited Financial Statement ("AFS") for Fiscal Year Ending December 31, 2011, determined that there was adequate compliance with 45 CFR Part 1614 in the allocation of direct and indirect expenses to the PAI requirement. However, the calculation of the wages and benefits for the costs of attorney and paralegal time spent supporting the PAI effort was not in accordance with LSC requirements. Since 2002, LSC has instructed that scheduled work hours should be divided into the annual salaries of those employees who do work which can be counted toward the PAI requirement, not actual hours worked. Actual hours worked are the hours recorded on the employee's timesheet for a year's period minus leave (vacation, holiday, sick, personal time, etc.). Scheduled work hours calculated for PSLS are based upon a seven and a half (7.5) hour work day for five (5) days a week or 37.5 hours times 52 weeks in a year for a total of 1,950 hours. A limited fiscal review found that PSLS does not include the seven (7) weeks of leave (for vacation, holidays, sick, and personal time off, etc.) for its

employees who support the PAI effort. Thus, PSLS used 1,687.50 hours, rather than the 1,950.00 hours it should be dividing into the employees' annual wages when determining the hourly rate to be charged to the PAI requirement. As a required corrective action, the DR directed PSLS to allocate the salaries of attorneys and paralegals based on total workable hours, rather than actual hours, when determining its PAI cost allocation amounts.

In its comments to the DR, PSLS noted that it has revised its procedures and now allocates the salaries of attorneys and paralegals to its PAI effort based on total workable hours.

Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 10.

Overview of the PAI Program

PSLS maintains a pro bono panel and, as discussed above, a small reduced fee panel. In advance of the review, PSLS provided a copy of its Private Bar Involvement Plan 2009-2012, which sets forth the legal needs of eligible clients in the service area, the delivery mechanisms potentially available to provide opportunities for private attorney involvement, and reflected that PSLS consulted with the legal community. Pursuant to this Plan, PSLS maintains a pro bono panel of private attorneys to provide legal assistance to LSC-eligible clients pursuant to 45 CFR Part 1614 and engage in legal information efforts. PSLS' PAI component, known as the Volunteer Lawyers Project ("VLP") was assessed. The on-site review found PSLS' PAI practices consistent with its PAI Plan

The priorities of the VLP was reviewed and found to be consistent with PSLS staff priority areas. The primary types of cases handled are family law (divorces, Orders of Protection, adoptions, guardianships, etc.) and consumer law, specifically bankruptcy cases. While these are the primary types of cases referred, the spectrum is fairly wide and also includes some housing, employment, and estate matters.

Each office employs a Volunteer Coordinator who is responsible for the VLP activities in the office and is supervised by the Managing Attorney of that office. The focus of the VLP component is to provide attorney-client matches, legal information and advice clinics, and to support private attorneys by providing training and mentoring. The Volunteer Coordinators indicated that they allow the private attorneys to advise them as to the types of cases they would like to handle and will look for those cases to refer. PSLS sponsors free training events in exchange for acceptance of pro bono cases. PSLS attends local bar and other law-related functions, and provides information about VLP programs to the community and private attorneys through presentations, material distribution, and through an on-line presence. In addition, VLP maintains pro bono liaisons with local firms, practitioner peer groups, and corporate legal departments. PSLS collaborates with various bar associations and the judiciary in its VLP efforts. Private attorneys are given special recognition through awards and other events. Accordingly, PSLS has developed an extensive number of contacts and appears to work effectively within the legal community.[37]

[37] PSLS' collaboration with the Will County Bar Association is notable as this Bar Association requires a pro bono commitment from each attorney who is a member of the county bar. Each attorney is required to participate by accepting either one (1) or more private attorney cases a year, to participate in two (2) or more Advice Clinics a year, or to provide a minimum contribution to support the pro bono effort. During 2010, PSLS reported 16,436 closed CSR cases, of which 836 were PAI. During 2011, PSLS reported 15,201 closed CSR cases, of which 972 were PAI.

VLP activity is located in the Rockford, St. Charles, Bloomington, Kankakee, Ottawa, Peoria, Rock Island, Waukegan, Henry, and Joliet offices. PSLS provides diverse opportunities for pro bono attorneys to volunteer, through clinics, attorney-client matches, and legal information. The Brief Service, Advice, and Referral Clinics are specialty or general advice clinics providing assistance with family law, bankruptcy, document preparation, advance directives, and other general civil issues. VLP works both alone and with other partners, such as local bar associations and corporate legal departments, to organize and promote clinics, which are staffed by private attorneys participating in the VLP effort. PSLS staff members conduct legal education programs to promote these services and interested persons can apply via PSLS. The volunteer attorneys conduct the clinics and prepare legal documents on site. PSLS may also prepare legal documents for the clinics.

The Attorney-Client Match Program is a traditional program that matches a client with an attorney for individual representation. Typically, the match results in extended representation; however, PSLS recently began referring cases to private attorneys for limited services. The match may be between a client and an individual attorney, or the match may be with a law firm that has agreed to accept a certain number of cases in a particular practice area. PSLS staff may prepare documents for a private attorney's review and execution. PSLS has also worked with the courts to establish legal self-help centers at county courthouses. The centers focus on a specific area of the law, such as foreclosure, and users of the centers are provided with legal information and referral services.

Finally, in Henry County, part of the Rock Island service area, contract legal assistance is provided by compensated private attorneys, who receive $85.00. PSLS advised that while Mercer County also has contract private attorney files, the program is somewhat defunct and, for the most part, a Rock Island private attorney will handle Mercer County private attorney files. The process for a contract case is the same for other private attorney cases except that, at the completion of a case in Henry County, a DR-1 form is sent to the central office requesting payment.

The Intake Process

The intake screening process for a private attorney case is no different from the intake process for a staff case. As discussed in Finding 2, intake is conducted by the TCP, or by the main or branch office, and these staff members will identify cases for the VLP based upon the written Case Acceptance Guidelines for each substantive case type and the county of an applicant's residence. If the case is appropriate for private attorney activity, an applicant will be interviewed, as discussed below, to determine suitability for referral, either to a private attorney or clinic placement. The decision to refer a case to an attorney or clinic will be made at group case meetings or by the Volunteer Coordinator depending upon the office location.

Clinic Services

The VLP clinics are either brief advice and referral clinics or specialty pro se document preparation clinics that focus on providing self-help in a particular area of the law, such as divorce, powers of attorneys, wills, or advance directives. Private attorneys provide legal assistance to clinic participants, as well as legal information and document preparation. The main and branch offices organize and operate the clinics. Participants are scheduled to attend clinics after completing the intake process. After services are provided, private attorneys complete a "disposition sheet" briefly describing the case and setting forth the legal advice or assistance provided. After the clinic, case information is entered into the ACMS by PAI staff members. Cases are excluded from CSR reporting if no assistance was provided. If assistance was provided, they are closed as a staff or PAI cases, depending upon whether staff members or private

attorneys provided the highest level of legal assistance. PSLS staff members assign case closure categories based on the information supplied in the disposition sheets and the file.

Attorney-Client Match

If an applicant is accepted for referral to a private attorney for services, he/she is mailed a packet of information that must be returned to PSLS before referral will be attempted. The packet includes an information letter and a copy of the Application for Legal Services and retainer agreement to execute. This retainer agreement properly advises the applicant that they will be the client of a volunteer attorney and that their representation is specifically limited. Additionally, some offices provide a questionnaire or pro se documents that must be completed prior to referral. Finally, some offices require the signing of a Referral Authorization Form. This document requires the applicant to acknowledge that no promise or guarantee has been made by the PSLS that a private attorney will be obtained to represent the applicant.

After receipt of these documents by PSLS, the case is placed with a private attorney by a telephone call and/or email. If placement is successful, the private attorney is mailed a referral packet that includes a referral letter, a copy of the PSLS executed retainer agreement, the Application for Legal Services, and when applicable, copies of documents, an Initial Contact Form, and a Final Report Form to complete and return. The Final Report Form requires private attorney to advise the Volunteer Coordinator if the has applicant appeared and, if so, to describe the legal services the private attorney will provide or has been provided to the client.

The Ottawa office handles the referral of applicants to private attorneys a little differently. The Ottawa office refers cases by sending the private attorney a letter containing an applicant's name, legal issue, and the name of the opposing party. The letter instructs the private attorney to advise the office if there is a conflict. If the private attorney does not respond within two (2) weeks, the applicant is sent a referral letter with instructions to contact the attorney for an appointment. The letter also advises the applicant that the private attorney has only agreed to an interview and has not yet accepted his/her case for representation. The private attorney is also sent a letter and an Acknowledgement Form; the letter instructs the private attorney not to charge the applicant any attorney's fees and advises the private attorney that he/she may decline to represent the applicant. The Acknowledgement Form requires the private attorney to indicate whether the applicant's case has been accepted, rejected, or if the applicant has made no contact with the office.

If the applicant does not contact private attorney to which they have been referred, ceases communication with the VLP, or if the case is resolved by affirmative steps taken by the applicant, and no further assistance is required, the case will be closed. The VLP staff member will review the available information and determine the level of assistance, if any, that was provided. The case will be excluded from the CSRs if no assistance was provided. If assistance was provided, the case will be closed as a staff or PAI case, depending upon which case handler provided the highest level of legal service. If the private attorney fails to remain in contact with the client, every effort will be made to secure another private attorney for the client. A "no contact" closing letter will be mailed to the applicant if a status check reveals that the applicant has not contacted the attorney.

Once a case is placed with a private attorney, it is set for a status review. The first status review may be scheduled anywhere from 15 days to five (5) months from the date it was placed with a private attorney. Each Volunteer Coordinator determines the timing of the status review based upon the nature of the case and knowledge of the court proceedings in the counties where served. To obtain the status of a case, the Volunteer Coordinator reviews the court website and telephones or emails case update requests to private attorneys on the assigned dates. Some offices use a Case Disposition Form

which obtains information concerning the last action taken and the date, the work remaining to be done, problems encountered needing VLP assistance, and the anticipated completion date. If the private attorney does not respond, the Volunteer Coordinator may walk to the private attorney's office or the local courthouse to get an update or to contact the client. If a Volunteer Coordinator is unable to find out the status of a case, that case will be closed based upon the information recorded in the file.

During the pendency of a case until closure, regular status reviews are scheduled. As described above, Volunteer Coordinators use a variety of methods to obtain status information, and at the conclusion of a case, the private attorneys are encouraged to complete a Final Report Form which documents the nature of the legal assistance provided, and to submit a copy of any court orders. Private attorneys are asked to check any of six (6) reasons for closing the case. Some offices use a Case Disposition Form. Upon closure, a Volunteer Coordinator or Managing Attorney assigns a case closure category based upon information contained in a case file, court website, Initial Contact Form, Case Disposition Form, Final Report Form, and/or based upon the staff member's knowledge of the case. When appropriate, a Volunteer Coordinator may contact a private attorney in order to obtain further information. PSLS may prepare closing letters and surveys for clients and private attorneys. Managing Attorneys review every file upon closure.

During the on-site review, it was noted that many cases accepted for divorce representation were placed on a wait list for some time before actually being referred to an attorney. For example, open Case No. 10-0289949 was opened on March 17, 2010; however, this case was not placed with an attorney until April 20, 2012. Additionally, closed 2012 Case No. 09-0262638 was opened November 17, 2009; however, this case placed with an attorney until April 20, 2010. Finally, closed 2011 Case No. 04-9004897 was opened June 11, 2004; however, this case was on the wait list for several years before it was resolved by negotiated agreement in 2010. Sampled cases indicated that while the wait lists are long in duration, the cases are not untimely. PSLS uses the date that the applicant is placed on the waiting list as the case acceptance date and performs oversight by obtaining status updates from the client concerning continued eligibility and continued need for legal assistance. PSLS then documents the reason the file remains open. In instances such as these, the preferable practice is to annotate the file consistent with the CSR Handbook (2008 Ed., as amended 2011), § 3.3(a)(ii), rather than create an artificial open date. PSLS practices satisfy the requirements of the CSR Handbook (2008 Ed., as amended 2011), § 3.3(a)(ii).

Conclusions:

Interviews with management and staff evidenced that the Volunteer Coordinators operate separate pro bono programs. There is little to no coordination between the offices' VLP programs. This has resulted in each office developing its own approaches to refer and place cases. Moreover, while offices have similar systems in place to periodically track the private attorneys' progress on cases, the case tracking forms, letters, documents, and the oversight process in each office is a little different. PSLS has maintained organizational consistency because each office complies with the instructions in the Operations Manual and Private Bar Involvement Plan for the placement and oversight of cases and the slightly different approaches were only developed in order to allow its Volunteer Coordinators to respond to unique local needs of the private bar in the areas served by the individual offices. Thus, the lack of coordination and similarity has not affected the quality of the services provided, as each office is strong and each Volunteer Coordinator has the flexibility to provide targeted and effective follow-up and oversight of VLP cases in the Volunteer Coordinator's service area.

Specifically, interviews and sampled files demonstrated that PSLS' PAI systems ensures that PAI cases are active and that current and accurate information is maintained within these files. As discussed in Finding 9, all cases allocated to the PAI component yielded evidence that legal

assistance was provided. As discussed above in Finding 11, only closed 2011 Case No. 08E-11000759 was identified as untimely closed.

PSLS is in compliance with 45 CFR Part 1614 which is designed to ensure that recipients of LSC funds involve private attorneys in the delivery of legal assistance to eligible clients.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 18: PSLS is in compliance with the requirements of 45 CFR Part 1627 which prohibits recipients from using LSC funds to pay membership fees or dues to any private or nonprofit organization. PSLS is also in compliance with approval of payments made to attorneys in excess of $25,000.00.

LSC has developed rules governing the transfer of LSC funds by recipients to other organizations. *See* 45 CFR § 1627.1. These rules govern subgrants, which are defined as any transfer of LSC funds from a recipient to an entity under a grant, contract, or agreement to conduct certain activities specified by or supported by the recipient related to the recipient's programmatic activities.[38] Except that the definition does not include transfers related to contracts for services rendered directly to the recipient, *e.g.*, accounting services, general counsel, management consultants, computer services, etc., or contracts with private attorneys and law firms involving $25,000 or less for the direct provision of legal assistance to eligible clients. *See* 45 CFR §§ 1627.2(b)(1) and (b)(2); *see also*, 48 *Federal Register* 28485 (June 2, 1983) and48 *Federal Register* 54207 (November 30, 1983).

All subgrants must be in writing and must be approved by LSC. In requesting approval, recipients are required to disclose the terms and conditions of the subgrant and the amount of funds to be transferred. Additionally, LSC approval is required for a substantial change in the work program of a subgrant, or an increase or decrease in funding of more than 10%. Minor changes of work program, or changes in funding less than 10% do not require LSC approval, but LSC must be notified in writing. *See* 45 CFR § 1627.3(a)(1) and (b)(3).

Subgrants may not be for a period longer than one (1) year, and all funds remaining at the end of the grant period are considered part of the recipient's fund balance. All subgrants must provide for their orderly termination or suspension, and must provide for the same oversight rights for LSC with respect to subrecipients as apply to recipients. Recipients are responsible for ensuring that subrecipients comply with LSC's financial and audit requirements. It is also the responsibility of the recipient to ensure the proper expenditure of, accounting for, and audit of the transferred funds. *See* 45 CFR § 1627.3(b)(1), (b)(2), (c), and (e).

LSC funds may not be used to pay membership fees or dues to any private or nonprofit organization, except that payment of membership fees or dues mandated by a governmental organization to engage in a profession is permitted. *See* 45 CFR § 1627.4. Nor may recipients make contributions or gifts of LSC

[38] Programmatic activities includes those that might otherwise be expected to be conducted directly by the Recipient, such as representation of eligible clients, or which provides direct support to a Recipient's legal assistance activities or such activities as client involvement, training or state support activities. Such activities would not normally include those that are covered by a fee-for-service arrangement, such as those provided by a private law firm or attorney representing a Recipient's clients on a contract or judicare basis, except that any such arrangement involving more than $25,000 is included.

funds. *See* 45 CFR § 1627.5. Recipients must have written policies and procedures to guide staff in complying with the regulations and shall maintain records sufficient to document the recipient's compliance. *See* 45 CFR § 1627.8.

The fiscal review of PSLS' accounting records for selected general ledger expenses that track and account for litigation expenses which include fees and dues payments from January 1, 2010 through June 15, 2012, disclosed that all non-mandatory dues and fees, including dues to National Legal Aid and Defender Association ("NLADA") were paid with non-LSC funds. The Fiscal Manager further advised that dues to the Attorney Registration and Disciplinary Commission were paid with LSC funds, as these dues are state mandated fees for attorneys. PSLS is in compliance with the requirements of 45 CFR § 1627.4(a).

Additionally, a limited fiscal review of PSLS' accounting records, related operating policies and procedures, the audited financial statements from January 1, 2010 through June 15, 2012, as well as discussions with members of fiscal management, disclosed compliance with the financial reporting requirements of 45 CFR § 1627.3. The review noted no evidence of payments to private attorneys that required subgrants, as none of the program's judicare attorneys had received payments approaching $25,000 for any year during the review period, or any exceptions or inconsistencies in this area. PSLS is in compliance with 45 CFR § 1627.2.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 19: Review of the recipient's policies and sampled files, as well as a limited review of fiscal and other records, and interviews with management and staff members, evidenced that PSLS is in compliance with 45 CFR Part 1635 (Timekeeping requirement).

The timekeeping requirement, 45 CFR Part 1635, is intended to improve accountability for the use of all funds of a recipient by assuring that allocations of expenditures of LSC funds pursuant to 45 CFR Part 1630 are supported by accurate and contemporaneous records of the cases, matters, and supporting activities for which the funds have been expended; enhancing the ability of the recipient to determine the cost of specific functions; and increasing the information available to LSC for assuring recipient compliance with Federal law and LSC rules and regulations. *See* 45 CFR § 1635.1.

Specifically, 45 CFR § 1635.3(a) requires that all expenditures of funds for recipient actions are, by definition, for cases, matters, or supporting activities. The allocation of all expenditures must satisfy the requirements of 45 CFR Part 1630. Time spent by attorneys and paralegals must be documented by time records which record the amount of time spent on each case, matter, or supporting activity. Time records must be created contemporaneously and account for time by date and in increments not greater than one-quarter of an hour which comprise all of the efforts of the attorneys and paralegals for which compensation is paid by the recipient. Each record of time spent must contain: for a case, a unique client name or case number; for matters or supporting activities, an identification of the category of action on which the time was spent. The timekeeping system must be able to aggregate time record information on both closed and pending cases by legal problem type. Recipients shall require any attorney or paralegal who works part-time for the recipient and part-time for an organization that engages in restricted activities to certify in writing that the attorney or paralegal has not engaged in restricted activity during any time for which the attorney or paralegal was compensated by the recipient or has not used recipient resources for restricted activities.

PSLS has a written policy governing time records.[39] This policy is in compliance with 45 CFR §§ 1635.3(b) and (c).

PSLS uses an automated time management system, Legal Server, that records and accounts for time spent by attorneys and paralegals who work on cases, matters, and supporting activities. The fiscal review of case handlers' timekeeping records sampled for the pay periods ending December 15, 2011 and June 30, 2012, disclosed that the records are electronically and contemporaneously kept. The time spent on each case, matter, or supporting activity is recorded in compliance with 45 CFR §§ 1635.3(b) and (c). Additionally, the review disclosed that each of the full-time attorneys and paralegals worked a minimum of 37.5 hours during the week in compliance with the recipient's work week requirement. The review further disclosed that PSLS obtained quarterly certifications for the four (4) workers employed by PSLS on a part-time basis during the review period.[40] However, one (1) quarterly certification was found to be post-dated and was not timely obtained.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 20: Sampled cases, as well as interviews with management and staff members, evidenced compliance with the requirements of 45 CFR Part 1642 (Attorneys' fees).

Prior to December 16, 2009, except as otherwise provided by LSC regulations, recipients could not claim, or correct and retain attorneys' fees in any case undertaken on behalf of a client of the recipient. *See* 45 CFR § 1642.3.[41] However, with the enactment of LSC's FY 2010 consolidated appropriation, the statutory restriction on claiming, collecting or retaining attorneys, fees was lifted. Therefore, at its January 30, 2010 meeting, the LSC Board of Directors took action to repeal the regulatory restriction on claiming, collecting or retaining attorneys' fees. Accordingly, effective March 15, 2010 recipients may claim, collect and retain attorneys' fees for work performed, regardless of when such work was performed.

LSC further determined that it will not take enforcement action against any recipient that filed a claim for, or collected or retained attorneys' fees during the period December 16, 2009 and March 15, 2010. Claims for, collection of, or retention of attorneys' fees prior to December 16, 2009 may, however, result in enforcement action. As well, the regulatory provisions regarding accounting for and use of attorneys' fees and acceptance of reimbursement remain in force and violation of these requirements, regardless of when they occur, may subject the recipient to compliance and enforcement action. *See* LSC Program Letters 09-3 (December 17, 2009) and 10-1 (February 18, 2010).

The limited fiscal review of PSLS' accounting records and a review of audited financial statements for 2010 and 2011 evidenced no instances in which PSLS recognized or reported the receipt of any attorneys'

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[39] *See* PSLS Policy on Timekeeping (February 11, 2012). Attorneys and paralegals are required to contemporaneously enter their time spent in increments in tenths of an hour (six (6) minute increments).

[40] The workers state that "pursuant to the requirements of 45 CFR§ 1635.3(d), (1) I certify that I have not engaged in any restricted activity during any time for which I was compensated by the Recipient, and (2) I have not used any program resources for any restricted activities." *See* 1635 Quarterly Certification for Part-time Case Handlers.

[41] The regulations defined "attorneys' fees" as an award to compensate an attorney of the prevailing party made pursuant to common law or Federal or State law permitting or requiring the award of such fees or a payment to an attorney from a client's retroactive statutory benefits. *See* 45 CFR § 1642.2(a).

fees or court-awarded payments for cases. Additionally, the sampled files reviewed did not contain a prayer for attorneys' fees. PSLS is in compliance with the requirements of 45 CFR Part 1642.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 21: Review of sampled files, as well as a limited review of fiscal and other records, and interviews with management and staff members evidenced compliance with the requirements of 45 CFR Part 1612 (Restrictions on lobbying and certain other activities). However, review of the recipient's policies evidenced that the Board-approved policy did not contain all required provisions.

The purpose of 45 CFR Part 1612 is to ensure that LSC recipients and their employees do not engage in certain prohibited activities, including representation before legislative bodies or other direct lobbying activity, grassroots lobbying, participation in rulemaking, public demonstrations, advocacy training, and certain organizing activities. This part also provides guidance on when recipients may participate in public rulemaking or in efforts to encourage State or local governments to make funds available to support recipient activities, and when they may respond to requests of legislative and administrative officials.

A limited fiscal and document review, a review of Semi-Annual Legislative and Administrative Activity submissions, and documentation supporting the Semi-Annual Reports during the review period, as well as interviews with management and staff members, was conducted to assess compliance with 45 CFR Part 1612. None of the sampled files evidenced that PSLS staff participated in any lobbying or other prohibited activities while engaged in legal assistance activities. Finally, a review of fiscal documentation and timekeeping records maintained by PSLS, pursuant to 45 CFR § 1612.6, evidenced compliance with 45 CFR § 1612.10.

At the time of the on-site review, PSLS had a written policy containing the 45 CFR Part 1612 restrictions and had implemented procedures which substantially comported with the regulation.[42] However, review revealed that paragraph IV(D)(1) of the policy should be revised because it omitted the required provisions 45 CFR §§ 1612.8(a)(2) and (4), which state that employees cannot support or conduct training programs that "encourage or facilitate the development of strategies to influence legislation or rulemaking" or "to train participants to engage in activities prohibited by the Act, other applicable law, or Corporation regulations, guidelines or instructions." [43]

Review of sampled files, as well as a limited review of fiscal and other records, and interviews with management and staff members evidenced compliance with the requirements of 45 CFR Part 1612 (Restrictions on lobbying and certain other activities). A review of the recipient's policy, however, evidenced that its Board of Director approved policy did not contain all required provisions. As a required corrective action, the DR directed PSLS to revise the policy on advocacy training to ensure that the policy conforms to 45 CFR §§ 1612.8(a)(2) and (4).

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[42] *See* PSLS Policy on Legislative and Administrative Advocacy (February 11, 2012). Staff members are required to complete the specified form, "Notice to Administrative Office of Permissible Administrative or Legislative Activities Pursuant to 45 CFR § 1612.6" for each legislative and administrative advocacy activity in which staff participates.

[43] *See* PSLS Policy on Legislative and Administrative Advocacy (February 11, 2012).

In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR §§ 1612.8(a)(2) and (4). These policies were adopted by the Board of Directors on February 9, 2013.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 12.

Finding 22: Review of sampled cases, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Parts 1613 and 1615 (Restrictions on legal assistance with respect to criminal proceedings and actions collaterally attacking criminal convictions).

Recipients are prohibited from using LSC funds to provide legal assistance with respect to a criminal proceeding. *See* 45 CFR § 1613.3. Nor may recipients provide legal assistance in an action in the nature of a habeas corpus seeking to collaterally attack a criminal conviction. *See* 45 CFR § 1615.1.

PSLS has a written policy containing the 45 CFR Parts 1613 and 1615 restrictions which comports with the Regulations.[44]

None of the sampled files reviewed involved legal assistance with respect to a criminal proceeding or a collateral attack in a criminal conviction. Interviews with management and staff members also confirmed that PSLS is not involved in this prohibited activity.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 23: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1617 (Class actions).

Recipients are prohibited from initiating or participating in any class action. *See* 45 CFR § 1617.3. The regulations define "class action" as a lawsuit filed as, or otherwise declared by a court of competent jurisdiction, as a class action pursuant Federal Rules of Civil Procedure, Rule 23, or comparable state statute or rule. *See* 45 CFR § 1617.2(a). The regulations also define "initiating or participating in any class action" as any involvement, including acting as co-counsel, amicus curiae, or otherwise providing representation relative to the class action, at any stage of a class action prior to or after an order granting relief. *See* 45 CFR § 1617.2(b)(1).[45]

[44] *See* PSLS Policy on Legal Assistance Regarding Criminal Proceedings and Restrictions on Actions Collaterally Attacking Criminal Convictions (February 11, 2012).

[45] It does not, however, include representation of an individual seeking to withdraw or opt out of the class or obtain the benefit of relief ordered by the court, or non-adversarial activities, including efforts to remain informed about, or to explain, clarify, educate, or advise others about the terms of an order granting relief. *See* 45 CFR § 1617.2(b)(2).

PSLS has a written policy concerning the initiation or participation in a class action lawsuits as required by 45 CFR Part 1617.[46]

None of the sampled files reviewed involved initiation or participation in a class action. Interviews with management and staff members, as well as review of the recipient's policies also confirmed that PSLS is not involved in this prohibited activity and is in compliance with the requirements of 45 CFR Part 1617.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 24: Review of sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1632 (Redistricting). However, some revisions to PSLS' policy were warranted to demonstrate compliance with 45 CFR Part 1632.

Recipients may not make available any funds , personnel, or equipment for use in advocating or opposing any plan or proposal, or representing any party, or participating in any other way in litigation, related to redistricting. *See* 45 CFR § 1632.3.

At the time of the on-site review, PSLS had a written policy containing the 45 CFR Part 1632 restrictions and had implemented procedures which substantially comport with the Regulation.[47] However, review revealed that it should be revised because it omitted required provision 45 CFR §1632.3(a), which states that the recipient cannot make available *any funds* for use in advocating or opposing any plan or proposal for redistricting.

None of the sampled files reviewed involved initiation or participation in redistricting activities. Interviews with management and staff members confirmed that PSLS is not involved in this prohibited activity. A review of the recipient's policies, however, evidenced that its Board of Director approved policy does not contain all required provisions. As a required corrective action, the DR directed PSLS to revise its policy on redistricting to ensure the policy conforms to 45 CFR § 1632.3(a).

In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR § 1632.3(a). These policies were adopted by the Board of Directors on February 9, 2013.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 13.

Finding 25: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1633 (Restriction on representation in certain eviction proceedings).

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[46] *See* PSLS Policy on Class Actions (February 11, 2012).
[47] *See* PSLS Policy on Redistricting (February 11, 2012).

Recipients are prohibited from defending any person in a proceeding to evict the person from a public housing project if the person has been charged with, or has been convicted of, the illegal sale, distribution, manufacture, or possession with intent to distribute a controlled substance, and the eviction is brought by a public housing agency on the basis that the illegal activity threatens the health or safety or other resident tenants, or employees of the public housing agency. *See* 45 CFR § 1633.3.

PSLS has a written policy governing the defense of certain eviction proceedings as required by 45 CFR Part 1633.[48]

None of the sampled files reviewed involved defense of any such eviction proceeding. Interviews with management and staff members, as well as review of the recipient's policies, confirmed that PSLS is not involved in this prohibited activity and is in compliance with the requirements of 45 CFR Part 1633.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 26: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1637 (Representation of prisoners).

Recipients may not participate in any civil litigation on behalf of a person incarcerated in a federal, state, or local prison, whether as plaintiff or defendant; nor may a recipient participate on behalf of such incarcerated person in any administrative proceeding challenging the condition of the incarceration. *See* 45 CFR § 1637.3.

PSLS has a written policy governing the representation of incarcerated persons as required by 45 CFR Part 1637.[49]

None of the sampled files reviewed involved participation in civil litigation or administrative proceedings on behalf of incarcerated persons. Interviews with management and staff members, as well as review of the recipient's policies, confirmed that PSLS is not involved in this prohibited activity and is in compliance with the requirements of 45 CFR Part 1637.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 27: Review of sampled files evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1638 (Restriction on solicitation). However, interviews with management and staff members identified a compliance concern and further improvement was recommended. Review of

[48] *See* PSLS Policy on Representation in Certain Eviction Proceedings (February 11, 2012). This policy provides that staff members are required to complete a specified form, for each case accepted involving the allegation of drug sale, distribution or manufacture, or possession with intent to sell or distribute and in in which representation is permissible.

[49] *See* PSLS Policy on Representation of Incarcerated Persons (February 11, 2012). This policy provides that staff members are required to complete a specified form, "Request for Approval for Continued Representation of Incarcerated Client" for each case accepted involving an incarcerated client.

the recipient's policies evidenced that its Board of Director's approved policy did not contain all required provisions, however, the necessary improvements were made.

In 1996, Congress passed, and the President signed, the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (the "1996 Appropriations Act"), Pub. L. 104-134, 110 Stat. 1321 (April 26, 1996). The 1996 Appropriations Act contained a new restriction which prohibited LSC recipients and their staff from engaging a client which it solicited.[50] This restriction has been contained in all subsequent appropriations acts. This restriction is a strict prohibition from being involved in a case in which the program actually solicited the client. As stated clearly and concisely in 45 CFR § 1638.1: "[t]his part is designed to ensure that recipients and their employees do not solicit clients."

None of the sampled files reviewed evidenced solicitation. However, interviews with staff concerning PSLS' outreach efforts at the Public Action to Deliver Shelter ("PADS") raised a compliance concern. During the on-site review, OCE interviewed the PSLS attorney responsible for conducting the non-LSC funded outreach services at PADS. The attorney reported that persons who are interested in receiving legal services place their name on a sign-up sheet maintained at PADS. During the weekly outreach, the PSLS attorney meets with the applicants on the list. He determines conflict, financial, citizenship, and priority eligibility. Eligible clients are then provided with legal assistance, which is typically limited services. The PSLS attorney indicated that during the summer months the number of people seeking assistance is significantly lower than during the winter months. The attorney indicated that if he is not busy he will walk around PADS and engage residents in conversation with the intent of determining whether they have a legal problem. If, during the conversation, the resident discloses a problem legal in nature, the attorney informs him that he is available to assist him with this legal problem. The attorney indicated that this practice is helpful because many residents are not familiar with the legal system and many residents suffer from mental illnesses. He further indicated that PADS residents often lack an understanding of the type of problems that have legal solutions which can be addressed by the provision of legal services by PSLS.

The on-site review found that the attorney's practice of targeting and approaching potential clients for the specific purpose of providing legal assistance is an "in-person unsolicited advice" activity. LSC regulation defines unsolicited advice as face-to-face encounters with potential clients for the purpose of advising them to take legal action.[51] While the on-site review did not find evidence that PSLS represented clients as a result of in-person unsolicited advice activities, in the DR, PSLS was reminded that LSC prohibits PSLS and its employees from representing clients in these instances or referring them to other LSC recipients.[52] Accordingly, and as OCE noted in the DR, PSLS should refrain from engaging in these activities and may not, consistent with 45 CFR § 1638.3, represent or refer to other LSC recipients persons to whom they have given in-person unsolicited advice.

At the time of the on-site review, PSLS had a written policy containing the 45 CFR Part 1638 restrictions and had implemented procedures which substantially comported with the regulation.[53] However, review revealed that this policy should be revised because it omitted a required provision of 45 CFR § 1638.3(b), which is that the recipient and their employees are also prohibited from referring to other recipients individuals to whom they have given in-person unsolicited advice. As a required corrective action, the DR directed PSLS to revise its policy on solicitation to ensure the policy conforms to 45 CFR § 1638.3(b).

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[50] *See* Section 504(a)(18).
[51] *See* 45 CFR § 1638.2 and the Office of Legal Affairs ("OLA") External Opinion EX-2003-1011 (July 9, 2003).
[52] *See* 45 CFR § 1638.3.
[53] *See* PSLS Policy Restrictions on Solicitation (February 11, 2012).

In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR § 1638.3(b). These policies were adopted by the Board of Directors on February 9, 2013.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 14.

Finding 28: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of 45 CFR Part 1643 (Restriction on assisted suicide, euthanasia, and mercy killing).

No LSC funds may be used to compel any person, institution or governmental entity to provide or fund any item, benefit, program, or service for the purpose of causing the suicide, euthanasia, or mercy killing of any individual. Nor may LSC funds be used to bring suit to assert, or advocate, a legal right to suicide, euthanasia, or mercy killing, or advocate, or any other form of legal assistance for such purpose. *See* 45 CFR § 1643.3.

PSLS has a written policy governing the restrictions on assisted suicide, euthanasia, and mercy killing as required by 45 CFR Part 1643.[54]

None of the sampled files reviewed evidenced involvement in these activities. Interviews with management and staff members, as well as review of the recipient's policies also confirmed that PSLS is not involved in this prohibited activity and is, therefore, in compliance with the requirements of 45 CFR Part 1643.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 29: Review of the recipient's policies and sampled files, as well as interviews with management and staff members, evidenced that PSLS is in compliance with the requirements of certain other LSC statutory prohibitions (42 USC 2996f § 1007 (a) (8) (Abortion), 42 USC 2996f § 1007 (a) (9) (School desegregation litigation), and 42 USC 2996f § 1007 (a) (10) (Military selective service act or desertion).

Section 1007(b) (8) of the LSC Act prohibits the use of LSC funds to provide legal assistance with respect to any proceeding or litigation which seeks to procure a non-therapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution. Additionally, Public Law 104-134, Section 504 provides that none of the funds appropriated to LSC may be used to provide financial assistance to any person or entity that participates in any litigation with respect to abortion.

Section 1007(b) (9) of the LSC Act prohibits the use of LSC funds to provide legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school

[54] *See* PSLS Policy Restrictions on Assisted Suicide, Euthanasia, and Mercy Killing (February 11, 2012).

or school system, except that nothing in this paragraph shall prohibit the provision of legal advice to an eligible client with respect to such client's legal rights and responsibilities.

Section 1007(b) (10) of the LSC Act prohibits the use of LSC funds to provide legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act or of desertion from the Armed Forces of the United States, except that legal assistance may be provided to an eligible client in a civil action in which such client alleges that he was improperly classified prior to July 1, 1973, under the Military Selective Service Act or prior law.

PSLS has a written policy governing the restrictions on abortion, school desegregation litigation, and military selective service as required by 42 USC 2996f § 1007 (a) (8), 42 USC 2996f § 1007 (a) (9), and 42 USC 2996f § 1007 (a) (10).[55]

None of the sampled files evidenced involvement with these prohibited activities. Interviews with management and staff members confirmed that PSLS is not involved in the aforementioned prohibited activities and is in compliance with these requirements.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 30: A limited review of the signed written statements evidenced that PSLS is in compliance with the requirements of 45 CFR § 1620.6.

45 CFR § 1620.6 requires staff who handle cases or matters, or make case acceptance decisions, sign written agreements indicating they have read and are familiar with the recipient's priorities, have read and are familiar with the definition of an emergency situation and procedures for dealing with an emergency, and will not undertake any case or matter for the recipient that is not a priority or an emergency.

Interviews with the Executive Director and a limited review of signed written agreements evidenced that PSLS is in compliance with the requirements of 45 CFR § 1620.6.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 31: Review of the recipient's policies evidenced compliance with the requirements of 45 CFR Part 1644 (Disclosure of case information).

In accordance with 45 CFR Part 1644, recipients are directed to disclose to LSC and the public certain information on cases filed in court by their attorneys. 45 CFR § 1644.3 requires that the following information be disclosed for all actions filed on behalf of plaintiffs or petitioners who are clients of the recipient:

a. the name and full address of each party to a case, unless the information is protected by an order or rule of court or by State or Federal law, or the recipient's attorney reasonably believes that revealing such information would put the client of the recipient at risk of physical harm;
b. the cause of action;

[55] *See* PSLS Policy Restrictions on Other Prohibited Cases (February 11, 2012).

c. the name and full address of the court where the case is filed; and
d. the case number assigned to the case by the court.

PSLS has a written policy governing the disclosure of case information as required by 45 CFR Part 1644.[56] The review disclosed that PSLS' policy concerning the submission of these reports is in compliance with 45 CFR Part 1644.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 32: A limited review of PSLS' internal control policies and procedures demonstrated that they compare favorably to the elements outlined in Chapter 3 - Internal Control/Fundamental Criteria of an Accounting and Financial Reporting System of the Accounting Guide for LSC Recipients (2010 Ed.). However, a few exceptions were noted and further improvement was required.

In accepting LSC funds, recipients agree to administer these funds in accordance with requirements of the Legal Services Corporation Act of 1974 as amended (Act), any applicable appropriations acts and any other applicable law, rules, regulations, policies, guidelines, instructions, and other directives of the LSC, including, but not limited to, LSC Audit Guide for Recipients and Auditors, Accounting Guide For LSC Recipients (2010 Ed.), the CSR Handbook, the LSC Property Acquisition and Management Manual, and any amendments to the foregoing. Applicants agree to comply with both substantive and procedural requirements, including recordkeeping and reporting requirements.

An LSC recipient, under the direction of its board of directors, is required to establish and maintain adequate accounting records and internal control procedures. Internal control is defined as a process effected by an entity's governing body, management and other personnel, designed to provide reasonable assurances regarding the achievement of objectives in the following categories: (1) Effectiveness and efficiency of operations; (2) Reliability of financial reporting; and (3) Compliance with applicable laws and regulations. *See* Chapter 3 of the Accounting Guide for LSC Recipients (2010 Edition).

The Accounting Guide for LSC Recipients provides guidance on all aspects of fiscal operations and the 2010 edition has a significantly revised Accounting Procedures and Internal Control Checklist that provides guidance to programs on how accounting procedures and internal control can be strengthened and improved with the goal of eliminating, or at least reducing as much as reasonably possible, opportunities for fraudulent activities to occur.

<u>PSLS Fiscal Structure and Operating Systems</u>

Fiscal Structure

PSLS' fiscal department consists of the Director of Finance, who has overall fiscal and accounting responsibilities, the Fiscal Manager, and the Benefits and Payables Administrator. The Director of Finance reports to the Executive Director of PSLS.

Pursuant to the recommendations contained in the Accounting Guide for LSC Recipients (2010 Ed.), Chapter 1, Section 1-7, PSLS maintains both a Finance Committee and a separate Audit Committee. A member of the Finance Committee possesses financial expertise. The Finance Committee meets

[56] *See* PSLS Policy on Case Disclosure (February 11, 2012).

throughout the year while the Audit Committee meets at least once a year. The Director of Finance distributes financial reports, which includes an overview of PSLS' monthly and year-to-date financials (including cash and investments), and an updated budget (planned versus actual) for review and consideration by its Board of Directors and the management team. A limited review of PSLS' policies, as well as interviews with its Director of Finance, determined that the Finance and Audit Committees jointly perform each of the responsibilities of a financial oversight committee, as described in the Accounting Guide for LSC Recipients (2010 Ed.), Chapter 1, Section 1-7.

The establishment of separate Finance and Audit Committees and the placement of a person who possesses financial expertise on these committees has been identified as a best practice indicator in the Accounting Guide for LSC Recipients (2010 Ed.), Chapter 1, Section 1-7 (Responsibilities of the Financial Oversight Committee(s)).

A limited review of PSLS Board of Director Finance Committee structure demonstrated that the program's policies and procedures compare favorably to the elements outlined in Chapter 1 – Responsibilities of the Financial Oversight Committee(s) of the Accounting Guide for LSC Recipients (2010 Ed.).

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Operating Systems

PSLS uses HK Pay for payroll services, the Razor's Edge software for cash receipts and revenues, the Financial Edge for accounting software, and Legal Server for case and time management software.

PSLS has developed a comprehensive Accounting and LSC Compliance Manual which sets forth the internal control procedures, the accounting policies and procedures, and the fiscal duties and responsibilities of PSLS Board of Directors and staff. These Manuals include the fiscal forms used to implement these activities. The review demonstrated that PSLS reviews its Accounting Manual regularly with the last review having been completed in November 2011. A limited fiscal review of the Accounting Manual identified a small inconsistency relating to the methodology used to allocate costs for projects. The Accounting Manual provided that "[a]ttorneys' and paralegals' salaries are allocated by the hour based upon the number of hours *budgeted* for staff;" however, PSLS practice is to allocate the salaries based upon the *actual* hours worked.[57]

As a required corrective action, the DR directed PSLS to revise its Accounting Manual to reflect the project cost allocation methodology it uses, which is to allocate attorney and paralegal salaries based upon actual hours worked rather than budgeted hours.

In its comments to the DR, PSLS noted that it has corrected and revised the small inconsistency in its Accounting Manual so that it now reflects PSLS' practice of allocating attorney and paralegal salaries based upon the actual hours worked rather than budgeted hours.

Accordingly, and based upon the comments to the DR, as well as a review of the attachments submitted to OCE with the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 15.

[57] *See* PSLS Accounting Manual (November 2011) at page 21.

Internal Controls and Documentation

A limited fiscal review assessed whether PSLS has in place a system of authorizations and approvals that require appropriate managerial approval for all significant actions and financial transactions of the organization consistent with the Accounting Guide for LSC Recipients (2010 Ed.), Appendix VII, Section A(1), (Accounting Procedures and Internal Controls). The review found that PSLS has in place internal controls and maintains appropriate documentation; however, a few exceptions were identified, and improvement was required, as noted below:

Segregation of Duties

As part of the fiscal review, interviews were conducted with fiscal staff members, limited reviews of the fiscal policies and procedures were completed, credit card payments for January, March, May, and June of 2012 were sampled and reviewed, and PSLS' responses to the LSC Internal Control Worksheet were analyzed so as to identify internal control deficiencies within the financial operations. The limited fiscal review indicated that PSLS maintains sufficient staffing assignments and has in place sufficient management oversight to provide adequate segregation of fiscal duties and responsibilities. For example, the on-site review found that fiscal duties are divided between physical control and the recordkeeping responsibility so that no single individual can independently initiate, execute, and record a financial transaction.

While the review compared favorably to the Accounting Guide for LSC Recipients (2010 Ed.), two (2) weaknesses in PSLS' internal controls as they relate to segregation of duties were identified within the financial operations. The Internal Controls Worksheet disclosed that that PSLS did not perform surprise counts and did not perform internal audits of its petty cash reserves. Both of these activities are recommended in the Accounting Guide for LSC Recipients (2010 Ed.), Appendix VII, Section K-13 (Petty Cash Controls), thus further improvement was required.

As a required corrective action, the DR directed PSLS to strengthen its internal controls and ensure the adequate segregation of duties.

In its comments to the DR, PSLS noted that it has revised its policies to provide for surprise counts and for internal audits. PSLS' Accounting Manual was revised to require administrative staff to audit office petty cash funds on an unscheduled and surprise basis. PSLS' Operations Manual was further revised to enable the Finance Director or his/her designee to make surprise audits of the petty cash fund at any time.

Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 16.

Bank Reconciliations

The Accounting Guide for LSC Recipients (2010 Ed.) recommends that bank statement reconciliations to the general ledger should be conducted on a monthly basis and should be reviewed and approved by a responsible individual.[58] The review must be appropriately documented, signed, and dated.

PSLS maintains numerous bank accounts which are used for various purposes including its main operating account, money market investment accounts, and a separate trust and litigation account for each of its

[58] *See* The Accounting Guide for LSC Recipients (2010 Ed.), Section 3-5.1 (Fundamental Criteria: Control, Roles and Responsibilities, Reconciliations) at page 31.

offices. The on-site review determined that the bank statement reconciliation process is performed monthly and is consistent with the recommendations contained in the Accounting Guide for LSC Recipients (2010 Ed.). The Director of Finance indicated that the Executive Director receives the unopened bank statements and performs an initial review. The Fiscal Manager then reconciles the bank statements using the Financial Edge software which records the date of the review. The Director of Finance then reviews the monthly bank statement reconciliation and reconciles the balances to the General Ledger. The Executive Director reviews the Director of Finance's final reconciliation. A limited review of PSLS' bank statement reconciliations from December 2011 and May 2012 revealed that the bank statements are reconciled timely and that the review is appropriately documented.

A limited review of PSLS' bank statement reconciliations from December 2011 and May 2012 demonstrated that PSLS' policies and procedures compare favorably to the elements outlined in Chapter 3 – Internal Controls/Fundamental Criteria of an Accounting and Financial Reporting System, Section 3-5.1 of the Accounting Guide for LSC Recipients (2010 Ed.).

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Stale Check Reviews

The Accounting Guide for LSC Recipients (2010 Ed.), Appendix VII, §, I(7), recommends that all checks outstanding for over six (6) months should be resolved. A limited review of PSLS' bank statement reconciliations from December 2011 and May 2012 identified that PSLS did not perform stale check reviews for its litigation accounts (although it timely clears checks from its general operating accounts); thus PSLS does not have procedures in place to resolve outstanding checks in its litigation accounts.

As a required corrective action, the DR directed PSLS to develop and implement reconciliation procedures for all accounts (bank and litigation) that include a review for stale dated checks over six (6) months old and such procedures must include a method by which such stale checks may be investigated and resolved.

In its comments to the DR, PSLS noted that it has revised its litigation and trust bank account reconciliation forms to include a review of check dates. The Operations Manual, 26.10 (C), however, was revised to include a review of checks which had been outstanding for 12 months or longer rather than a review of checks which had been outstanding for six (6) months or longer, as was specified in the corrective action item. After receipt of the comments to the DR, OCE reminded PSLS of this inconsistency and PSLS agreed to further revise its Operations Manual, which it did. A copy of the revised Operation was provided to OCE via email on March 4, 2013.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of its Accounting and Operations Manual (March 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 17.

Cash Receipts

A limited review of PSLS' responses to the Cash Receipts portion of the Internal Control Worksheet revealed no exceptions.

PSLS is in compliance with the Accounting Guide for LSC Recipients (2010 Ed.), (Accounting Procedures and Internal Controls) with regard to cash receipts.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Cost Standards and Procedures

The Accounting Guide For LSC Recipients (2010 Ed.), Appendix VII, Section G-3 (Accounting Procedures and Internal Controls) requires that recipients timely review and pay vendor charge account transactions, avoid finance charges and late fees, and maintain such supporting documentation that will validate disbursements.

A limited review of the vendor list from list from January 1, 2010 until June 15, 2012, and a review of 38 invoices from 14 vendors disclosed that, without exception, PSLS' vendor payment practices are consistent with the Accounting Guide for LSC Recipients (2010 Ed.), Appendix VII, Section G-3 (Accounting Procedures and Internal Controls).

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

Finding 33: A limited review of PSLS' policies and a limited observation of the recipient's offices demonstrated that PSLS takes adequate precautions to safeguard its automated information and data.

PSLS has written disaster planning procedures which address the safeguarding of data (case related, fundraising, payroll, and accounting data) for the purpose of preventing loss of data in the event of equipment failure, destruction or disaster.[59] Pursuant to these procedures, PSLS servers are backed up daily. Back up is accomplished by placing the tapes into the server. Every office has six (6) tapes. The tapes are labeled Monday, Tuesday, Wednesday, Thursday, Friday #1, and Friday #2. Staff insert the appropriately labeled tape each day, and record over the information which was recorded the previous week. The Friday tapes are alternated every week. The tapes produced Monday through Thursday are kept in a fire and water proof container in the local and main office. The container is located in an office separate from the office location of the server. After the full back-up on Friday, the tapes are placed into safety deposit storage boxes at local banks or other designated locations. Each office has two (2) or more staff members responsible for backing up data, so that when one (1) person is on leave, the backup is still performed.

A limited observation of PSLS main and branch offices demonstrated that PSLS maintained fire and water proof containers in these offices and implemented its technology safety procedures to safeguard its automated information and data consistent with PSLS policy and procedure.

There are no recommendations or corrective actions required. PSLS provided no comments in response to this Finding.

[59] *See* PSLS Operations Manual, Section 47.8 (June 18, 2012)

IV. RECOMMENDATIONS[60]

Consistent with the findings of this report, it is recommended that PSLS implement the following recommended actions:

1. Program its ACMS to alert staff when data fields are incomplete and revise its Compliance Checklist to require identification and review of missing data during compliance reviews;

   PSLS intends to implement this recommendation.

2. Modify its ACMS, its intake forms, and its intake practices to ensure that the inquiry into every applicant's reasonable income prospects is consistent with 45 CFR § 1611.7(a)(1) (re: increases and decreases);

   PSLS has implemented this recommendation.

3. Modify its paper intake Application for Legal Services to include all sources of income required by 45 CFR § 1611.2(i) and all authorized exceptions as set forth in its Financial Eligibility Policy and modify its ACMS to reflect the exception for medical or nursing home expenses set forth in its Financial Eligibility Policy;

   PSLS has implemented this recommendation.

4. Provide training to staff on the program's policies regarding 45 CFR § 1611.5 (exceptions to annual income ceiling) and 45 CFR § 1611.7(a) (reasonable income prospects);

   PSLS has implemented this recommendation.

5. Develop additional procedures for obtaining written citizenship attestations, when required, such as developing an "Opening Compliance Checklist" to note whether the citizenship or eligible alien status documentation has been obtained, the date on which it was obtained, and whether it is signed and present in the file;

   PSLS has implemented this recommendation.

6. Develop additional oversight methods and practices for obtaining and documenting citizenship and/or eligible alien status;

   PSLS has implemented this recommendation.

[60] Items appearing in the "Recommendations" section are not enforced by LSC and therefore the program is not required to take any of the actions or suggestions listed in this section. Recommendations are offered when useful suggestions or actions are identified that, in OCE's experience, could help the program with topics addressed in the report. Often recommendations address potential issues and may assist a program to avoid future compliance errors. By contrast, the items listed in "Required Corrective Actions" must be addressed by the program, and will be enforced by LSC.

7. Develop additional periodic compliance monitoring procedures to ensure the consistent, accurate, and timely completion of retainer agreements;

   PSLS has implemented this recommendation.

8. Provide training to staff consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011) and prepare a Reference Guide which will be an accessible reminder of appropriate case closure categories when staff close files and assign case closure categories;

   PSLS has implemented this recommendation.

9. Revise its procedures for the provision of legal assistance in fee-generating cases consistent with the requirements of 45 CFR Part 1609 and provide training to its staff consistent with the revised procedures; and

   PSLS has implemented this recommendation.

10. Incorporate the 45 CFR § 1610.5 (Notification) restriction provisions into any request for funding.

    PSLS has not been able to fully implement this recommendation because some on-line funding requests do not permit PSLS to provide a funder notification letter.

V. REQUIRED CORRECTIVE ACTIONS

Consistent with the findings of this report, PSLS is required to implement the following corrective actions:

1. Ensure that the ACMS information necessary for the effective management of cases is accurately and timely recorded so that congruence is maintained between the information in the case files and the ACMS;

   In its comments to the DR, PSLS noted that it has taken a number of actions designed to ensure that the information necessary for the effective management of cases is accurately and timely recorded in the ACMS. PSLS explained that it located the source of the "date open" errors and corrected this problem by programming its ACMS to require staff to select an open date before a case may be closed. PSLS now generates ACMS reports to identify cases without open dates and funding codes.

   Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 1.

2. Ensure that all cases contain evidence of reasonable income prospects screening consistent with 45 CFR § 1611.7(a);

   In its comments to the DR, PSLS noted that it has taken a number of remedial actions designed to maintain consistency and bring its income eligibility screening into compliance with LSC regulations. To this end, PSLS modified its ACMS, paper intake forms, and intake practices to ensure the screening of reasonable increases and decreases in income prospects, as well as having conducted mandatory reasonable income prospects training for its entire staff. PSLS has also modified its paper intake forms to ensure the screening of all categories of income that is required by LSC regulation and PSLS policy. Finally, PSLS has modified its ACMS Pre-Intake Screen and paper intake forms to indicate the exception for medical or nursing home expenses authorized by 45 CFR § 1611.5(a).

   Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 2.

3. Ensure that all cases contain evidence of income screening consistent with 45 CFR § 1611.2(i) and all authorized exceptions as set forth in its Financial Eligibility Policy;

   In its comments to the DR, PSLS noted that it has modified its paper intake forms to ensure the screening of all categories of income required by LSC regulation and PSLS policy. PSLS also modified its ACMS Pre-Intake Screen and paper intake forms to indicate the exception for medical or nursing home expenses authorized by 45 CFR § 1611.5(a) and has provided mandatory training to staff.

   Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 3.

4. Revise its policies consistent with 45 CFR § § 1611.5, 1611.3(b), 1611.2(i), 1611.4(c), and 1611.5(a)(4)(iv);

   In its comments to the DR, PSLS noted that its Board of Directors has adopted revised Financial Eligibility Policies that now include "other regular sources of financial support that are currently and actually available to the applicant" and that child care expenses may only be considered if they are "necessary for employment, job training, or educational activities in preparation for employment." The Board of Directors also reviewed whether the income eligibility standards of TANF, SSI, and Food Stamps programs (now known as SNAP) were at or below 125 % the FPG and whether these programs' maximum asset ceiling limits were at or below Board-approved asset ceilings pursuant to 45 CFR § 1611.4(c). Based on this review, the PSLS Board of Directors determined that the Food Stamps program failed to satisfy LSC regulatory criteria and adopted revised Financial Eligibility Policies that omit the receipt of food stamps from the government benefits exception. PSLS' Financial Eligibility Policies specify "that only individuals and groups determined to be financially eligible under its financial eligibility policies and LSC regulations may receive legal assistance supported with LSC funds." PSLS further modified its ACMS and paper intake forms consistent with its revised policies and has provided its staff with training on these revised policies, ACMS changes, and forms.

   Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, as well as a review of its presentation materials and the minutes from the Board of Directors' meeting held on February 9, 2013, PSLS has taken sufficient action designed to implement Required Corrective Action item 4.

5. Ensure that assets are screened in a manner consistent with its Board of Director's intent (re: homestead real estate value) or amend its policies reflect to reflect staff screening practices (re: principal residence);

   In its comments to the DR, PSLS noted that it revised its Financial Eligibility Policies to exempt the value of principal residences. The Financial Eligibility Policies were adopted by the PSLS Board of Directors on September 8, 2012.

   Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, as well a review of its LSC Compliance Manual (February 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 5.

6. Ensure that all cases contain executed citizenship attestations or alien eligibility documentation, as required by 45 CFR §§ 1626.6 and 1626.7 and ensure that a citizenship attestation is obtained for every client with whom there is in-person contact;

   In its comments to the DR, PSLS noted that it has revised its Operations Manual and ACMS compliance page to require staff to scan all citizenship/alien documentation into the ACMS for easy storage and retrieval. PSLS has provided mandatory training for its entire staff on this issue. PSLS has additionally retained a vendor to assist with an ACMS modification that will ensure that timely and dated attestation forms are obtained.

Accordingly, and based upon the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 6.

7. Ensure all files contain retainer agreements when required pursuant to 45 CFR § 1611.9, ensure that cases without a retainer, if otherwise eligible and properly documented, are reported to LSC, and must modify Question 2 of its ACMS CSR Determination page consistent with the retainer requirements of 45 CFR § 1611.9;

   In its comments to the DR, PSLS noted that it has modified Question 2 on its ACMS compliance page to require staff to include cases in the CSRs even when the files lack retainer agreements. PSLS has also provided mandatory training for its entire staff concerning the reporting of cases without retainer agreements.

   Accordingly, and based upon the comments to the DR, as well as review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 7.

8. Ensure the correct assignment of case closure categories consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed., as amended 2011);

   In its comments to the DR, PSLS noted that it has adopted OCE's recommendation regarding the use of reference guides to alert staff to the appropriate case closure categories during case closings. PSLS has created "hover screens" in its ACMS that mirror the language of the CSR Handbook (2008 Ed., as amended 2011) and has provided mandatory training for its entire staff concerning case closure categories.

   Accordingly, and based upon the comments to the DR, as well as review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 8.

9. Ensure that PSLS does not use LSC funds to provide legal assistance in fee-generating cases unless the requirements of 45 CFR Part 1609 are met;

   In its comments to the DR, PSLS noted that it will support its permissible 45 CFR Part 1609 activities with non-LSC funds. A new "LTF-Potential Fee Generating" funding code has been created to identify the proper funds to support these activities and PSLS has provided mandatory training for its entire staff on this issue.

   Accordingly, and based upon the comments to the DR, as well as a review of its presentation materials, PSLS has taken sufficient action designed to implement Required Corrective Action item 9.

10. Allocate the salaries of attorneys and paralegals based on total workable hours rather than actual hours when determining the cost allocation for the PAI effort;

    In its comments to the DR, PSLS noted that it revised its procedures and now allocates the salaries of attorneys and paralegals to its PAI effort based on total workable hours.

Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 10.

11. Ensure that all funding sources of $250 or more be provided with a notification letter pursuant to 45 CFR § 1610.5;

    In its comments to the DR, PSLS noted that it has revised its procedures. PSLS' comments indicated that the program was entering receipts of grants or contributions above $250 into its fundraising database and using this database to generate funder notification letters. After receipt of the comments to the DR, OCE reminded PSLS that the required 45 CFR § 1610.5 notification applies to funding sources of $250 *or more* and not to contributions above $250. On March 4, 2013, PSLS notified OCE, via email, that it has modified its Operations Manual to reflect that the required 45 CFR § 1610.5 notifications apply to funding sources of $250 *or more*.

    Accordingly, and based upon the comments to the DR, as well as a review of its revised Operations Manual (February 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 11.

12. Revise its Policy on Legislative and Administrative Activities to ensure the policy conforms to 45 CFR §§ 1612.8(a)(2) and (4);

    In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR §§ 1612.8(a)(2) and (4). These policies were adopted by the Board of Directors on February 9, 2013.

    Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 12.

13. Revise its Policy on Redistricting to ensure the policy conforms to 45 CFR § 1632.3(a), which states that the recipient cannot make available *any funds* for use in advocating or opposing any plan or proposal for redistricting;

    In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR § 1632.3(a). These policies were adopted by the Board of Directors on February 9, 2013.

    Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 13.

14. Revise its Policy on Solicitation to ensure the policy conforms to 45 CFR § 1638.3(b);

    In its comments to the DR, PSLS noted that it has revised its Board-approved policies and brought them into compliance with 45 CFR § 1638.3(b). These policies were adopted by the Board of Directors on February 9, 2013.

Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of the minutes from the PSLS Board of Directors' February 9, 2013 meeting, PSLS has taken sufficient action designed to implement Required Corrective Action item 14.

15. Revise its Accounting Manual to reflect the project cost allocation methodology used by PSLS (which is to allocate attorney and paralegal salaries based upon actual hours worked rather than budgeted hours);

    In its comments to the DR, PSLS noted that it has corrected and revised the small inconsistency in the Accounting Manual so that it now reflects PSLS' practice of allocating attorney and paralegal salaries based upon the actual hours worked rather than budgeted hours.

    Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 15.

16. Strengthen internal controls and ensure the adequate segregation of duties by developing procedures for the performance of internal audits of petty cash reserves and the performance of surprise counts; and

    In its comments to the DR, PSLS noted that it has revised its policies to provide for surprise counts and for internal audits. PSLS' Accounting Manual was revised to require administrative staff to audit office petty cash funds on an unscheduled and surprise basis. PSLS' Operations Manual was further revised to enable the Finance Director or his/her designee to make surprise audits of the petty cash fund at any time.

    Accordingly, and based upon the comments to the DR, PSLS has taken sufficient action designed to implement Required Corrective Action item 16.

17. Develop and implement reconciliation procedures for all accounts (bank and litigation) that include a review for stale dated checks over six (6) months old and which includes a procedure by which such stale checks may be investigated and resolved.

    In its comments to the DR, PSLS noted that it has revised its litigation and trust bank account reconciliation forms to include a review of check dates. The Operations Manual, 26.10 (C), however, was revised to include a review of checks which had been outstanding for 12 months or longer rather than a review of checks which had been outstanding for six (6) months or longer, as was specified in the corrective action item. After receipt of the comments to the DR, OCE reminded PSLS of this inconsistency and PSLS agreed to further revise its Operations Manual.

    Accordingly, and based upon the comments to the DR and a review of the attachments submitted to OCE with PSLS' comments to the DR and a review of its revised LSC Compliance Manual (February 2013), as well as a review of its Accounting and Operations Manual (March 2013), PSLS has taken sufficient action designed to implement Required Corrective Action item 17.

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Equal Access to Justice

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JEFF HAMAKER, *DIRECTOR OF COMMUNITY SUPPORT*

January 23, 2013

Ms. Lora Rath, Director
Office of Compliance and Enforcement
Legal Services Corporation
3333 K Street, N.W., Third Floor
Washington, D.C. 20007

RE: Prairie State Legal Services, Inc.
Recipient No.: 514076

Dear Ms. Rath:

Enclosed is the Response of Prairie State Legal Services, Inc. to the Draft Report that the Legal Services Corporation Office of Compliance and Enforcement sent on November 27, 2012. Thank you for permitting us additional time to respond. As you will see, we have adopted all of the team's recommendations and, hopefully, have made changes that are responsive to the mandatory corrective actions included in the Report. We would also wish to mention the high degree of professionalism shown by Lisa Melton and her team. They were courteous and friendly to our staff, open to discussion about their findings as they came up during the week, and helpful in their recommendations.

Please let us know if you need anything further.

Sincerely,

Michael O'Connor
Executive Director

Response of Prairie State Legal Services, Inc. to Draft Report, Legal Services Corporation Office of Compliance and Enforcement Sent November 27, 2012

Staff of Prairie State Legal Services, Inc. (PSLS) have reviewed the Draft Report of LSC's Office of Compliance and Enforcement (OCE) sent to us as a result of its Case Service Report/Case Management System Review visit during the week of August 6 – 10, 2012. What follows is our response to the required Corrective Actions set forth on pages 50 and 51 of the Report. The findings that are the basis for the required corrective actions are referenced in each corrective action discussion below.

Corrective Action No. 1 – "Ensure that the ACMS information necessary for the effective management of cases is accurately and timely recorded so that congruence is maintained between the information in the case files and the ACMS."

In its Finding No. 1 the Report notes missing data for those fields that collect funding codes and the date the case is opened. The Report recommends that we use our ACMS, LegalServer, to find data fields that are incomplete, noting specifically funding code and date open fields. The lack of an open date was an issue for a closed period of time and has been corrected. We discovered that cases marked as "Pending" that did not have an open date entry could nevertheless be closed without data in the Date Opened field. "Pending cases" are cases where we have obtained facts but have not accepted the case and no legal assistance has yet been provided. Usually these cases arose when the Telephone Counseling Program (our Telephone Counseling Service) referred an intake to an office without providing advice. We have corrected this problem by creating systems in LegalServer that force an open date to be selected before a case can be closed.

Entry of funding codes is a more difficult problem because the person doing the intake may not have sufficient information to be able choose a funding code at the time the case is first opened. Following the Report's recommendation, we have created in LegalServer two reports that identify cases with missing opening dates and funding codes for open cases older than 30 days from the initial intake date. We will also revise our Compliance Checklist to require review that these two data fields are completed.

Corrective Action No. 2 – "Ensure that all cases contain evidence of reasonable income prospects screening consistent with 45 CFR §1611.7(a)."

In its Finding No. 2 the Report notes that our reasonable income prospects inquiry is often limited to increases in an applicant's income and not prospective decreases. The Report recommends that PSLS should modify LegalServer, its intake forms, and its intake practices to ensure that prospective increases and decreases in income are taken into account when determining financial eligibility. We have followed the recommendation. We have modified Legal Server to require the staff person conducting intake to ask about prospective increases and decreases in the income of an applicant. See Attachment A. We have also modified our paper intake form to alert the intake person to inquire into both increases and decreases in prospective income. See Attachment B. We will conduct three GoToMeetings training sessions for staff on this topic by March 15, 2013. Attendance of all staff at one of these meetings will be mandatory.

Corrective Action No. 3 – "Ensure that all cases contain evidence of income screening consistent with 45 CFR §1611.2(i) and all authorized exceptions as set forth in its Financial Eligibility Policy."

Finding No. 2 of the Report also notes that while LegalServer fields included inquiry into all of the sources of income required to be considered in determining financial eligibility, the paper intake form omits income sources such as strike benefits from union funds, training stipends, military family allotments, regular insurance or annuity payments, and income from dividends, interest, rents, royalties or from estates and trusts. The paper intake form has been modified to include these sources. See Attachment B.

Finding No. 2 further notes that the Pre-Intake Screen on LegalServer does not include the exception to the 200 percent LSC eligibility ceiling for medical or nursing home expenses set forth in our policies and that the paper application does not list any of the exceptions to the 200 percent ceiling. The Report recommends that we modify Legal Server and our paper intake forms to include all sources of exceptions to the 200 percent limit. We have followed the recommendation and have modified LegalServer and our paper intake form. See Attachments C and B, respectively.

Corrective Action No. 4 – "Revise its policies consistent with 45 CFR §§1611.5, 1611.3(b), 1611.2(i), 1611.4(c), and 1611.5(a)(4)(iv)."

Finding No. 3 of the Report states that our Financial Eligibility Policy fails to specify "that only individuals and groups determined to be financially eligible under the recipient's financial eligibility policies and LSC regulations may receive legal assistance supported with LSC funds as required by LSC Regulation 45 CFR §1611.3(b)." We believe that we are in compliance; the second sentence of PSLS's Financial Eligibility Policy states: "Only individuals and groups determined to be financially eligible under these guidelines and the Legal Services Corporation regulations may receive legal assistance with Legal Services Corporation funds."

Finding No. 3 also states that our Financial Eligibility Policy fails to include all of the "total cash receipts" income sources required by the LSC Regulation 45 CFR §1611(2)(i). PSLS will amend its Financial Eligibility Policy to use verbatim the language of the regulation regarding "total cash receipts" sources at its next regularly scheduled Board of Directors meeting on February 9, 2013. A copy of the proposed policy is attached as Attachment D.

Finding No. 3 further states that we failed to provide documentation that our Board of Directors reviewed whether the income eligibility standards of the TANF, SSI, and food stamps program are at or below 125% of the Federal Poverty Guidelines and whether these maximum asset ceilings are at or below Board-approved asset ceilings pursuant to 45 CFR §1611.4(c). As a corrective action, that documentation will be provided to the Board of Directors at its February 9, 2013 meeting and annually thereafter. See Attachment E.

Finding No. 3 states that the PSLS Financial Eligibility Policy incompletely states that we may consider a child care expense for an applicant whose income is between 125 – 200% of the

Federal Poverty Guidelines when determining financial eligibility because it does not limit that the child care deduction to circumstances where the expense is necessary for employment, job training, or educational activities in preparation for employment as required by LSC Regulation 45 CFR §1611.5(a)(4)(iv). PSLS will amend its Financial Eligibility Policy to use verbatim the language of the regulation regarding other expenses such as child care at its next regularly scheduled Board of Directors meeting on February 9, 2013. A copy of the proposed PSLS policy change is attached as Attachment D. We have already revised LegalServer and our paper application to comply with this requirement. See Attachments F and B, respectively.

Finally, Finding 3 points out that our Financial Eligibility Policy contains a list of "other disqualifying criteria used in the determination of eligibility for applicants under the maximum income level. The Finding recommends that we review these criteria. The document that contains this section is in the "PSLS Eligibility Guidelines" which is comprised mostly of our financial guidelines established pursuant to LSC Regulation 45 CFR §1611. The document, which is used by our staff in considering representation of an applicant and is contained in our Compliance Manual is intended to be broader than the financial requirements. As recommended we have reviewed the language of this section and believe that it properly establishes a policy that when applicants have previously fraudulently provided us with information, have demonstrated abusive behavior toward PSLS staff, or affordable private representation is available for the applicant's legal issue, that denial of representation may be considered.

Corrective Action No. 5 – "Ensure that assets are screened in a manner consistent with its Board of Directors intent (re homestead real estate value) or amend its policies to reflect staff screening practices (re principal residence)."

Finding 4 of the Report states that PSLS exempted from assets that count toward the PSLS established asset ceiling of $15,000.00, "homestead real estate." The finding notes that although this exception is in compliance with LSC regulations, it does not reflect our practice of only exempting "principal residence." In response to this finding, PSLS changed its asset policy at its September 8, 2012 Board of Directors meeting and deleted "homestead real estate" as an exempt asset and added "principal residence." See Attachment G.

Corrective Action No. 6 – "Ensure that all cases contain executed citizenship attestations or alien eligibility documentation as required by 45 CFR §§1626.6 and 1626.7 and ensure that a citizenship attestation is obtained for every client with whom there is in-person contact."

Finding 5 of the Report noted that in one case file examined the attestation was obtained after representation commenced and thus was not timely obtained. In five other files the Report states it was difficult to discern whether the attestation was obtained before legal assistance was provided since the attestations were not dated. The Report finds that these omissions appeared to be the result of human error. To ensure that these problems do not continue, PSLS in its Operations Manual has required that forms such as attestations be scanned in to its ACMS, LegalServer, as follows:

> "Regardless of whether the file is kept in a binder clip or in a paper file folder, the staff person with primary responsibility for the case, or his/her

designee, must scan and upload the following documents to the client's Case Profile page on Legal Server: application, citizenship/alien documentation, retainer agreements; all other LSC or other grant compliance documents; and any settlement agreements or final court orders."

We are revising our Compliance Checklist to include a review (prior to the commencement of representation) of whether the attestation is dated and that the date is timely. We will conduct three GoToMeetings training sessions for staff on this topic by March 15, 2013. Attendance of all staff at one of these meetings will be mandatory. Additionally, we are presently working with LegalServer's vendor, PSTI, to modify LegalServer to devise a system to ensure that timely and dated attestation forms are not missed.

Corrective Action No. 7 –" Ensure all files contain retainer agreements when required pursuant to 45 CFR §1611.9, ensure that cases without a retainer, if otherwise eligible and properly documented, are reported to LSC, and modify Question 2 of its ACMS CSR Determination page consistent with the retainer requirements of 45 CFR §1611.9"

Finding 6 of the Report correctly states that our LegalServer closing screen provides for deselecting a case by posing four questions including Question 2: " is closed A or B OR a retainer is in the file OR it is a PAI case" If any of the four the question is answered, "No," the case is deselected and not reported to LSC. PSLS acknowledges that an answer of "No" to Question 2 incorrectly deselects the case. However, the four questions, including Question 2, are a fixed feature of LegalServer and we ourselves cannot eliminate Question 2. We are in discussions with PSTI to eliminate Question 2 and until PSTI eliminates Question 2, we will change the language of Question 2, an operation we can perform, so that the question will have to be answered, "Yes" and the case reported to LSC. This change will be effective for all cases closed after January 1, 2013. We will conduct three GoToMeetings training sessions for staff on this topic by March 15, 2013. Attendance of all staff at one of these meetings will be mandatory. We will also adopt the recommendation of the Report regarding use of an on-line retainer agreement which will be completed and be a subject of the three required training sessions to be presented by March 15, 2013.

Corrective Action No. 8 – "Ensure the correct assignment of case closure categories consistent with Chapters VIII and IX of the CSR Handbook (2008 Ed. as amended 2011)"

Finding 10 of the Report notes a pattern of error in the use of the Closing Code "K" (Other) and the underreporting of the level of service in various cases such as closing a case as an "A" (Advice) when a higher level of service was justified or closing a case as a "B" (limited service) or "F," (Negotiated Settlement Without Litigation) when the case should have been closed as a "G" (Negotiated Settlement with Litigation) or "L" (Extensive Services). The Report recommends that we prepare a reference guide which will remind staff of appropriate case closure categories when staff close cases and that we provide training on the closing categories. We are following these recommendations and now provide "hover screens" in Legal Server that mirror the language of the CSR Handbook for each closing code. We will conduct three GoToMeetings training sessions for staff on this topic by March 15, 2013. Attendance of all staff at one of these meetings will be mandatory.

Corrective Action No. 9 – "Ensure that PSLS does not use LSC funds to provide legal assistance in fee generating cases unless the requirements of 45 CFR Part 1609 are met."

Finding 15 of the Report explains that its review of cases found a case where advice only was provided to a caller to the Telephone Counseling Service on a potential negligence case in accordance with the PSLS priority to ensure low income residents are afforded with access to the justice system. The Report found that even though legal assistance was confined solely to advice with no contemplation of further extended representation that nevertheless the case was a "fee generating case" pursuant to 45 CFR §1609.3(a). Henceforth, we will no longer use the LSC funding code for cases where we will provide only advice on tort and other issues which, if ultimately resulted in extended representation undertaken on behalf of an eligible client by an attorney in private practice reasonably may be expected to result in a fee for legal services from an award to a client, from public funds or from the opposing party. Consistent with LSC Regulation 45 CFR §1609(a), we have created a new funding code – "LTF – Potential Fee Generating" to provide a source of governmental non- LSC funds so that we can continue to provide advice and referral only on these cases consistent with our priorities. As recommended in the Report, we will make available three GoToMeeting to all staff on this topic by March 15, 2013. Attendance of all staff at one of these meetings will be mandatory.

Corrective Action No. 10 – "Allocate the salaries of attorneys and paralegals on total workable hours rather than actual hours when determining the cost allocation for the PAI effort."

Finding 17 of the Report states that with respect to the calculation of the wages and benefits for the costs of attorney and paralegal time allocated to PSLS's Private Attorney Involvement (PAI) effort we incorrectly used actual hours worked rather than scheduled hours to divide into the annual salaries of these staff members, thus not counting leave time. In response we have changed our procedure and now allocate the salaries of attorneys and paralegals to PAI effort based on total workable hours.

Page 32 in the third full paragraph contains a typo stating that "in McHenry County, part of the Rock Island service area . . . ." The county referred to is Henry County.

Corrective Action No. 11 – "Ensure that all funding sources of $250 or more be provided with a notification letter pursuant to 45 CFR §1610.5"

Finding 16 of the Report found that it is the practice of PSLS to send out written notification to all individual contributors and to all potential grant funders describing LSC's prohibitions that govern the funds PSLS is soliciting. The LSC team's fiscal review determined that we failed to provide this written notification to some funders and/or funding sources who had contributed $250 or more. PSLS acknowledges this error which has occurred with (1) unsolicited gifts or awards (2) grant applications that are increasingly submitted online with no means to send the notice and (3) university supported fellowship positions. PSLS will ensure that each of these funding sources will be sent a letter notifying the donor of the LSC prohibitions. Currently, all receipts of grants or contributions above $250 are entered into our fundraising software, Raisers Edge. Going forward, we will use this database to generate letters

with notice of LSC restriction to each entity. This will be in addition to ongoing efforts to send the notice at the time of application or solicitation. We will review options to improve electronic storage of the letter files.

Corrective Action No. 12 – "Revise its Policy on Legislative and Administrative Activities to ensure the policy conforms to 45 CFR §§1612.8(a)(2) and (4)."

Finding 21 of the Report states that our written policy regarding training omits the required provisions of the above cited regulations which state that employees cannot support or conduct training programs that "encourage or facilitate the development of strategies to influence legislation or rulemaking" or "to train participants to engage in activities prohibited by the Act, other applicable law, or Corporation regulations, guidelines or instructions." PSLS will amend its Legislative and Administrative Advocacy policy to use verbatim the language of the regulation regarding prohibited training activities at its next regularly scheduled Board of Directors meeting on February 9, 2013. A copy of the proposed policy is attached as Attachment D.

Corrective Action No. 13 – "Revise its Policy on Redistricting to ensure the policy conforms to 45 CFR§1632.3(a), which states that the recipient cannot make available *any funds* for use in advocating or opposing any plan or proposal for redistricting."

Finding 24 of the Report notes that our written policy on redistricting omits language from LSC Regulation 45 CFR §1632.3(a) that PSLS cannot make available *any funds* for use in advocating or opposing any plan or proposal for redistricting. PSLS will amend its redistricting policy to use verbatim the language of the regulation regarding redistricting at its next regularly scheduled Board of Directors meeting on February 9, 2013. A copy of the proposed policy is attached as Attachment D.

Corrective Action No. 14 – "Revise its Policy on Solicitation to ensure the policy conforms to 45 CFR §1638.3(b)."

Finding 27 of the Report states that our policy regarding solicitation omits a requirement stated in LSC Regulation that PSLS and its employees are prohibited from referring to other recipients, individuals to whom they have given in-person unsolicited advice. PSLS will amend its solicitation policy to use verbatim the language of the regulation regarding solicitation at its next regularly scheduled Board of Directors meeting on February 9, 2013. A copy of the proposed policy is attached as Attachment D.

Corrective Action No. 15 – "Revise its Accounting Manual to reflect the project cost allocation methodology used by PSLS (which is to allocate attorney and paralegal salaries based upon actual hours worked rather than budgeted hours)."

Finding 32 of the Report states that there exists a small inconsistency relating to the methodology used to allocate costs for projects. The Accounting Manual provides that attorney and paralegal salaries are allocated by the hour based upon the number of hours budgeted for staff. However PSLS' actual practice had been to allocate the salaries based upon the actual

hours worked. In response, we have revised our Accounting Manual to allocate attorney and paralegal salaries based upon actual hours worked, not budgeted hours. See Attachment H.

Corrective Action No. 16 – "Strengthen internal controls and ensure the adequate segregation of duties by developing procedures for the performance of internal audits of petty cash reserves and the performance of surprise counts."

Finding 32 of the Report states that PSLS does not perform surprise counts and does not perform internal audits of its petty cash reserves as recommended in the Accounting Guide for LSC Recipients (2010 Ed.). In response, PSLS has added to the policy shown in the accounting manual: "Administrative staff will audit office petty cash fund on an unscheduled and surprise basis." Section 24.4 of the Operations Manual states: "The Finance Director or his/her designee may make a surprise audit of the Petty Cash fund at any time." Such surprise audits are now being performed by our Finance Director.

Corrective Action No. 17 – "Develop and implement reconciliation procedures for all accounts (bank and litigation) that include a review for stale dated checks over six (6) months old and which include a procedure by which stale checks may be investigated and resolved."

Finding 32 of the Report states that PSLS does not perform stale check reviews for its litigation accounts (although it timely clears checks from its general operating accounts). In response, PSLS has changed the bank reconciliation form for the litigation account and trust account to include the date of each check outstanding. The Operations Manual procedures require follow-up on old outstanding checks every month. See Operations Manual section 25.9 for trust account checks and section 26.10 for the litigation account for the monthly procedure on outstanding checks attached as Attachments I and J.

psls: Report | psls: Cases: Details | psls: Cases | psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_9/form_loader:24/edit/352344

Number of People 18 and Over* 2

Number of People under 18* 0

Income Totals
Annual Income: $8,400.00
Monthly Income: $700.00
Percentage of Poverty: 55.52%
Family Size: 2 (2 over 18, 0 under 18)

Household Income:* You must fill in at least one income, or select 'No Income'
Bi-weekly means every two weeks and semi-monthly means twice a month
*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* scooby doo | SS-Retirement | Monthly | $ 700.00 | Calculator

Relationship/Notes:

Income Eligible Yes
Override

Does applicant expect income to increase OR decrease significantly in near future?* Yes

Anticipated Income Prospects*
- Please Select
- Please Select
- Even with anticipated increase, client would still be eligible
- Anticipated income not certain
- Important matter, income will not be available in time to address legal issue
- Other - Expected Decrease - describe in Eligibility Notes below

Eligibility for the AG Hor... for link to the 80% AMI ... 80% AMI may be deter... ...dian income for the Chicago MSA. Click here ...ership Project. Persons with incomes above

AG Home Ownership Project Eligibility Please Select

Asset Information

Assets Provided? Yes No

You must fill in at least one asset, or select 'No Assets'.

Total Assets Total Assets: $0.00

Asset Entry* No Assets | $ 0.00

Asset Eligible Yes
Override

Case No: 13-0352344
LPC 66 Housing Discrimination
Original Date Opened 01/04/2013 [Edit]
Assignment Office Admin
Assignment Program General
Primary Assignment David Wolowitz
Funding Code 003 General Funds [Edit]
Case Status Active [Edit/View History]
Disposition Open

Print...
- PSLS App w/Signature
- PSLS Case Information w/Notes
- PSLS Closed Case Review Sheet
- PSLS File Label
- PSLS Printable ESG Information
- PSLS Printable HPRP Review of Information
- PSLS Print Case Time Log
- PSLS Rejected Matter Printout
- Trust Account
- Print Case Notes

View Information
- Case Alerts
- Case Contacts
- Case Profile
- Litigation
- Trust/Expense History

Actions
- Add An Additional Name
- Add Case Alert
- Add Case Contact
- Add Case Note
- Add Client Alert
- Add Litigation
- Add New Document
- Add New Pro Bono Time
- Add New Trust or Expense Transaction
- Add Staff Time
- Add/Edit Family Information
- Add/Edit Outcomes
- Assign Case
- Close Case
- Conflict Check
- Copy to New Subordinate Case
- Create New Case For Client
- Edit Adverse Party

start | 7 Micros... | 2 Windo... | 6 Micros... | psls: Cases... | 2 Micros... | 1:21 PM

Attachment A

Attachment B

For office use: This application should be distributed after the conflict check is completed.

Date_____

Application for Legal Services

Please complete the full application and sign. Prairie State Legal Services cannot handle cases for all persons requesting help. Prairie State must follow federal laws governing eligibility for legal services and these laws require that we get accurate information about your income and assets as well as other information. If you do not understand a question, please ask a Prairie State staff member.

First Name _____ Middle Name_____ Last Name_____

Former Name_____ Social Security Number XXX-XX- _ _ _ _

Date of Birth _____ Age_____ Gender: Male ☐ Female ☐ Transgender ☐

Race: Asian/Pacific Islander ☐ Black ☐ Hispanic ☐ Native American ☐ White ☐ Other ☐_____

Are you of Latino/Hispanic origin? Yes ☐ No ☐

Are you currently a victim of domestic violence (or human trafficking)? Yes ☐ No ☐

Does the problem you are seeking help for relate to domestic violence? Yes ☐ No ☐

Have you ever served in the U.S. military including the Reserves or National Guard? Yes ☐ No ☐

Do you have a disability (physical, mental or learning)? Yes ☐ No ☐ Type of Disability_____

Are you a U.S Citizen? Yes ☐ No ☐ We will keep this information confidential.

Your Address _____City _____

State_____ Zip Code_____ County_____ Email_____

Is this a safe address to send you mail? Yes ☐ No ☐ **Your phone number**: (_ _ _) _ _ _-_ _ _ _

Can we call you at this number? Yes ☐ No ☐ Alternative contact phone_____

Opposing Party Information: Are you having trouble with a government agency, organization or business? If yes, the name of government agency, organization, or business_____

<u>If your problem involves a person, complete the following:</u>

Name of person: First _____ Middle _____ Last _____

Other Names used by this person_____

Date of Birth of Opposing Party _____ Age_____ Race_____

Address of Opposing Party: Street Address _____

City_____ State_____ Zip_____ Phone number_____

Are other people involved who you think may be opposed to you or testify against you? Yes ☐ No ☐

Who:_____

Have you seen another lawyer about this matter? Yes ☐ No ☐

What is your legal problem:

Household and Financial Information:

Persons aged 60 and older may be served with funding under the Older Americans Act. While we do not require that older adults provide financial information, we ask that all applicants fill out the information below because that information may affect the range of legal services we can provide. We promise to keep your answers confidential.

Marital Status: Married ☐ Married but Separated ☐ Legally Separated ☐ Divorce ☐

Illinois Civil Union ☐ Unmarried partner ☐ Single ☐ Widowed ☐

Total number of people living in your household whom you support _____

No. of persons aged 18 or older living with you____ No. of persons under age 18 living with you_____

Are there other persons you support who are not currently living with you (children living in another household, children in college)? Yes ☐ No ☐

Office notes on household:

Monthly Income for you or other household members:

Source	Amount	Who Receives
TANF (Public Aid)		
Social Security (type ___Disability ____Retirement ___Survivor)		
SSI		
Child Support/ Maintenance		
Unemployment Compensation		
Veterans Benefits		
General Assistance / local veterans assistance		
Pension		
Workers' Compensation		
Self employment including Babysitting after expenses		
Total Gross Employment Income (before taxes are taken out) If you have employment income please answer questions below		
Other income: strike benefits from union funds, training stipends; military family allotments; regular insurance or annuity payments; income from dividends, interest, rents, royalties or from estates and trusts; and other regular or recurring sources of financial support that are currently and actually available. List Source:_____		
Total Monthly Income		

If you listed employment income please tell us:

Job #1 Name of household member working_____ Name of Employer_____

How much does this worker earn per hour $_____ Number of hours worked each week? _____

If not paid hourly, how often is this person paid (___weekly ___twice a month ___other)
Amount of wages before taxes or other costs are deducted from you pay check – in other words – not the take home amount: Gross Amount: _____ If you are unsure of the amount, check here ☐

Job #2

Name of household member working_____ Name of Employer_____

How much does this worker earn per hour $_____ Number of hours worked each week? _____

If not paid hourly, how often is this person paid (___weekly ___twice a month ___other)
Amount of wages before taxes or other costs are deducted from you pay check – in other words – not the take home amount: Gross Amount: _____ If you are unsure of the amount, check here ☐

Are there are additional places of employment No ☐ Yes ☐
Is anyone in the household self-employed? No ☐ Yes ☐
Self employment includes routinely selling items offering services for compensation, as well as other businesses. If you are self-employed please explain:

_____

Do you expect any significant changes (increase or decrease) in your household income in the near future?

No ☐ Yes☐ If yes, what change do you expect? _____ When?_____

Do you receive Food Stamps? Yes ☐ No ☐ Do you receive energy assistance benefits? Yes ☐ No ☐

Your Expenses:	**Monthly Payment**	**Are you behind in payments?**
Rent or mortgage payment	_____	No ☐ Yes ☐
Child support/maintenance	_____	No ☐ Yes ☐ _____
Child care*	_____	*only if needed for work, or education/training for work
Work Transportation	_____	
Taxes deducted from pay	_____	
Medical or Nursing home Expenses	_____	
Non Medical Expenses for family member due to age or disability	_____	

Other debts/expenses you would like us to consider (example: other expenses for work such as clothing, equipment, training, or educational activities, current taxes):

1. _____ Amount_____ 2. _____Amount_____

Assets

Information about your assets is important for Prairie State to understand your situation and to provide you with accurate legal advice. Prairie State considers assets to determine eligibility for legal services but these guidelines are very broad and not many applicants are found ineligible due to having excess assets. Please be accurate and complete.

Do you or your spouse own a home? No ☐ Yes ☐ - If yes, do you live in this house? No ☐ Yes ☐

Do you or your spouse own other real estate? No ☐ Yes ☐
If yes please describe_____

Amount in savings or checking: _____
Amount in Certificates of Deposit _____
Stocks, bonds, money market funds _____
Cash on hand _____
Value of burial plot _____
Estimated value of household items (not including clothes) _____

Do you have a retirement account? No ☐ Yes ☐ If yes, amount_____

Signature

I affirm that the information I have provided in this application is correct. I understand that Prairie State may verify this information and stop representing me if it is not correct. I promise to notify Prairie State if any of this information changes. I understand Prairie State will be relying on this information in offering me any legal advice or representation. If my case is not accepted, I understand I may appeal this decision using the grievance pamphlet I have been given.

⇨ **Signature**_____ **Date** _____

If you are a **U.S Citizen** please sign below: (If you are not a U.S Citizen and your problem does not relate to domestic violence or human trafficking, we will ask for more information about your legal status.

Do not sign below if you are not a U.S. Citizen.)

I am a citizen of the United States:

⇨ **Signature:** _____ **Date:** _____

For office use only: Older Adult Legal Assistance pursuant to Older Americans Act
If Applicant is aged 60 or older and refuses to provide financial information check here ___ Mark as ineligible for LSC. Income: Below 100% poverty level____ or Above 100% poverty level_____
(01/10/13)) Application Number when entered in Legal Server____ ____-___ ____ ____ ____ ____ ____

Attachment C

psls: Cases: Edit - Mozilla Firefox

File Edit View History Bookmarks Tools Help

psls: Cases: Edit

legalserver.org

Bookmarks

Search:

Bookmarks Toolbar

Bookmarks Menu

Unsorted Bookmarks

Prairie State Legal Services Ask Chris | Support Request | My Assignments | Bernard H. Shapiro: Logout

Home Cases Timekeeping Calendar Contacts Organizations Outreach Reports Documents Users Help Admin

Home » Cases » Edit

Search | Timer | Preferences | Quick Referral | Hide Taskbar

Prescreen Date 01/16/2013

Name (First*, MI, Last*, Suffix) First Name Middle Last Name* Suffix Conflict Search

Date of Birth mm/dd/yyyy Age: N/A

Social Security # Social Secur

Home Phone Home Phone Note Home Phone Note

Additional Numbers Show

County of Dispute* Please Select

Show All Values

County of Residence* Please Select

Show All Values

Adverse Party Information

Name (First, MI, Last, Suffix) First Name Middle Last Name Suffix

Social Security # Social Secur Date of Birth mm/dd/yyyy Age: N/A Conflict Search

Enter a business name and type if the AP is a company

Business Name, Type Business Name Please Select Conflict Search

Additional Adverse Parties

Show additional adverse parties

Common Adverse Party

Note Drafts

Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-07-17 15:26:40
Closing Note/Case Summary
2012-07-17 15:23:50
Closing Note/Case Summary
2012-07-17 15:21:17
Delete All Drafts

Desktop 1:41 PM 1/16/2013

psls: Cases: Edit - Mozilla Firefox

File Edit View History Bookmarks Tools Help

psls: Cases: Edit

legalserver.org

Bookmarks

Search:

Bookmarks Toolbar

Bookmarks Menu

Unsorted Bookmarks

Show additional adverse parties

Common Adverse Party

Show common adverse parties

Quick Eligibility Check

If applicant is aged 60 or older skip financial pre-screen. Determine conflict. If no conflict determine if legal problem is prohibited (criminal case).

Family Size (Application)

Gross Monthly Income (Application) $

Percentage of Poverty N/A

If applicant income is over 200% poverty, check eligibility for services under a specific grant with higher eligibility (Seniors, HIV, Tax Law Project, etc. Next determine if the applicant is seeking services in an issue related to maintaining public benefits or income is primarily committed to long term care or medical care. Finally, if income is over 200% of poverty and the applicant is not eligible for a specific grant with higher eligibility and the client does not fit the exception noted above, ask whether the applicant expects their income to decrease. Continue with intake if appropriate.

Enter the zip code and Legal Server will automatically find the city/county.

Zip Code

Street Address

Address 2

Apt#/Lot#

City, State of Residence City , IL

2012-07-17 15:21:17

Delete All Drafts

PSLS PreScreen

1. PSLSDetail prescreen

0% Complete

Options

Combined Matter/Case/Prescreens »

Organizational Client Intake »

Begin Intake »

Prescreens

PSLS PreScreen »

Administrative Options

Edit Form

Desktop 1:55 PM 1/16/2013

Attachment D

MEMORANDUM

To: Members of the Board of Directors

From: Bernie Shapiro

Subject: Modifying LSC Compliance Policies to Conform with LSC Monitoring Report

Date: January 10, 2013

As has been reported, a team from the Legal Services Corporation Office of Compliance and Enforcement visited us on August 6 – 10, 2012 to determine our compliance with LSC regulations and other rules. We have received the team's report. It asks us, among other things to revise several of our policies to totally conform with the language in the LSC Regulations. What follows are the specific modifications we are proposing in response to the report:

Financial Eligibility 45 CFR §1611

Definition of "Total Cash Receipts"

The present policy found in the PSLS Eligibility Guidelines and the PSLS Compliance Manual states in relevant part as follows:

"Total Cash Receipts" include money, wages, and salaries before any deductions, but do not include food or rent in lieu of wages. They include income from self-employment after deductions for business or farm expenses. They include regular payments from public assistance, Social Security, unemployment and worker's compensation, strike benefits from union funds, veterans benefits, training stipends, alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; public or private employee pension, and regular insurance or annuity payments; income from dividends, interest, rents, royalties, or from estates and trusts. They do not include money withdrawn from a bank, from tax refunds, gifts, one-time insurance payments or compensation for injury, nor do they include non-cash benefits.

The proposed change in definition states as follows:

"Total cash receipts include, but are not limited to, wages and salaries before any deduction; income from self-employment after deductions for business or farm expenses; regular payments from governmental programs for low income persons or persons with disabilities; social security payments; unemployment and worker's compensation payments; strike benefits from union funds; veterans benefits; training stipends; alimony; child support payments; military family allotments; public or private employee pension benefits; regular insurance or annuity payments; income from dividends, interest, rents, royalties or from estates and trusts; and other regular or recurring sources of financial support that are currently and actually available to the applicant. Total cash receipts do not include the value of food or rent received by the applicant in

lieu of wages; money withdrawn from a bank; tax refunds; gifts; compensation and/or one-time insurance payments for injuries sustained; non-cash benefits; and up to $2,000 per year of funds received by individual Native Americans that is derived from Indian trust income or other distributions exempt by statute."

Deductible Expenses

The present policy found in the PSLS Eligibility Guidelines and the PSLS Compliance Manual states in relevant part: "Expenses to be considered include:

B. child care expenses;"

The proposed change states as follows:

"Expenses to be considered include

"B. child care expenses necessary for employment, job training, or educational activities in preparation for employment;"

Legislative and Administrative Advocacy (Training) 45 CFR 1612)

The present policy found in the PSLS Compliance Manual states in relevant part:

"D. Advocacy Training

1. It is impermissible for any individual, while engaged in legal assistance activities funded by PSLS to participate in or conduct a training program for the purpose of advocating a particular public policy or encouraging a political activity, a labor or anti-labor activity, a boycott, picketing, a strike, or a demonstration including the dissemination of information about such a policy or activity."

The proposed change states as follows:

"D. Advocacy Training

1. It is impermissible for any individual, while engaged in legal assistance activities funded by PSLS to participate in or conduct a training program for the purpose of advocating a particular public policy, encourage or facilitate political activities, labor or anti-labor activiies, boycotts, picketing, strikes, or demonstrations, or the development of strategies to influence legislation or rulemaking or to train participants to engage in activities prohibited by the Legal Service Corporation Act, other applicable law, or Corporation regulations, guidelines or instructions.

Redistricting 45 CFR §1632

The present policy found in the PSLS Compliance Manual states in relevant part:

"It is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to advocate or oppose any plan or proposal or represent any party or participate in any other way in litigation related to redistricting or to make available any equipment for use in such activities.

The proposed change states:

PSLS shall not make available any funds, personnel, or equipment for use in advocating or opposing any plan or proposal, or representing any party, or participating in any other way in litigation, related to redistricting.

Solicitation 45 CFR 1638

The present policy found in the PSLS Compliance Manual states in relevant part:

"It is impermissible for staff to represent an individual as a result of in-person unsolicited provided by an employee of Prairie State Legal Services, Inc. or other provider of legal services funded by the Legal Services Corporation."

The proposed change states:

"It is impermissible for staff to represent an individual as a result of in-person unsolicited provided by an employee of Prairie State Legal Services, Inc. or other provider of legal services funded by the Legal Services Corporation and staff employees are also prohibited from referring to other recipients individuals to whom they have given in-person unsolicited advice."

Attachment E

MEMORANDUM

To: Members of the Board of Directors

From: Bernie Shapiro

Subject: PSLS Financial Eligibility – Government Programs for Low Income Persons

Date: January 17, 2013

Article V of the PSLS LSC Compliance Manual sets forth our policies and procedures on Financial Eligibility. Section II(b) of that Article in discussing income states as follows:

> "If the applicant income is comprised solely of benefits from TANF, SSI, or food stamps, the applicant and the applicant's household shall be deemed to be financially eligible without further inquiry."

The basis for this provision is LSC Regulation 45 CFR §1611.4(c) which permits us to adopt a policy that determines an applicant to be financially eligible without further inquiry if the applicant's income is derived solely from a governmental program for low-income individuals or families provided that the Board has determined that the income standards of the governmental program are at or below 125 percent of the Federal Poverty 'guidelines and that the governmental program has eligibility standards which include an asset test. The attached charts indicated that TANF and SSI, have income and asset eligibility requirements that are lower than 125 percent of the Federal Poverty guidelines but that food stamps has a higher eligibility level – 130 percent of the Federal Poverty - guidelines and should be removed from our policy.

The attached chart entitled "Program Standards" is part of the Illinois Department of Human Services Program Manual for TANF, Food Stamps, and Medicaid. It indicates that the Department in determining eligibility for Food Stamps uses 130 percent of the Federal Poverty Guidelines instead of the 125 percent eligibility limit that LSC requires. The same chart, however indicates that to receive TANF for a family of two including children, the income limit is $318 a month, well below our limit at 125 percent of the Poverty Guidelines of $1,576 a month. A reviews of the chart indicates that the income eligibility limits used in the TANF program are all well below our guidelines at any family size. The chart also sets asset limits of $2,000 for a family of one and $3,000 for a family of two and $50 for each additional family member.

The attached Social Security Administration document entitled "Understanding Supplemental Security Income SSI Benefits – 2012 Edition indicates that the maximum income an applicant or recipient of SSI can received is $698 for an individual and $1,048 for a couple, below our income guidelines of $1,164 for one person and $1,576 for a family of two. The asset limit for SSI as indicated on page 2 of the attached document entitled "Understanding Supplemental Security Income SSI Eligibility Requirements – 2012 Edition indicates that there is an asset limitation for and individual of $2,000 and for a couple of $3,000.

Accordingly, we propose to amend our income policy as follows to remove food stamps:

"If the applicant income is comprised solely of benefits from TANF or SSI, the applicant and the applicant's household shall be deemed to be financially eligible without further inquiry."

PROGRAM STANDARDS

GROUP I COUNTIES

# in unit	SNAP (Effective 10/12)				TANF Payment Levels (11/08)		FAMILY HEALTH PLANS (see page 5 for Premium Level 2 Standards)								AABD MEDICAL/QUALIFIED MEDICARE BENEFICIARY (4/12)		
	MAX Allot.	MAX Gross 130%FPL Non-QM Units	MAX Gross 200% FPL QM Units	*MAX Net	Child only	Adult & child	Family Assist	Family Health Spend-down	Assist child & Adult (4/12)	Share/Rebate Child and Adult (4/12)	Premium Level 1 Child & Rebate Child & Adult (4/12)	Premium Level 1 Adult (4/12)	Moms & Babies (4/12)	SON*	AABD/QMB 100% FPL	SLIB less than 120% FPL	QI-1 less than 135% FPL
1	200	1211	1862	931	117	243	243	283	1238	1239– 1396	1397- 1862	1397- 1722		667	931	932- 1116	1117- 1256
2	367	1640	2522	1261	230	318	318	375	1677	1678– 1891	1892- 2522	1892- 2333	2522	873	1261	1262- 1512	1513- 1701
3	526	2069	3182	1591	284	432	432	508	2116	2117- 2386	2387- 3182	2387- 2943	3182	1184	1591	1592- 1908	1909- 2147
4	668	2498	3842	1921	365	474	474	558	2555	2556- 2881	2882- 3842	2882- 3554	3842	1301	1921	1922- 2304	2305- 2592
5	793	2927	4502	2251	434	555	555	650	2994	2995- 3376	3377- 4502	3377- 4164	4502	1522	2251	2252- 2700	2701- 3038
6	952	3356	5162	2581	465	623	623	733	3433	3434- 3871	3872- 5162	3872- 4775	5162	1711	2581	2582- 3096	3097- 3483
7	1052	3785	5822	2911	501	657	657	767	3871	3872- 4366	4367- 5822	4367- 5385	5822	1803	2911	2912- 3492	3493- 3929
8	1202	4214	6482	3241	536	691	691	808	4310	4311- 4861	4862- 6482	4862- 5996	6482	1896	3241	3242- 3888	3889- 4374
9	1352	4643	7142	3571	576	727	727	850	4749	4750- 5356	5357- 7142	5357- 6607	7142	1995	3571	3572- 4284	4285- 4820
10	1502	5072	7802	3901	616	765	765	900	5188	5189- 5851	5852- 7802	5852- 7218	7802	2100	3901	3902- 4680	4681- 5266
Each add'l	+150	+429	+660	+330	WAG 25-03-05			+67	+439 Not over 133% FPL	+495 Over 133% not over 150% FPL	+660 Over 150% not over 200% FPL	+611 Over 150% not over 185% FPL	+660 Not over 200% FPL		+330	+396	+446

SNAP
*Only use Net Income test if QM unit's gross income exceeds 200% or IPV and work sanction units.

TANF – GA
Persons
1- $2000
2- $3000
Ea. Add'l - $50

FAMILY HEALTH PLANS Assets not considered

Medical Inc Standards PM 16-06-01

*SON – Standard of Need, WAG 15-04-02-c

AABD CASH/MED
1 person - $2,000
2 people - $3,000
Each additional person - -add $50

MSP	2011	2012
1 person -	$6,680	$6,940
2 or more-	$10,020	$10,410

Asset Limits PM 07-02

STANDARD DEDUCTION
$145 - 1-3 people (10/12)
$156 - 4 people (10/12)
$183 - 5 people (10/12)
$210 - 6 or more people 10/12)

UTILITY STDS (10/12)	SUP BY: No QM/QM
A/C Heat - $345 (10/12)	1/5
Limited Utility - $265 (10/12)	3/7
Single Utility - $59 (10/12)	4/8
Telephone - $28 (10/11)	0/9
No Standard	2/6

Std Med Ded (QM only) - $245 or $485 Group Home/SLF

MAX. SHELTER DEDUCTION $469 (10/12)

DEPENDENT CARE DEDUCTION – SNAP
10/08 Use actual monthly costs

MAX. DEPENDENT CARE DEDUCTION FOR MEDICAL
Child under age 2 - $200 monthly
Person age 2 and over - $175 monthly

MINIMUM WAGE
Federal: $7.25 hr. (effective 07/24/09)
State: $8.25 hr. (effective 07/01/10)

	2011	2012	
MEDICARE DEDUCTION	$ 96.40 up to 115.40	$99.90	
GRANT ADJUSTMENT	495.90	$519.90	(eff. March)
SPOUSAL IMPOVERISHMENT			
ASSETS	109,560	113,640	
SPOUSAL INCOME	2,739	2,841	
FAMILY MAINTENANCE	1,839		(eff. July)
SLF	674	698	
SHARED ROOM	505.50	524	
SSI – INDIVIDUAL	674	698	
SSI – COUPLE	1,011	1,048	

Skip Social Security
The Official Website of the U.S. Social Security Administration

Understanding Supplemental Security Income SSI Benefits -- 2012 Edition

SSI BENEFITS

Generally, the maximum Federal SSI benefit changes yearly. SSI benefits will automatically increase in 2012 because there was an increase in the Consumer Price Index from the third quarter of 2009 to the third quarter of 2011. Effective January 1, 2012, the Federal benefit rate is $698 for an individual and $1,048 for a couple.

Some States supplement the Federal SSI benefit with additional payments. This makes the total SSI benefit levels higher in those States. SSI benefit amounts and State supplemental payment amounts vary based upon your income, living arrangements, and other factors.

NO STATE SUPPLEMENT

The following States or territories **do not** pay a supplement to people who receive SSI:

Arizona	Northern Mariana Islands
North Dakota	West Virginia
Mississippi	

SOCIAL SECURITY ADMINISTERED SUPPLEMENT

We administer the State supplement for the following States. You may contact us about your total benefit amount.

California	Delaware*	District of Columbia*	Hawaii
Iowa*	Michigan*	Montana	Nevada
New Jersey	New York*	Pennsylvania*	Rhode Island*
Utah	Vermont		

* Dual administration State. In these States, Social Security administers some categories of State supplement payments, while the State administers other categories of supplemental payments.

STATE ADMINISTERED SUPPLEMENT

The following States pay and administer their own supplemental payments and you may contact the State for payment information.

Alabama	Alaska	Arkansas	Colorado
Connecticut	Florida	Georgia	Idaho
Illinois	Indiana	Kansas	Kentucky

Skip Social Security
The Official Website of the U.S. Social Security Administration

Understanding Supplemental Security Income SSI Eligibility Requirements -- 2012 Edition

SSI ELIGIBILITY REQUIREMENTS

WHO IS ELIGIBLE FOR SSI ?

Anyone who is:

- aged (age 65 or older);
- blind; or
- disabled.

And, who:

- has limited income; and
- has limited resources; and
- is a U.S. citizen or national, or in one of certain categories of aliens; and
  In general, an alien who is subject to an active warrant for deportation or removal does not meet the citizenship/alien requirement.
- is a resident of one of the 50 States, the District of Columbia, or the Northern Mariana Islands; and
- is not absent from the country for a full calendar month or for 30 consecutive days or more; and
- applies for any other cash benefits or payments for which he or she may be eligible, (for example, pensions, Social Security benefits); and
- gives SSA permission to contact any financial institution and request any financial records about you; and
- files an application; and
- meets certain other requirements.

WHAT DOES "AGED" MEAN?

"Aged" means age 65 or older.

WHAT IS "BLINDNESS" FOR AN ADULT OR CHILD?

Blindness in our disability programs is "statutory blindness," which means:

- you have a central visual acuity of 20/200 or less in your better eye with use of a correcting lens; or
- you have a visual field limitation in your better eye, such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

If you have a visual impairment that is not "statutory blindness" as defined above, you may still be eligible for SSI benefits on the basis of disability. See the definitions of disability for children and adults below.

WHAT DOES "DISABLED" MEAN FOR AN ADULT?

If you are age 18 and older we may consider you "disabled" if you have a medically determinable physical or mental impairment which:

- results in the inability to do any **substantial gainful activity**; and
- can be expected to result in death; or
- has lasted or can be expected to last for a continuous period of not less than 12 months.

If you are age 18 or older, the adult definition of disability explained below applies.

See **SSI FOR CHILDREN** and **IF YOU ARE DISABLED OR BLIND** for more information on the childhood disability evaluation.

WHAT DOES "LIMITED INCOME" INCLUDE?

Income includes

- money you earn from work;
- money you receive from other sources, such as Social Security benefits, workers compensation, unemployment benefits, Department of Veterans Affairs, friends or relatives; and
- free food or shelter.

We do not count the value of all of your resources for SSI. For more information, see **SSI INCOME**.

WHAT ARE "LIMITED RESOURCES"?

Resources are things you own such as:

- cash;
- bank accounts, stocks, U.S. savings bonds;
- land;
- vehicles;
- personal property;
- life insurance; and
- anything else you own that could be converted to cash and used for food or shelter.

We do not count the value of all your resources for SSI. For more information, see **SSI RESOURCES**.

The SSI limits for resources that we do count are:

Individual/Child	—	**$2,000**
Couple	—	**$3,000**

CITIZEN / NON–CITIZEN STATUS

To get SSI, you must be:

- a citizen or national of the United States; or
- a non–citizen who meets the alien eligibility criteria under the 1996 legislation and its amendments.

WHEN IS A NON-CITIZEN ELIGIBLE FOR SSI?

Beginning August 22, 1996, most non–citizens must meet two requirements to be eligible for SSI:

- the non–citizen must be in a qualified alien category, and
- meet a **condition** that allows qualified aliens to get SSI benefits.

A non–citizen must also meet all of the other requirements for SSI eligibility, including the limits on income, resources, etc.

WHO IS A "QUALIFIED ALIEN"?

There are seven categories of non–citizens who are qualified aliens. You are a "qualified alien" if the Department of Homeland Security (DHS) says you are in one of these categories:

1. Lawfully Admitted for Permanent Residence (LAPR) in the U.S., including "Amerasian immigrant" as defined in Section 584 of the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1988, as amended;
2. Granted conditional entry under Section 203(a)(7) of the Immigration and Nationality Act (INA) as in effect before April 1, 1980;
3. Paroled into the U.S. under Section 212(d)(5) of the INA for a period of at least one year;
4. Refugee admitted to the U.S. under Section 207 of the INA;

Attachment F

psls: Cases: Edit - Mozilla Firefox

File Edit View History Bookmarks Tools Help

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_$form_loader?4_edit/351701=

Bookmarks

Search:

- Bookmarks Toolbar
- Bookmarks Menu
- Unsorted Bookmarks

*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* Group: xx ▾ Employment ▾ Annually ▾ $ 14000.00 Calculator

Relationship/Notes: Relationship/Notes:

Allowable Expenses

Total Expenses
Total Annual Expenses: N/A
Total Monthly Expenses: N/A
Adjusted Annual Income: $14,000.00 (for referral purposes only)
Adjusted Monthly Income: $1,166.66 (for referral purposes only)
Adjusted Percentage of Poverty: 125.34% (for referral purposes only)

Child Care (only if needed for work, or education/training to obtain work) ▾ Frequency ▾ $ Amount*

Expense Type
None-Chosen by mistake
Medical
Work Trans.
Child Care (only if needed for work, or education/training to obtain work)
Child Support Payment
Other Employment
Mortgage
Rent
Age/Disability non medical exp of family member
Student Loan
Current Taxes
Other

Eligibility for the AG Home Ownership Project is focused on persons with incomes below 80% of area median income for the Chicago MSA. Click here for link to the 80% AMI chart. This chart should be used for persons in all counties for the AG Home Ownership Project. Persons with incomes above 80% AMI may be determined eligible in special circumstances approved by the executive director.

Closing Note/Case Summary
2012-07-17 15:26:40
Closing Note/Case Summary
2012-07-17 15:23:50
Closing Note/Case Summary
2012-07-17 15:21:17
Delete All Drafts

Edit Financial Information

1. Financial Information Auxiliary Form
2. LSC Eligibility

0% Complete

Group: xx
Case No: 12-0351701
LPC 61 Federally Subsidized Housing
Original Date Opened 12/17/2012 [Edit]
Assignment Admin Office
Assignment General Program
Primary Assignment Bernard H. Shapiro
Funding Code 003 General Funds [Edit]
Case Status Active [Edit/View History]
Disposition Open

Print...

Desktop 4:07 PM 1/16/2013

Attachment G

MINUTES
PRAIRIE STATE LEGAL SERVICVES, INC.
Starved Rock Lodge, Utica, Illinois
September 8, 2012

OFFICERS PRESENT

Wendy Vaughn, President
Tom Boswell, Treasurer

BOARD MEMBERS PRESENT

Christine Blankenship
John Cheek
David Collins
Paul Donahue
Bill Franks
Dorothy Mintz
Barbara Santana
Mark Steffen
Alan Sternberg
Maria Glisson, Emeritus

OTHERS PRESENT

Bernard Shapiro
James Chancellor
Jeff Hamaker
Mary Campbell
Adrian Barr
Kathy Bettcher
Don Dirks
Geri Dolan

I. Call to Order

President Wendy Vaughn called this regular meeting of the Board of Directors to order at 10:10 a.m. She announced the presence of a quorum.

II. Approval of Minutes of May 12, 2012

Bill Franks, seconded by Alan Sternberg, moved that the Minutes of the Board of Directors Meeting of May 12, 2012 be approved. The Motion passed.

III. Treasurer's Report

James Chancellor gave the Treasurer's Report. He reviewed his written materials. Mark Steffen, seconded by Paul Donahue, moved that the Treasurer's Report be approved. The Motion passed.

J. Amendments to Eligibility Guidelines – Bernie Shapiro referred to his written report and explained that there were two proposed amendments to the Program's Eligibility Guidelines which are annually adopted by the Board. Both proposals are directed to the exclusion of certain assets so they are not counted in determining whether the applicant is under the Program's asset ceiling of $15,000. The first proposed change was to change the title of "Homestead Real Estate" to "Principal Residence". The second proposed change concerned adding retirement plans to the list of excluded assets. Retirement plans are excluded from levy or garnishment under state law. David Collins, seconded by Mark Steffen, moved that the first proposal to use the term "Principal Residence" be approved and that the second proposal to add retirement plans to the list of excluded assets be tabled to the next meeting. The Motion passed.

IX. Adjournment

There being no further business before the Board, President Wendy Vaughn declared the meeting adjourned at 12:40 p.m.

Attachment H

Cost Allocation and Match Contributions Calculation:

Project cost allocations are based upon the following calculations:

Attorneys' and paralegals' salaries are allocated by the hour based upon the number of actual hours paid for staff. Overhead costs are allocated by determining an overhead percentage. The percentage is based on the total hours worked for the specific function divided by the actual number of direct service hours worked in total for the same time period.

Example:

Title III Allocation:

Attorneys and Paralegals:

$$\frac{\text{Hours Worked - Title III}}{\text{Total Direct Service Hours Worked}} \quad \frac{45}{250} = 18\%$$

The computed percentage, 18% would be applied to all costs not directly charged to Title III. Budget figures are determined by multiplying each of the office's total line item projections by the overhead percentage projected for the fiscal year.

Travel, audit, training, printing, litigation, equipment and administrative costs are charged directly to the grant as they are incurred in performance of the grant. Cost projections are based upon prior use and projected expenses.

Match Contributions:
Some grants require match contributions. Only qualifying contributions will be used for the match requirement.

Attachment I

Staff shall return any funds which remain in the Client Trust Account to the client at case closing, or earlier if it becomes clear that the funds will not be needed for any purpose connected to the case. It is imperative that PSLS return the funds timely, because the funds belong to the client, and because clients may move and it may be difficult to locate them at a later time.

Staff shall determine the amount of funds to be returned to the client by the balance as shown in the client trust record in Legal Server. There may be a situation in which the balance shows as zero, but there is an outstanding check which has been issued against the client's funds in the Client Trust Account. In other words, funds deposited for the client are actually still in the bank, although the Legal Server record shows the client's balance in the account to be zero because a check has been written against those funds. Staff shall not return funds to the client in such a situation. It is imperative that the funds remain in the Client Trust Account to cover the outstanding check in the event it is cashed at a later time.

If PSLS does not have a current address for a client so that trust funds can be returned to the client, or if a check to the client is returned by the postal service, staff shall act as quickly as possible to locate the client. The more time that passes, the more difficult it will become to locate the client. Staff shall take steps including but not limited to the following: contact the client by means other than letter, e.g. telephone; contact the U.S. Postal Service to learn whether the client has placed a forwarding order; review the client file for alternative means of contacting the client, such as family members, and contact those individuals unless inappropriate in the specific case; seek a current address from an agency for which the client provided a release, e.g. DHS or SSA, unless inappropriate in the specific case.

25.9 Outstanding Checks, Clients Who Cannot be Located, and Unclaimed Funds.

A. Outstanding Checks. Outstanding (uncashed) checks are problematic for a number of reasons, including that funds to cover such checks must be retained in the Client Trust Account and cannot be returned to the client, and that if such checks remain outstanding for five years, they become abandoned property under state law. Uniform Disposition of Unclaimed Property Act, 765 ILCS 1025/1 *et seq.* [make this a link]. Therefore, staff shall make all appropriate efforts to recover outstanding checks or ensure that they are presented to be cashed. If a check to a third party is returned to PSLS, staff shall void the check as described more fully in Section 25.6 H, above; if a check to a client is returned to PSLS (this would generally be by the post office), staff shall follow the steps outlined in Section 25.8 to try to reach the client. The following sets out procedures for checks which have not been cashed and which have not been returned to the office.

If a check written to a client from the Client Trust Account has not been cashed by the end of the month following the month in which it was written, staff shall take steps to contact the client to

remind the client of the check and to urge the client to cash the check. Staff shall use all appropriate steps to reach the client, as set out in Section 25.8, above. Staff shall contact the client periodically to remind the client of the outstanding check, as long as the check remains outstanding.

If a check written to a third party from the Client Trust Account has not been cashed by the end of the month following the month in which it was written, staff shall consult with the client regarding the steps to take. Unless it is against the client's interest for PSLS to contact the third party, staff shall contact the third party to remind the party of the check and to ask the party to return or cash the check as appropriate. Staff shall make clear to the client, however, that once a check is issued to a third party, PSLS cannot return the amount of that check to the client even if the third party never cashes the check.

If client or third party asks for a replacement check, because client or third party lost the first check, staff shall not issue a replacement check except with the approval of both a Director of Litigation and the Finance Director.

B. Abandoned Funds. Abandoned funds include funds held in the Client Trust Account to cover checks which have been outstanding for five years and funds held in the bank for five years after case closing for clients who cannot be located. PSLS has an obligation to report and remit such funds to the Illinois State Treasurer on an annual basis; annual reports must be filed on May 1 of each year for the previous calendar year. The Finance Director shall be responsible for filing annual reports with the State Treasurer.

Additional Steps for January Reconciliation. The Client Trust Custodian shall take the following steps at the time he/she completes the Client Trust reconciliation in January of each calendar year. The Client Trust Custodian shall identify any funds which have been held in the Client Trust Account for at least five years after case closing as of the last day of the year just ended. The Client Trust Custodian shall also identify any checks which have been outstanding for at least five years as of the last day of the year just ended. The Client Trust Custodian shall prepare a Letter [make this a link], to be signed by the Executive Director or his/her designee, to the payee of the outstanding check or to the client for whom funds are held in trust, at the last known address. The Executive Director or his/her designee shall provide copies of all such letters to the Finance Director. In the case of an outstanding check, the letter shall advise the payee that the client trust account check has not been cashed and that unless that person cashes the check or advises PSLS to issue a replacement check, the funds will be presumed to be abandoned in accordance with the Uniform Disposition of Unclaimed Property Act and the funds will be remitted to the Illinois Unclaimed Property Division. In the case of funds held for a client for which no check is outstanding, the letter will advise the client that PSLS holds funds in the Client Trust Account in his/her name and that unless the client advises PSLS to issue a check for

the funds and informs PSLS of an address to which to send the check, the funds will be presumed to be abandoned in accordance with the Uniform Disposition of Unclaimed Property Act and the funds will be remitted to the Illinois Unclaimed Property Division. The Custodian shall prepare the letters as set forth in this paragraph with sufficient time so that the Executive Director or his/her designee can sign and mail them by no later than January 31 of each year.

By no later than March 15 of each year, the Finance Director shall communicate with the Client Trust Custodians to learn whether the local office has received a response to any such letter sent to any client or third party. If neither the local office nor the Administrative office has received a response to the letter, the funds are considered abandoned funds. With respect to abandoned funds, the Client Trust Custodian, at the direction of the Finance Director, shall issue a check to the Illinois State Treasurer and send the same to the Administrative Office. The Finance Director shall send the check to the State Treasurer together with the annual report.

25.10 Holding Funds which are Not Short-Term and Not Nominal. RPC 1.15[make this a link] states that "A lawyer or law firm shall deposit all funds of clients or third persons which are not nominal in amount or expected to be held for a short period of time into a separate interest- or dividend-bearing client trust account with the client designated as income beneficiary." If a staff member believes that the funds which PSLS holds for a specific client are not nominal and are not expected to be held for a short period of time, he/she shall consult with both a Director of Litigation and the Finance Director to determine whether the funds should be deposited into a separate account so that the interest earned will be paid to the client rather than to the Lawyers Trust Fund.

Attachment J

reconciliation forms each month as an additional check and shall alert the local office to any errors or take other corrective action as appropriate.

26.10 Outstanding Checks.

A. In General. Outstanding (uncashed) checks are problematic for a number of reasons, including that funds to cover such checks must be retained in the Litigation Account and cannot be used for other PSLS purposes. Therefore, staff shall make all appropriate efforts to recover outstanding checks or ensure that they are presented to be cashed. If a check is returned to PSLS by the postal service, staff shall take steps to resend it to the payee if appropriate. If a check is returned to PSLS and it is not appropriate to take steps to resend it to the payee, staff shall void the check as described more fully in Section 26.8G, above. The following sets out procedures for checks which have not been cashed and which have not been returned to the office.

B. Checks Which Have Not Been Cashed At the End of the Following Month. If a check written from the Litigation Account has not been cashed by the end of the month following the month in which it was written, staff shall determine whether it is appropriate to contact the payee to urge the payee to cash the check or to return the check to PSLS. In making this determination, staff may consult with the client if appropriate. Unless it is against the client's interest to contact the payee or there is another specific reason that it is not appropriate to contact the payee, staff shall contact the third party payee to remind the payee of the check and to ask the payee to return or cash the check as appropriate.

If the payee asks for a replacement check, because he/she lost the first check, the Litigation Account Custodian shall not issue a replacement check except with the approval of the Managing Attorney. In determining whether to issue a replacement check, the Managing Attorney shall consider all relevant circumstances including the trustworthiness of the payee and the likelihood that he/she will return the original check should it be located.

C. Checks Which Have Not Been Cashed for a Year or Longer/Special January and July Review. If a check remains outstanding for one year, the Litigation Account Custodian shall adjust the balance in the account so that the funds are no longer being held to cover the outstanding check and are available to be used for other litigation expenses. While some banks honor checks even after a year, the likelihood and risk of a check being presented to be cashed after one year is small enough that PSLS may use the funds for other purposes.

Therefore, each January and July at the time of the monthly reconciliations for December and June, respectively, the Litigation Account Custodian shall review the list of outstanding checks on the LA-2 [make this a link] to identify checks which have been outstanding for 12 months or longer. Unless there is reason to believe that such a check is likely to be cashed, the Litigation

Account Custodian shall remove the check from the outstanding check list on the LA-2 for December/June; the Custodian shall record the amount of the check on the LA-1 [make this a link] for December/June as a receipt of new funds, increasing the balance of the account, and specifically noting the reason for the entry.

26.11 Replenishment of Litigation Account.

A. In General. The Litigation Account Custodian shall monitor the balance of funds in the Litigation Account. The Litigation Account Custodian may seek replenishment of the Litigation Account from the Administrative Office after the balance dips below $200, but generally, shall not wait to seek replenishment any later than when the balance approaches $100. In order to request the replenishment funds, the Litigation Account Custodian shall complete a form LA-3 [make this a link] Litigation Account Reimbursement Request Reconciliation and a DR-1 [make this a link] Check Requisition Form.

B. Completing the LA-3.

- Line 2: Enter current balance from LA-1 (as of date of request for replenishment).
- Line 3: Excel will calculate the replenishment request as the difference between $500.00 and the current balance.
- Double check the amount requested by completing the additional fields set out below.
- Line 4: Enter Current Check Register Balance (Line 2) from the last LA-3 prior to this one.
- Itemize each deposit since the date of the last LA-3 through today's date; include every item entered as a deposit on each form LA-1 since the last LA-3. Include the replenishment funds which the Administrative Office provided in response to the last LA-3.
- Line 5: Excel will calculate the total deposits and add the total to the prior balance set out in line 4.
- Itemize each service charge to the account since the last LA-3.
- Line 6: Excel will calculate the total service charges and subtract that number from the number in line 5.
- Itemize each disbursement (check number and dollar amount, noting dollars and cents), beginning with the check number immediately following the last check noted on the most recent LA-3 and continuing through the most recent check issued or voided; include every item entered as a disbursement on each form LA-1 since the last LA-3.
- Line 7: Excel will calculate the total of the checks and subtract that number from the number in line 6.
- Line 8: Excel will calculate line 8 as the difference between lines 2 and 7. Check to confirm that the number in line 8 on the LA-3 is zero. If the number in line 8 is not zero, there is an error. Take steps to identify and correct the error.

Post LSC Monitoring Compliance Topics

LSC's General Finding

"With the noted exceptions, PSLS has in place policies, procedures, and practices designed to facilitate compliance-related activities. Additionally, PSLS exhibited a consistency of process and maintains a cultural connection between its intake units and its extended service units enhancing both units ability to perform compliance functions. PSLS staff and management exhibited a strong commitment to performing compliance-related activities and exhibited many compliance-related best practices. These factors resulted in the OCE team finding few compliance defects in sampled files."

Prospective Income

Monitoring Report Finding – Our reasonable income prospects inquiry is often limited to increases in an applicant's income and not prospective decreases. The Report recommends that PSLS should modify LegalServer, its intake forms, and its intake practices to ensure that prospective increases and decreases in income are taken into account when determining financial eligibility.

Our Response - We have modified Legal Server to require the staff person conducting intake to ask about prospective increases and decreases in the income of an applicant. We have also modified our paper intake form to alert the intake person to inquire into both increases and decreases in prospective income.

psls: Cases: Edit

https://psls.legalserver.org/matter/printview/dynamic_9/form_loader/24/edit/353224

Bi-weekly means every two weeks and semi-monthly means twice a month

*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* test tester No Income Frequency $ 0 Calculator

Relationship/Notes: Relationship/Notes:

Income Eligible Yes

Override

Does applicant expect income to increase OR decrease significantly in near future?* Yes

Anticipated Income Prospects* Please Select

Eligibility for the AG Home Ownership Project is focused on persons with incomes below 80% of area median income for the Chicago MSA. Click here for link to the 80% AMI chart. This chart should be used for persons in all counties for the AG Home Ownership Project. Persons with incomes above 80% AMI may be determined eligible in special circumstances approved by the executive director.

AG Home Ownership Project Eligibility Not applicable

Asset Information

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_9/form_leader:24/edit/353224

Bi-weekly means every two weeks and semi-monthly means twice a month

*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* test tester No Income Frequency $ 0 Calculator

Relationship/Notes: Relationship/Notes:

- +

Income Eligible Yes

Override

Does applicant expect income to increase OR decrease significantly in near future?*

Yes

Anticipated Income Prospects*

Please Select

- Please Select
- Even with anticipated increase, client would still be eligible
- Anticipated income not certain
- Important matter, income will not be available in time to address legal issue
- Other - Expected Decrease - describe in Eligibility Notes below

Eligibility for the AG Hon edian
income for the Chicago M sons in
all counties for the AG H ned
eligible in special circumstances approved by the executive director.

AG Home Ownership Project Eligibility

Not applicable

Asset Information

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_9/form_loader/24/edit/352224

Yes No

You must fill in at least one asset, or select 'No Assets'.

Total Assets Total Assets: $0.00

Asset Entry* No Assets $ 0.00 - +

Asset Eligible Yes

Override

Eligibility Notes

Eligibility Notes B I U ABC Font Size

Save & Stay on Page

Continue »

Job #1 Name of household member working_____ Name of Employer_____

How much does this worker earn per hour $_____ Number of hours worked each week? _____

If not paid hourly, how often is this person paid (___weekly ___twice a month ___other)
Amount of wages before taxes or other costs are deducted from you pay check – in other words – not the take home amount: Gross Amount: _____ If you are unsure of the amount, check here ☐

Job #2
Name of household member working_____ Name of Employer_____

How much does this worker earn per hour $_____ Number of hours worked each week? _____

If not paid hourly, how often is this person paid (___weekly ___twice a month ___other)
Amount of wages before taxes or other costs are deducted from you pay check – in other words – not the take home amount: Gross Amount: _____ If you are unsure of the amount, check here ☐

Are there are additional places of employment No ☐ Yes ☐
Is anyone in the household self-employed? No ☐ Yes ☐
Self employment includes routinely selling items offering services for compensation, as well as other businesses. If you are self-employed please explain:

_____

Do you expect any significant changes (increase or decrease) in your household income in the near future?

No ☐ Yes☐

If yes, what change do you expect? _____When?_____
Do you receive Food Stamps? Yes ☐ No ☐ Do you receive energy assistance benefits? Yes ☐ No ☐

Your Expenses:	**Monthly Payment**	**Are you behind in payments?**
Rent or mortgage payment	_____	No ☐ Yes ☐

So how does this decrease stuff work?

Answer: If an applicant has income above 200 percent of the federal poverty limit but with some certainty his/her income will decrease during the period when our representation would be provided, and that decrease brings the applicant below 200 percent, then if the prospective income is 125 percent or below, find the applicant financially eligible and if the prospective income is between 125 percent and 200 percent of the federal poverty limit, use our standard LSC exception rules.

Problem The First – Brennie Shapro is sitting in front of you applying for our help. He tells you that he makes a specific amount of income from his job repairing copying machines at some legal aid organization that has a "Prairie" in its name. The amount is 475 percent of the FPL. He has no other income. You are about to show him the door when he blurts out that he may lose his job because some guy at this Prairie Whatever has complained to his boss that after Brennie leaves, the copiers throw off sparks and go poof and his employer is most unhappy. What to do?

Problem the Second – Brennie shows you a letter stating that he will be discharged in six months. His legal problem is a lockout. Now what?

LSC Exception – Child Care Expense

Finding – PSLS Financial Eligibility Policy incompletely states that we may consider a child care expense for an applicant whose income is between 125 – 200% of the Federal Poverty Guidelines when determining financial eligibility because it does not limit that the child care deduction to circumstances where the expense is necessary for employment, job training, or educational activities in preparation for employment as required by LSC Regulations

Our Response - We have changed our policy so that expenses for child care can only be deducted from gross income where the expense is necessary for employment, job training, or educational activities in preparation for employment.

Firefox psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_9/form_loader24/edit/353224

Number of People 18 and Over* 1

Number of People under 18* 0

Income Totals
Annual Income: $14,400.00
Monthly Income: $1,200.00
Percentage of Poverty: 128.92%
Family Size: 1 (1 over 18, 0 under 18)

Household Income:* You must fill in at least one income, or select 'No Income'
Bi-weekly means every two weeks and semi-monthly means twice a month
*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* test tester Employment Monthly $ 1200.00 Calculator

Relationship/Notes: Relationship/Notes:

- +

Allowable Expenses

Total Expenses
Total Annual Expenses: N/A
Total Monthly Expenses: N/A
Adjusted Annual Income: $14,400.00 (for referral purposes only)
Adjusted Monthly Income: $1,200.00 (for referral purposes only)
Adjusted Percentage of Poverty: 128.92% (for referral purposes only)

Firefox psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_9/form_loader24/edit/353224

Household Income:* You must fill in at least one income, or select 'No Income'

Bi-weekly means every two weeks and semi-monthly means twice a month

*Special Instructions for Senior Citizens: If they do not give income and asset information, please ask if their income is above or below $900.00 per month.

Income Entry* test tester Employment Monthly $ 1200.00 Calculator

Relationship/Notes: Relationship/Notes:

Expense Type

None-Chosen by mistake
Medical
Work Trans.
Child Care (only if needed for work, or education/training to obtain work)
Child Support Payment
Other Employment
Mortgage
Rent
Age/Disability non medical exp of family member
Student Loan
Current Taxes
Other

only)

Expense Type Frequency $ Amount*

Income Eligible No

Override

Does applicant expect ...

Are there are additional places of employment No ☐ Yes ☐

Is anyone in the household self-employed? No ☐ Yes ☐

Self employment includes routinely selling items offering services for compensation, as well as other businesses. If you are self-employed please explain:

_____

Do you expect any significant changes (increase or decrease) in your household income in the near future?

No ☐ Yes ☐

If yes, what change do you expect? _____ When? _____

Do you receive Food Stamps? Yes ☐ No ☐ Do you receive energy assistance benefits? Yes ☐ No ☐

Your Expenses:	**Monthly Payment**	**Are you behind in payments?**
Rent or mortgage payment	_____	No ☐ Yes ☐
Child support/maintenance	_____	No ☐ Yes ☐ _____
Child care*	_____	*only if needed for work, or education/training for work)
Work Transportation	_____	

Taxes deducted from pay	_____
Medical or Nursing home Expenses	_____
Non Medical Expenses for family member due to age or disability	_____

Other debts/expenses you would like us to consider (example: other expenses for work such as clothing,

Income in Excess of 200% - Exception for Medical Expenses

Finding - Our Pre-Intake Screen on LegalServer does not include the exception to the 200 percent LSC eligibility ceiling for medical or nursing home expenses set forth in our policies and the paper application does not list any of the exceptions to the 200 percent ceiling. The Report recommends that we modify Legal Server and our paper intake forms to include all sources of exceptions to the 200 percent limit.

Response – We have modified LegalServer and our paper application.

Firefox psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_2/

(First, MI, Last, Suffix) Social Security # Social Securit Date of Birth mm/dd/yyyy Age: N/A Conflict Search

Enter a business name and type if the AP is a company

Business Name, Type Business Name Please Select Conflict Search

Additional Adverse Parties

Show additional adverse parties

Common Adverse Party

Show common adverse parties

Quick Eligibility Check

If applicant is aged 60 or older skip financial pre-screen. Determine conflict. If no conflict determine if legal problem is prohibited (criminal case).

Family Size (Application)	
Gross Monthly Income (Application)	$
Percentage of Poverty	N/A

If applicant income is over 200% poverty, check eligibility for services under a specific grant with higher eligibility (Seniors, HIV, Tax Law Project, etc. Next determine if the applicant is seeking services in an issue related to maintaining public benefits or income is primarily committed to long term care or medical care. Finally, if income is over 200% of poverty and the applicant is not eligible for a specific grant with higher eligibility and the client does not fit the exception noted above, ask whether the applicant expects their income to decrease. Continue with intake if appropriate.

Enter the zip code and Legal Server will automatically find the city/county.

Application model??gaik post kc idea [Compatibility Mode] - Microsoft Word

Insert Page Layout References Mailings Review View Acrobat

Taxes deducted from pay _____

Medical or Nursing home Expenses _____

Non Medical Expenses for family member due to age or disability _____

Other debts/expenses you would like us to consider (example: other expenses for work such as clothing, equipment, training, or educational activities, current taxes):

1. Amount 2. Amount

(Turn over to complete other side)

Assets

Information about your assets is important for Prairie State to understand your situation and to provide you with accurate legal advice. Prairie State considers assets to determine eligibility for legal services but these guidelines are very broad and not many applicants are found ineligible due to having excess assets. Please be accurate and complete.

Do you or your spouse own a home? No ☐ Yes ☐ - If yes, do you live in this house? No ☐ Yes ☐

Do you or your spouse own other real estate? No ☐ Yes ☐

If yes please describe_____

Amount in savings or checking: _____

Amount in Certificates of Deposit _____

Stocks, bonds, money market funds

Cash on hand _____

Value of burial plot

Timely Signed Attestations

Finding - In one case file examined the attestation was obtained after representation commenced and thus was not timely obtained. In five other files the Report states it was difficult to discern whether the attestation was obtained before legal assistance was provided since the attestations were not dated.

Our response – require that all attestations be scanned into Legal Server and that we add timely dating to the Compliance Checklist.

may not have income > 200% of poverty, except case to maintain public benefits or income needed for medical expenses e.g. nursing home care. MA approval ___N/A ___ED approval for expenses
If income is >125% and no exception or MA approval is checked: Another funder must be assigned

(3) Total assets:
___ Assets are less than or equal to $15,000.00
___ Assets are > $15,000.00
If assets exceed $15,000: ED approval required or another funder must be assigned

Date_____ Initials_____

Section B.
Is there a **signed attestation of citizenship or eligible alien documentation signed or received before representation commenced?**
___Yes – (Scan for Legal Server record)
___No – An option below should apply

If no: Check if applicable
___ Services were limited to advice or limited action and all contact with client was **by telephone only & contact is documented in the notes.**
___Case specifically involves domestic violence
___Client has had another case or application with PSLS and a signed attestation or documentation of eligible alien status is on file. (A copy of an attestation or non-expired eligible alien status will

Court Appointment: Court appointment order or memo is in the client's file ___ On file ___N/A

Date_____Case handler initials_____

Section D

Did we file initial court action? ___Yes ___No
If yes, Litigation screens have been completed (required where PSLS files original court complaint/petition, but not where PSLS represents defendant or enters appearance for plaintiff/petitioner after case is filed)
___ Screen created ___ N/A

Statement of Facts: A statement of facts signed by the client is required for all cases where litigation screen is required or where negotiation with intent to litigate. Verified petition or complaint can meet requirement if it includes specific facts, such as in petition for order of protection.
___ Statement in client's file ___N/A

Did client become incarcerated after we began representation in civil litigation?
___Yes ___No If yes, ED approval required for continued representation.
___ ED approval in file ___N/A

Final court order or administrative decision in file
___ In file ___N/A

Have you **completed a closing summary?**
___Yes ___ No

Were funds held in **client trust** at any time?
___Yes ___No If yes, print LS client trust history

return to case
documentatic

Section F
Timely Closi
Closing reasc
closed in the
opened after
reason for ke
documented
are timely if c
calendar year
documentatic

___ Closed ti

Section G

Client Trust:
___ CT cloc
N/A – n

Closing Codes

Finding: A pattern of error in the use of the Closing Code "K" (Other) and the underreporting of the level of service in various cases such as closing a case as an "A" (Advice) when a higher level of service was justified or closing a case as a "B" (limited service) or "F," (Negotiated Settlement Without Litigation) when the case should have been closed as a "G" (Negotiated Settlement with Litigation) or "L" (Extensive Services).

Our response: The Report recommends that we prepare a reference guide which will remind staff of appropriate case closure categories when staff close cases and that we provide training on the closing categories. We are following these recommendations and now provide "hover screens" in Legal Server that mirror the language of the CSR Handbook for each closing code.

Firefox

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_5/form_loader/229/edit/352344

Google

Prairie State Legal Services Ask Chris | Support Request | My Assignments | Bernard H. Sha

Home | Cases | Timekeeping | Calendar | Contacts | Organizations | Outreach | Reports | Docume

Help | Admin

Home » Cases » scooby doo (13-0352344) » **Edit**

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PSLS Closing Information

Date Opened*	01/04/2013
Date Closed*	02/21/2013

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy

File Destroy Date	02/21/2020
Caseworker who closed case*	Shapiro, Bernard
Close Reason*	B - Limited Action (Brief Service)

Closing a case as B means action was taken behalf of an eligible client that was not complex or extended enough to meet the requirements of CSR closing category L. Examples include but are not limited to: communications by letter, telephone or other means to a third party; preparation of a simple legal document; or legal assistance to a pro se client that involves preparation of court or other legal documents.

Note Drafts

Closing Note/Case Summ
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summ
2013-01-24 15:44:06
Closing Note/Case Summ
2013-01-06 11:10:44
Closing Note/Case Summ
2013-01-06 11:10:44
Closing Note/Case Summ
2013-01-06 11:10:43
Closing Note/Case Summ
2013-01-04 10:50:54
Closing Note/Case Summ
2013-01-04 10:50:53
Closing Note/Case Summ
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes

Firefox

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_5/form_leader:229/edit/352344

Home » Cases » scooby doo (13-0352344) » **Edit** Search | Timer | Preferences | Quick Referral | Hide Tasi

PSLS Closing Information

Date Opened* 01/04/2013

Date Closed* 02/21/2013

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to

File Destroy Date 02/21/2020

Caseworker who closed case* Shapiro, Bernard

Close Reason* F - Negotiated Settlement w/out Litigation

Closing a case as F means that the program (PSLS) negotiated and reached an actual settlement on behalf of a client WITHOUT any court or administrative actions pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. It includes settlements negotiated with an administrative agency prior to the filing of a formal administrative proceeding. ** NOTE: The file should contain documentation of the settlement. Pro Se cases cannot be closed in this category.

Close reason G means the program (PSLS) negotiated and reached an actual settlement on behalf of a client WHILE a court or formal administrative action

Note Drafts

Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary

Problem #1 – Client X is on the phone and tells you that that his landlord has issued him a ten day letter because the client's belching disturbs the landlord. He is at a fax machine and is able to fax you the lease. You review it and do not find any provision that covers belching. You tell the client that based on your review of the facts and your complete knowledge of eviction law that the landlord has no case. Closing code?

Problem #2 – Same facts, except you hang up, spend four hours researching belching as an inherent lease violation and call the client back with the same advice as above. Closing code?

Problem #3 – Same facts concerning the belching, but you call the landlord and explain to her that belching is not a violation of the lease. She breaks down in face of your relenting knowledge and presentation and promises not to evict your client. You call the client back and tell him that based on his counsel's stellar performance, he can stay. Closing code?

Problem #4 – Same facts except the landlord tells you "to take a hike" when you call. You then file your appearance, send interrogatories, a request for production of documents, and a request to admit and then your client informs you that he wants to move and to just agree that he will move out in 10 days. Closing code?

Problem #5 – Same Facts as Problem #4 except that the day before trial the client informs you that he has hired another law firm to represent him at the eviction hearing. Closing Code?

Problem #6 – Same facts as Problem #4 except you go to trial and lose. Closing Code?

Problem #7 Same facts as Problem #4 except you appeal the case to the Illinois Appellate Court and lose again. Obviously, belching is a total basis for eviction. Closing code?

Closing Screen – Question 2

Finding - Our LegalServer closing screen provided for deselecting a case by posing four questions including Question 2: " is closed A or B OR a retainer is in the file OR it is a PAI case" If any of the four the question is answered, "No," the case is deselected and not reported to LSC. **The CSR Handbook does not permit deselecting a case because no retainer was obtained.**

Our response - We are in discussions with PSTI to eliminate Question 2 and until PSTI eliminates Question 2, we will change the language of Question 2, an operation we can perform, so that the question will have to be answered, "Yes" and the case reported to LSC.

psls: Cases: Edit

https://psls.legalserver.org/matter/process/dynamic_58/form_loader/147/edit/155304

07/12/2009 Please select

N/A 1 $ Amount $0.00

Notes Notes

- +

CSR Determination

1. Legal assistance is documented and specific to client's unique circumstances

Question 1.* Yes No

2. No longer in use. You MUST check YES. (Effective 2013)

Question 2.* Yes No

3. Case is closed A or B and all contact was telephonic OR citizenship/alienage documentation is in the file OR services were related to DV/trafficking and documentation not required

Question 3.* Yes No

4. Case is closed timely

Question 4.* Yes No

Is this matter LSC Eligible? Yes

Question #8 – Back to the belching client and the facts of Question #4 - "You then file your appearance, send interrogatories, a request for production of documents, and a request to admit and then your client informs you that he wants to move and to just agree that he will move out in 10 days." But oh gosh, you never got a retainer and the client is gone, gone. Closing Code?

We can never close a case as a B for the reason that we didn't get a retainer. To close a case as a B we must be within the bounds of that closing code.

Fee Generating Cases - Advices

Finding - A review of cases found a case where advice only was provided to a caller to the Telephone Counseling Service on a potential negligence case in accordance with the PSLS priority to ensure low income residents are afforded with access to the justice system. The Report found that even though legal assistance was confined solely to advice with no contemplation of further extended representation that nevertheless the case was a "fee generating case"

Our Response - We will no longer use the LSC funding code for cases where we will provide only advice on tort and other issues which, if ultimately resulted in extended representation undertaken on behalf of an eligible client by an attorney in private practice reasonably may be expected to result in a fee for legal services from an award to a client, from public funds or from the opposing party. Consistent with LSC Regulation 45 CFR §1609(a), we have created a new funding code – "LTF – Potential Fee Generating" to provide a source of governmental non- LSC funds so that we can continue to provide advice and referral only on these cases consistent with our priorities **and without completing the fee generating case form.**

psls: Cases

legalserver.org/matter/dynamic-profile/view/352344?x_ret_mes=+saved

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Search | Timer | Pr

ACTION ITEMS | The Basics | Compliance | Case Plan | Caschandler client data

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se Status using Edit/View History link in box at right>>>>>>>>>>>>>>>>>>

PAI Case? N/A

t Agency or on Referred lient to Us? N/A

ing Code(s) 003 General Fun

ary Funding Code N/A

sment Only Legal Reject Reason N/A

Priority N/A

OBLEM CODE and SPECIAL PROBLEM CODE under "EDIT

gal Problem Code N/A

No

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Funding Code(s)* 003 General Funds

097 Aurora 708
096 HOIUW CPR
102 Joliet Township - Will County
138 Kendall Co. Senior Tax Levy
140 Equal Justice Grant
200 LTT-Potential Fee generating cases AO
004 Title III (Senior Project)
008 NIAAA Grandparent
012 DuPage Human Services
014 CDBG-McHenry Disabled
018 Kane Co. Bar Comm. Law Project
020 Attorney General/Domestic Viol
020a AG VCVA-Rockford
020b AG-VCVA-Galesburg
024 Peoria-Emergency Shelter Grant

Most common examples

- Small claims/other suits for money
- Lock-outs
- Social Security/SSI Application
- Many consumer cases

Generally not fee generating

- Evictions
- Voucher terminations
- Bankruptcy
- Social Security overpayments
- Orders of Protection
- Powers of attorney
- Food stamps, Medicaid, TANF (except affirmative litigation)

FEE GENERATING CASE FORM

Name of Client: _____

Case Number: _____

This case is a fee generating case. If the case were undertaken on behalf of an eligible client by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services from an award:

(1) to a client _____; or
(2) from public funds _____; or
(3) from the opposing party _____

____ Although, if undertaken by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services, this is not a fee generating case because a court appointed Prairie State Legal Services, Inc. or its employees to provide representation in this case pursuant to a statute or a court rule or practice equally applicable to all attorneys in this judicial circuit. [Copy of court appointment must be in the file.]

A. Representation is provided in this fee generating case because:

____ (1) the case has been rejected by the local lawyer referral service _____, or by the following two private attorneys: _____ on _____: or

____ (2) neither the referral service _____, nor two private attorneys_____ will consider the case without payment of a consultation fee.

This section needs to be addressed only if there are no checks in the prior section.

B. Representation was provided in this fee generating case without first attempting to refer the case because:
____ (1) the eligible client is seeking only statutory benefits as defined by §1609.3(b)(1) [SSA or SSI]; or

____ (2) the director has determined that referral of the case to the private bar is not possible because:

____ (i) documented attempts to refer similar cases in the past generally have been futile; or

____ (ii) emergency circumstances compel immediate action before referral can be made, but the client has been advised that, if appropriate and consistent with professional responsibility, referral will be attempted at a later time; or

____ (iii) recovery of damages is not the principal object of the recipient's client's case and substantial statutory attorney's fees are not likely to be available.

Name of Principal Advocate: _____ Date completed: _____

What this means for phone attorneys **not in the foreclosure project**

- Use funding code 200 for any potentially fee generating case. Remember that fee generating cases generally arise when the client is raising a problem for which we give only advice, but it is possible that a private attorney's representation could result in a fee to that attorney. Generally client who call on matters where extended representation would involve a defense are usually not fee generating.
- Use funding code 200 regardless of whether you are closing the case yourself as advice, or referring the case on to a local office

Foreclosure Project Phone Attorneys

Advice to clients provided to foreclosure clients over the phone are not subject to the fee generating rules because we are not using LSC funds.

Foreclosure Attorneys

- Attorneys who are full time employees of the Foreclosure Project **are not included** in the fee generating rules because no LSC funds are used in the Project. Attorneys who are not full time employees of the Foreclosure project must treat foreclosure cases as fee generating and fill out the form for foreclosure clients checking the box under section B(2)(iii) - "**recovery of damages is not the principal object of the recipient's client's case and substantial statutory attorney's fees are not likely to be available.**"

What this means for local offices:

- Continue to complete fee-generating case form for each appropriate case as in the past
- In addition, complete fee-generating case forms for fee-generating advice only cases
- If you complete the fee-generating form on a case which a counselor coded as FC 200, change the funding code to whatever would otherwise have been the funding code
- If providing only advice on a tort case or other case that would require a 2-attorney turn-down to complete the form, use new funding code 200

That's it. Hope ya'all had loads and loads of fun. Come on back!

LSC TRAINING SCHEDULE

February 25

Sarena Ayala
Ketura Baptiste
Miles Bardell
David Berland
Kathy Bettcher
Jim Brusatte
Mary Campbell
Melanie Cannon
Jim Chancellor
Kristine Chapman
Ann Conroy
Sandy Crow
Deanna Denny
Sam DiGrino
Don Dirks
Penny Fauser
Kathleen Finn
Michelle Fitzsimmons
Jean Fletcher
Melissa Fuechtman
Angela Glendenning
Phyllis Goldsmith
Kara Grubb
Mark Guest
Tiffany Harvey
Suzanne Helwich
Marcy Heston
Nancy Hinton
Sheila Horan
Justin Hunter
Megan Kasper
Diana Kink
Jennifer Luczkowiak
Mary Ann Luethner
Kathleen McNally
Dori Michaels
Debbie Miller
Amber Moore
Linda Moore
Cherie Myers
Laura Myers
Ernest Nielsen
Kerry O'Brien
Jim O'Dowd
Beth Orchard
Carmen Osorio
Connie Peterson
John Quintanilla
Yolanda Reyes
Mary Rosenberg
Linda Rothnagel
Ellen Samuel
Jordan Sartell
Bernie Shapiro
Ron Sojka
Dan Swift
Mary Szudarek
Lisa Thiede
Kimberly Thielbar
Julie Thompson
Mae Torres
Kelly Tripp
Andrew VanSingel
Gail Walsh
Chris Weygand
Christina Wiste
Megan Wood
A.J. Young

February 26

Eliot Abarbanel
Pamela Andrew
Adrian Barr
Jane Berry Janet
Carillo Amaris
Carlson Marqus
Cole Shirley
Coers Wendy
Crouch Maria
Delgado Beth
Deucher Joe
Frankus Yvette
Golay Jeff
Hamaker Jessica
Harper Jesse
Hodierne
Denise Hume
Heidi Koch
Susan LaTour
Carol Leitz
Sarah Megan
Tracey Mergener
Kelly Pasholk
Marcia Pierce
Katie Pinter
Charlene Riefler
Cathy Ritts
Dawn Rodgers
Linda Rothnagel
Ashley Rufino
Yesenia Sanchez
Dena Schorn
Bernie Shapiro
Larry Smith
Elaine Sofferman
Brandy Stubbs
Kathy Thomas
Annette Voss
Ingrid Weaver
Rose Willette
Emily Wittrig
Paul Zukowski

From: Linda Rothnagel <lrothnagel@pslegal.org>

To: 'Connie Peterson' <cpeterson@pslegal.org>, 'Adrian Barr' <abarr@pslegal.org>,
'Alexander Hess' <ahess@pslegal.org>, 'Alf Sanford' <asanford@pslegal.org>,
'Alyssa Block' <ablock@pslegal.org>, 'Amanda Abens' <aabens@pslegal.org>,
'Amaris Carlson ' <acarlson@pslegal.org>, 'Amber Moore' <amoore@pslegal.org>,
'Amie Simpson ' <asimpson@pslegal.org>, 'Amy Weiss' <aweiss@pslegal.org>,
'Andrea Young' <ajyoung@pslegal.org>, 'Andrew Van Singel' <avansingel@pslegal.org>,
'Angela Glendenning' <aglendenning@pslegal.org>, 'Ann Conroy ' <aconroy@pslegal.org>,
'Annette Voss' <avoss@pslegal.org>, 'Ashley Rufino' <arufino@pslegal.org>,
'Bernie Shapiro' <bshapiro@pslegal.org>, 'Beth Orchard' <borchard@pslegal.org>,
'Bob Cook' <bcook@pslegal.org>, 'Brandon Bunch' <bbunch@pslegal.org>,
'Brandy Stubbs ' <bstubbs@pslegal.org>, 'Bridget Owens ' <bowens@pslegal.org>,
'Brittany Morgan-Glen' <bmorganglen@pslegal.org>, 'Carmen Osorio' <cosorio@pslegal.org>,
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'Debbie Miller' <dmiller@pslegal.org>, 'Denise Conklin' <dconklin@pslegal.org>,
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'Don Dirks' <ddirks@pslegal.org>, 'Dori Michaels' <dmichaels@pslegal.org>,
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'Emily Wittrig' <ewittrig@pslegal.org>, 'Ernest Nielsen' <enielsen@pslegal.org>,
'Gail Walsh' <gwalsh@pslegal.org>, 'George Bruce' <gbruce@pslegal.org>,
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'Heidi Yeh' <hyeh@pslegal.org>, 'Janae Harris' <jharris@pslegal.org>,
'Jane Berry' <jberry@pslegal.org>, 'Janet Carrillo' <jcarrillo@pslegal.org>,
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jodowd@pslegal.org, 'Joe Miller' <jmiller@pslegal.org>,
'John Quintanilla' <jquintanilla@pslegal.org>, 'Jordan Sartell' <jsartell@pslegal.org>,
'Julie Thompson' <jthompson@pslegal.org>, 'Justin Hunter' <jhunter@pslegal.org>

Cc: 'Kathleen Finn' <kfinn@pslegal.org>, 'Kathleen McNally' <kmcnally@pslegal.org>,
'Kathleen Schlueter' <kschlueter@pslegal.org>, 'Kathy Bettcher' <kbettcher@pslegal.org>,
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'Kelly Pasholk' <kpasholk@pslegal.org>, 'Kelly Tripp' <ktripp@pslegal.org>,
'Kerry O'Brien' <kobrien@pslegal.org>, 'Ketura Baptiste' <kbaptiste@pslegal.org>,
'Kimberly Gipson' <kgipson@pslegal.org>, 'Kristine Chapman ' <kchapman@pslegal.org>,
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'Marcia Pierce' <mpierce@pslegal.org>, 'Marcy Heston' <mheston@pslegal.org>,
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'Marisa Wiesman' <mwiesman@pslegal.org>, 'Mark Guest' <mguest@pslegal.org>,
'Marqus Cole' <mcole@pslegal.org>, 'Martine Jones' <mjones@pslegal.org>,
'Mary Campbell ' <mcampbell@pslegal.org>, 'Mary Leuthner' <mleuthner@pslegal.org>,
'Mary Rosenberg' <mrosenberg@pslegal.org>, 'Mary Szudarek ' <mszudarek@pslegal.org>,
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'Molly Recar' <mrecar@pslegal.org>, 'Nancy Hinton' <nhinton@pslegal.org>,
'Pam Rosenquest' <prosenquest@pslegal.org>, 'Pamela Andrew' <pandrew@pslegal.org>,
'Paul Zukowski' <pzukowski@pslegal.org>, 'Peggy Trelford' <ptrelford@pslegal.org>,
'Penny Fauser' <pfauser@pslegal.org>, 'Phyllis Goldsmith' <pgoldsmith@pslegal.org>,
'Ron Sojka' <rsojka@pslegal.org>, 'Rose Willette' <rwillette@pslegal.org>,
'Sam DiGrino' <sdigrino@pslegal.org>, 'Sandy Crow' <scrow@pslegal.org>,
'Sarah Megan' <smegan@pslegal.org>, 'Sarena Ayala' <sayala@pslegal.org>,
'Scott Everett' <severett@pslegal.org>, 'Sheila Horan' <shoran@pslegal.org>,
'Shirley Coers' <scoers@pslegal.org>, 'Susan LaTour ' <slatour@pslegal.org>,
'Susan Perlman' <sperlman@pslegal.org>, 'Suzanne Helwich ' <shelwich@pslegal.org>,

'Teresa Blackburn' <tblackburn@pslegal.org>, 'Thad Gruchot ' <tgruchot@pslegal.org>, 'Tiffany Harvey' <tharvey@pslegal.org>, 'Tracey Mergener' <tmergener@pslegal.org>, 'Vickie Smith' <vsmith@pslegal.org>, 'Wendy Crouch' <wcrouch@pslegal.org>, 'Yesenia Sanchez ' <ysanchez@pslegal.org>, 'Yolanda Reyes' <yreyes@pslegal.org>, 'Yvette Golay' <ygolay@pslegal.org>

Date: Sunday, February 10, 2013 12:06 pm

Subject: RE Brief but required training event to follow up LSC monitoring visit

Attachments: image001.jpg (7KB)

As almost everyone knows, this past August the Legal Services Corporation (LSC – our largest single funding source) conducted a monitoring visit to review our compliance with a number of LSC regulations. As you also know, on the whole we received a very positive review from LSC, thanks to hard work on the part of all of you who were with Prairie State in August and before. The monitoring team did note a few areas, however, in which they found that our compliance needed improvement. To address those areas, we have told LSC that we will conduct training by webinar with all staff on these issues by March 15.

To that end, Bernie and I have set three times for repetition of this program. Every PSLS staff member needs to take part in one of the three programs. In-house volunteers should take part as well. We have set the three presentations at different times of day and on different days of the week in an effort to accommodate everyone. Please let the executive secretary in your office know which day you will take part in the training. The executive secretary should make a list of all staff in the office and the date each person will participate in the web-based training. Executive Secretaries, please send the lists to Connie no later than Friday February 15. (Everyone else, please do not send your information directly to Connie, so that Connie isn't flooded with emails)

The three dates and times are:

Monday, February 25 from 2:00 to 3:30
Tuesday, February 26 from 10:30 to noon
Thursday, March 7 from 11:00 to 12:30

I'll send out the logins for the three calls next week.

Thanks!

Linda A. Rothnagel
Director of Advocacy Training
Prairie State Legal Services, Inc.

5320 West Elm Street
McHenry IL 60050
815/344-9113 Ext 5955

PRAIRIE STATE LEGAL SERVICES
Equal Access to Justice

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Attendee Report GoToWebinar

Generated
Mar 04, 2013 01:15 PM PST

General Information

Webinar Name
LSC Monitoring Visit Follow Up Training

Actual Start Date/Time
Feb 25, 2013 01:49 PM CST

Clicked Registration Link
63

Total Attended
45

Session Details

Attended	First Name	Last Name	Email	Registration Date	City
Yes	Kerry	O'Brien	kobrien@pslegal.org	Feb 25, 2013 02:05 PM	Wheaton
Yes	Ron	Sojka	rsojka@pslegal.org	Feb 20, 2013 05:02 PM	Wheaton
Yes	Dori	Michaels	dmichaels@pslegal.org	Feb 21, 2013 08:43 AM	McHenry, IL
Yes	Jennifer	Luczkowiak	jluczkowiak@pslegal.org	Feb 25, 2013 12:45 PM	Waukegan
Yes	Mary	Leuthner	mleuthner@pslegal.org	Feb 20, 2013 08:54 AM	Wheaton
Yes	Mary	Campbell	mcampbell@pslegal.org	Feb 20, 2013 08:19 AM	Rockford
Yes	Ketura	Baptiste	kbaptiste@pslegal.org	Feb 25, 2013 01:56 PM	Peoria
Yes	Ernie	Nielsen	enielsen@pslegal.org	Feb 22, 2013 12:56 PM	Wheaton
Yes	Michelle	Fitzsimmons	mfitzsimmons@pslegal.org	Feb 20, 2013 08:59 AM	Rock Island
Yes	Diana	Kink	dkink@pslegal.org	Feb 20, 2013 10:35 AM	Wheaton
Yes	Mark	Guest	mguest@pslegal.org	Feb 25, 2013 12:59 PM	Waukegan
Yes	Amber	Moore	amoore@pslegal.org	Feb 20, 2013 12:23 PM	St. Charles
Yes	laura	myers	lmyers@pslegal.org	Feb 21, 2013 04:30 PM	wheaton
Yes	mary	szudarek	mszudarek@pslegal.org	Feb 25, 2013 01:34 PM	joliet
Yes	Sandra	Crow	scrow@pslegal.org	Feb 20, 2013 09:35 AM	Peoria
Yes	Tiffany	Harvey	tharvey@pslegal.org	Feb 20, 2013 08:15 AM	Chicago
Yes	Kathleen	McNally	kmcnally@pslegal.org	Feb 20, 2013 08:37 AM	Waukegan
Yes	Carmen	Osorio	cosorio@pslegal.org	Feb 20, 2013 09:15 AM	St. Charles

Yes	Julie	Thompson	jthompson@pslegal.org	Feb 20, 2013 08:58 AM	rockford
Yes	James	Chancellor	jchancellor@pslegal.org	Feb 20, 2013 08:54 AM	Admin
Yes	Suzanne	Helwich	shelwich@pslegal.org	Feb 21, 2013 10:04 AM	Joliet
Yes	Christina	Wiste	cwiste@pslegal.org	Feb 20, 2013 08:28 AM	Wheaton
Yes	Gail	Walsh	gwalsh@pslegal.org	Feb 19, 2013 10:22 PM	none
Yes	Melanie	Cannon	mcannon@pslegal.org	Feb 20, 2013 08:53 AM	Peoria
Yes	Sheila	Horan	shoran@pslegal.org	Feb 20, 2013 10:25 AM	Wheaton
Yes	Donald	Dirks	ddirks@pslegal.org	Feb 20, 2013 01:07 PM	Ottawa
Yes	Megan	Kasper	mkasper@pslegal.org	Feb 20, 2013 10:30 AM	Wheaton
Yes	Melissa	Fuechtmann	mfuechtmann@pslegal.org	Feb 25, 2013 01:02 PM	Wheaton
Yes	Angela	Glendenning	aglendenning@pslegal.org	Feb 25, 2013 11:50 AM	bloomington
Yes	Andrew	VanSingel	avansingel@pslegal.org	Feb 21, 2013 07:18 PM	Never Never Land
Yes	Kristine	Chapman	kchapman@pslegal.org	Feb 20, 2013 09:07 AM	Waukegan
Yes	PHYLLIS M	GOLDSMITH	pgoldsmith@pslegal.org	Feb 25, 2013 12:39 PM	Rockford
Yes	James	O'Dowd	jodowd@pslegal.org	Feb 20, 2013 05:21 PM	Wheaton, IL
Yes	David	Berland	dberland@pslegal.org	Feb 20, 2013 08:10 AM	Waukegan
Yes	Kim	Thielbar	kthielbar@pslegal.org	Feb 20, 2013 08:40 AM	Rockford
Yes	Connie	Peterson	cpeterson@pslegal.org	Feb 20, 2013 08:42 AM	Rockford
Yes	Mary	Rosenberg	mrosenberg@pslegal.org	Feb 20, 2013 10:18 AM	Rockford
Yes	Debbie	Miller	dmiller@pslegal.org	Feb 25, 2013 01:00 PM	Peoria
Yes	sam	digrino	sdigrino@pslegal.org	Feb 25, 2013 11:51 AM	Waukegan
Yes	Ellen	Samuel	esamuel@pslegal.org	Feb 20, 2013 08:42 AM	Rockford
Yes	Megan	Wood	mmcglothlinwood@pslegal.org	Feb 20, 2013 08:56 AM	Bloomington
Yes	Nancy	Hinton	nhinton@pslegal.org	Feb 20, 2013 09:03 AM	Kankakee
Yes	Beth	Orchard	borchard@pslegal.org	Feb 20, 2013 11:26 AM	St Charles
Yes	Penny	Fauser	pfauser@pslegal.org	Feb 20, 2013 10:27 AM	Peoria
Yes	Deanna	Denny	ddenny@pslegal.org	Feb 20, 2013 08:34 AM	Peoria
No	Christina	Weygand	cweygand@pslegal.org	Feb 20, 2013 09:42 AM	Ottawa
No	Kelly	Tripp	ktripp@pslegal.org	Feb 20, 2013 08:49 AM	Rockford
No	maelene	torres	mtorres@pslegal.org	Feb 25, 2013 08:47 AM	waukegan
No	Jordan	Sartell	jsartell@pslegal.org	Feb 20, 2013 08:49 AM	Wheaton
No	Lisa	Thiede	lthiede@pslegal.org	Feb 21, 2013 04:21 PM	Wheaton
No	Linda	Moore	lmoore@pslegal.org	Feb 20, 2013 09:00 AM	Rock Island
No	Marcy	Heston	mheston@pslegal.org	Feb 20, 2013 08:38 AM	St. Charles
No	Kathryn	Bettcher	kbettcher@pslegal.org	Feb 25, 2013 12:06 PM	St. Charles

*If an attendee left and rejoined the session, the In Session Duration column only includes their first visit.

Attendee Report GoToWebinar

Generated
Mar 04, 2013 01:12 PM PST

General Information

Webinar Name
LSC Follow Up Training: Tues Feb 26

Actual Start Date/Time
Feb 26, 2013 10:21 AM CST

Clicked Registration Link
52

Total Attended
29

Session Details

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Yes	Adrian	Barr	abarr@pslegal.org	Feb 20, 2013 05:27 PM CST	Bloomington
Yes	Joe	Frankus	jfrankus@pslegal.org	Feb 21, 2013 10:01 AM CST	Joliet
Yes	Eliot	Abarbanel	eabarbanel@pslegal.org	Feb 25, 2013 12:09 PM CST	Wheaton, IL
Yes	Kara	Grubb	kgrubb@pslegal.org	Feb 21, 2013 08:16 AM CST	Waukegan
Yes	Elizabeth	Deucher	edeucher@pslegal.org	Feb 21, 2013 08:44 AM CST	Waukegan
Yes	Denise	Bezick Hume	dbezickhume@pslegal.org	Feb 22, 2013 09:27 AM CST	St. Charles
Yes	Jeff	Hamaker	jhamaker@pslegal.org	Feb 25, 2013 01:55 PM CST	Rockford
Yes	susan	la tour	slatour@pslegal.org	Feb 26, 2013 09:21 AM CST	joliet
Yes	Amaris	Carlson	acarlson@pslegal.org	Feb 20, 2013 07:25 PM CST	St. Charles
Yes	Kelly	Pasholk	kpasholk@pslegal.org	Feb 21, 2013 08:16 AM CST	Waukegan
Yes	Ashley	Rufino	arufino@pslegal.org	Feb 25, 2013 10:32 AM CST	Wheaton
Yes	Kathryn	Thomas	kthomas@pslegal.org	Feb 25, 2013 02:25 PM CST	Kankakee
Yes	AJ	Young	ajyoung@pslegal.org	Feb 20, 2013 05:14 PM CST	Rockford
Yes	Carol	Leitz	cleitz@pslegal.org	Feb 21, 2013 09:21 AM CST	Rockford
Yes	John	Quintanilla	jquintanilla@pslegal.org	Feb 26, 2013 10:04 AM CST	Waukegan
Yes	Elaine	Sofferman	esofferman@pslegal.org	Feb 21, 2013 09:08 AM CST	West Chicago
Yes	Maria	Delgado	mdelgado@pslegal.org	Feb 25, 2013 12:56 PM CST	Waukegan
Yes	Shirley	Coers	scoers@pslegal.org	Feb 21, 2013 08:43 AM CST	Peoria

Yes	Janet	Carrillo	jcarrillo@pslegal.org	Feb 21, 2013 10:07 AM CST	Waukegan
Yes	Jessica	Harper	jharper@pslegal.org	Feb 21, 2013 02:54 PM CST	Peoria
Yes	Yvette	Golay	ygolay@pslegal.org	Feb 21, 2013 08:11 AM CST	Wheaton
Yes	Marcia	Pierce	mpierce@pslegal.org	Feb 21, 2013 02:28 PM CST	Waukegan
Yes	Pam	Andrew	pandrew@pslegal.org	Feb 21, 2013 01:44 PM CST	Wheaton
Yes	Dawn	Rodgers	drodgers@pslegal.org	Feb 21, 2013 10:08 AM CST	Rockford
Yes	Tracey	Mergener	tmergener@pslegal.org	Feb 22, 2013 09:27 AM CST	Galesburg
Yes	Paul	Zukowski	pzukowski@pslegal.org	Feb 20, 2013 05:23 PM CST	McHenry
Yes	Emily	Wittrig	ewittrig@pslegal.org	Feb 21, 2013 08:26 AM CST	Peoria
Yes	Marqus	Cole	mcole@pslegal.org	Feb 21, 2013 08:31 AM CST	Rockford
Yes	Jesse	Hodierne	jhodierne@pslegal.org	Feb 21, 2013 08:26 AM CST	Peoria
No	Rose	Willette	rwillette@pslegal.org	Feb 21, 2013 08:26 AM CST	Rockford
No	Cathy	Ritts	critts@pslegal.org	Feb 20, 2013 05:32 PM CST	Rockford
No	Brandy	Stubbs	bstubbs@pslegal.org	Feb 21, 2013 01:03 PM CST	St. Charles
No	Sarah	Megan	smegan@pslegal.org	Feb 21, 2013 05:42 AM CST	Batavia
No	Jasmina	Popaja	jpopaja@pslegal.org	Feb 26, 2013 08:42 AM CST	Rockford
No	Charlene	Riefler	criefler@pslegal.org	Feb 25, 2013 12:43 PM CST	St. Charles
No	Lawrence	Smith	lsmith@pslegal.org	Feb 25, 2013 12:35 PM CST	Waukegan
No	Yesenia	Sanchez	ysanchez@pslegal.org	Feb 26, 2013 08:45 AM CST	st. charles
No	Wendy	Crouch	wcrouch@pslegal.org	Feb 21, 2013 12:57 PM CST	Rockford
No	Jane	Berry	jberry@pslegal.org	Feb 21, 2013 08:39 AM CST	Ottawa
No	Heidi	Koch	hkoch@pslegal.org	Feb 22, 2013 08:41 AM CST	Peoria

*If an attendee left and rejoined the session, the In Session Duration column only includes their first visit.

Attendee Report GoToWebinar

Generated
Mar 07, 2013 06:34 PM PST

General Information

Webinar Name
LSC Follow Up Training: Thursday March 7

Actual Start Date/Time
Mar 07, 2013 10:56 AM CST

Clicked Registration Link
44

Total Attended
28

Session Details

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Yes	Jeffrey	Prendki	jprendki@pslegal.org	Feb 28, 2013 11:52 AM CST	Joliet
Yes	chris	schmidt	cschmidt@pslegal.org	Feb 28, 2013 12:50 PM CST	Bloomington
Yes	Janice	Chan	jchan@pslegal.org	Feb 28, 2013 03:35 PM CST	McHenry
Yes	Mike	O'Connor	moconnor@pslegal.org	Feb 28, 2013 04:22 PM CST	Rockford
Yes	geri	dolan	gdolan@pslegal.org	Mar 07, 2013 10:05 AM CST	McHenry
Yes	Gretchen	Farwell	gfarwell@pslegal.org	Mar 07, 2013 10:56 AM CST	Rock island
Yes	Molly	Recar	mrecar@pslegal.org	Feb 28, 2013 11:31 AM CST	Wheaton
Yes	Kathleen	Schlueter	kschlueter@pslegal.org	Feb 28, 2013 12:20 PM CST	Waukegan
Yes	Amie	Simpson	asimpson@pslegal.org	Mar 01, 2013 11:08 AM CST	Joliet
Yes	Kimberly	Gipson	kgipson@pslegal.org	Mar 07, 2013 10:57 AM CST	Wheaton
Yes	Amanda	Abens	abens4@sbcglobal.net	Mar 06, 2013 08:55 AM CST	Ottawa
Yes	David	Wolowitz	dwolowitz@pslegal.org	Feb 28, 2013 12:06 PM CST	Wheaton
Yes	Sarah	Megan	smegan@pslegal.org	Mar 07, 2013 10:45 AM CST	St. Charles
Yes	Dena	Schorn	dschorn@pslegal.org	Mar 07, 2013 10:58 AM CST	Peoria
Yes	Miles	Bardell	mbardell@pslegal.org	Feb 28, 2013 11:25 AM CST	Bloomington Illinois
Yes	Ingrid	Weaver	iweaver@pslegal.org	Mar 07, 2013 11:04 AM CST	peoria
Yes	Amy	Weiss	aweiss@pslegal.org	Mar 07, 2013 10:07 AM CST	Waukegan

Yes	Pamela	Rosenquest	prosenquest@pslegal.org	Mar 07, 2013 08:52 AM CST	McHenry
Yes	Lori	Luncsford	lluncsford@pslegal.org	Mar 07, 2013 11:03 AM CST	Peoria
Yes	Jean	Meier	jmeier@pslegal.org	Feb 28, 2013 11:23 AM CST	Waukegan
Yes	Alf	Sanford	asanford@psls.org	Feb 28, 2013 05:14 PM CST	Wheaton
Yes	Bridget	Owens	bowens@pslegal.org	Mar 06, 2013 09:22 AM CST	Waukegan
Yes	Chloe	Williams	cwilliams@pslegal.org	Mar 07, 2013 11:24 AM CST	Kankakee, IL
Yes	Susan	Perlman	sperlman@pslegal.org	Feb 28, 2013 02:37 PM CST	Waukegan
Yes	Catherine	Herrmann	cherrmann@pslegal.org	Mar 04, 2013 10:23 AM CST	Waukegan
Yes	Teresa	Blackburn	tblackburn@pslegal.org	Feb 28, 2013 02:45 PM CST	Waukegan
Yes	Denise	Conklin	dconklin@pslegal.org	Mar 04, 2013 10:33 AM CST	Peoria
Yes	vickie	smith	gvpsmith@hotmail.com	Mar 05, 2013 07:39 PM CST	bloomington
No	Jane	Berry	jberry@pslegal.org	Feb 28, 2013 11:28 AM CST	Ottawa
No	Cheryl	Naedler	cnaedler@pslegal.org	Mar 01, 2013 04:09 PM CST	Joliet
No	Heidi	Koch	hkoch@pslegal.org	Mar 05, 2013 12:08 PM CST	Peoria
No	Peggy	Trelford	ptrelford@pslegal.org	Feb 28, 2013 03:55 PM CST	McHenry
No	sarena	ayala	sayala@pslegal.org	Mar 07, 2013 10:47 AM CST	st. charles
No	Joseph	Miller	jmiller@pslegal.org	Feb 28, 2013 11:45 AM CST	Wheaton
No	Jean	Fletcher	jfletcher@pslegal.org	Feb 28, 2013 04:23 PM CST	Ottawa, IL
No	martine	jones	mjones@pslegal.org	Mar 05, 2013 12:44 PM CST	McHenry
No	Jeannette	DeGrange	jdegrange@pslegal.org	Feb 28, 2013 01:12 PM CST	Wheaton

*If an attendee left and rejoined the session, the In Session Duration column only includes their first visit.

Prairie State Legal Services, Inc.
Board of Directors= Meeting
Starved Rock Lodge, Utica, Illinois
February 9, 2013

AGENDA

I. Call to Order

II. Approval of Minutes of the Meeting of November 10, 2012 (#13-1)

III. Treasurer=s Report (#13-2)

IV. Committee Reports

V. Executive Director=s Report (#13-3)

VI. Litigation Director=s Report (#13-4)

VII. Old Business

- A. Campaign for Legal Services: Status Report - Jeff Hamaker (#13-5)
- B. Other

VIII. New Business

- A. Trust and Litigation Account Resolutions - Jim Chancellor (#13-6)
- B. Grant Contracts and Grant Application Approvals (#13-7)
  - 1) DuPage County Department of Human Services Grant Fund Resolution
  - 2) United Way of Boone County
  - 3) Community Foundation of Fox River Valley
  - 4) Other
- C. Review of Prairie State Financial Eligibility and Asset Guidelines for 2013 (Required by LSC Regulations) (#13-8)
- D. Executive Director Evaluation
- E. Amendment to PSLS LSC Compliance Policies (#13-9 and #13-10)
- F. Other

IX. Adjournment

DATE OF NEXT MEETING: May 11, 2013

MINUTES
PRAIRIE STATE LEGAL SERVICES, INC.
Starved Rock Lodge
February 9, 2013

OFFICERS PRESENT

Wendy Vaughn, President
Tom Boswell, Treasurer
Matthew Mueller, Secretary

BOARD MEMBERS PRESENT

John Cheek
David Collins
Paul Donahue
Maria Glisson
Karl Johnson
Dorothy Mintz
Barbara Santana
Mark Steffen
Linnea Thompson

OTHERS PRESENT

Bernard Shapiro
Adrian Barr
Katherine Bettcher
Mary Campbell
James Chancellor
Amie Simpson
David Wolowitz

I. Call To Order

President Wendy Vaughn called this regular meeting of the Board of Directors to order at 10:10 a.m. Ms. Vaughn announced the presence of a quorum.

II. Approval of Minutes of the Meeting of November 10, 2012

Linnea Thompson, seconded by Tom Boswell, moved that the Minutes of the Board of Directors' Meeting of November 10, 2012 be approved. The Motion passed.

III. Treasurer's Report

James Chancellor gave the Treasurer's Report. He referred to his written report and a PowerPoint presentation. He reviewed the financial condition of the Corporation. He noted that revenues exceed expenses by $388,000 for 2012. Mark Steffen, seconded by Tom Boswell, moved that the Treasurer's Report be approved. The Motion passed.

MINUTES
PRAIRIE STATE LEGAL SERVICES, INC.
Starved Rock Lodge
February 9, 2013

OFFICERS PRESENT

Wendy Vaughn, President
Tom Boswell, Treasurer
Matthew Mueller, Secretary

BOARD MEMBERS PRESENT

John Cheek
David Collins
Paul Donahue
Maria Glisson
Karl Johnson
Dorothy Mintz
Barbara Santana
Mark Steffen
Linnea Thompson

OTHERS PRESENT

Bernard Shapiro
Adrian Barr
Katherine Bettcher
Mary Campbell
James Chancellor
Amie Simpson
David Wolowitz

I. Call To Order

President Wendy Vaughn called this regular meeting of the Board of Directors to order at 10:10 a.m. Ms. Vaughn announced the presence of a quorum.

II. Approval of Minutes of the Meeting of November 10, 2012

Linnea Thompson, seconded by Tom Boswell, moved that the Minutes of the Board of Directors' Meeting of November 10, 2012 be approved. The Motion passed.

III. Treasurer's Report

James Chancellor gave the Treasurer's Report. He referred to his written report and a PowerPoint presentation. He reviewed the financial condition of the Corporation. He noted that revenues exceed expenses by $388,000 for 2012. Mark Steffen, seconded by Tom Boswell, moved that the Treasurer's Report be approved. The Motion passed.

IV. Committee Reports

A. Evaluation of the Executive Director - Wendy Vaughn reported that the Committee to Evaluate the Executive Director has met twice and will meet today after the board meeting. She stated that the goal of the Committee is to complete the evaluation in March and present the report to the May board meeting.

V. Executive Director's Report

In Mike O'Connor's absence, Bernard Shapiro gave the Executive Director's Report. He referred to Mr. O'Connor's written report, reviewed the items included in the report, and answered questions.

VI. Litigation Director's Report

Bernard Shapiro gave the Director of Litigation's Report. He referred to his written report, reviewed the items included in the report, and answered questions.

VII. Old Business

A. Campaign for Legal Services Status Report - In Jeff Hamaker's absence, Wendy Vaughn and Mary Campbell reported on the progress of the Campaign for Legal Services. Ms. Vaughn referred to Jeff Hamaker's written report. Ms. Campbell reviewed the items included in the report and answered questions.

VIII. New Business

A. Trust and Litigation Account Resolutions - James Chancellor referred to his report explaining that the Board needed to adopt banking resolutions for the Rockford and Waukegan offices to reflect personnel changes in those offices. Paul Donahue, seconded by Dorothy Mintz, moved that the banking resolutions be adopted. The Motion passed.

B. Grant Application - Bernard Shapiro referred to Michael O'Connor's report on three applications the Corporation wished to make. Mr. Shapiro explained that three applications to continue existing grants to the United Way of Boone County, the DuPage County Department of Human Services, and the Community Foundation of the Fox River Valley required approval of the Board. Paul Donahue, seconded by Dorothy Mintz, moved to approve these applications. The Motion passed.

E. Amendment to PSLS LSC Compliance Policies - Bernard Shapiro explained that the Board needs to take up New Business Item E, Amendment to PSLS LSC Compliance Policies, before it can consider New Business Item C, Review of Prairie State Financial Eligibility and Asset Guidelines, since the proposed amendments in Item E need to be reflected in the Eligibility Guidelines, Item C. He explained that, as a result of its August 2012 monitoring visit, LSC was requiring Prairie State to amend its LSC compliance policies to state, word-by-

MINUTES
PRAIRIE STATE LEGAL SERVICES, INC.
Starved Rock Lodge
February 9, 2013

OFFICERS PRESENT

Wendy Vaughn, President
Tom Boswell, Treasurer
Matthew Mueller, Secretary

BOARD MEMBERS PRESENT

John Cheek
David Collins
Paul Donahue
Maria Glisson
Karl Johnson
Dorothy Mintz
Barbara Santana
Mark Steffen
Linnea Thompson

OTHERS PRESENT

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E. Amendment to PSLS LSC Compliance Policies - Bernard Shapiro explained that the Board needs to take up New Business Item E, Amendment to PSLS LSC Compliance Policies, before it can consider New Business Item C, Review of Prairie State Financial Eligibility and Asset Guidelines, since the proposed amendments in Item E need to be reflected in the Eligibility Guidelines, Item C. He explained that, as a result of its August 2012 monitoring visit, LSC was requiring Prairie State to amend its LSC compliance policies to state, word-by-

word, the language of the particular regulations instead of the existing paraphrasing of the regulations that currently exist. He referred to his two memoranda on this agenda item and explained that he was asking the Board to approve changes in the language of the policies regarding the definitions of "Total Cash Receipts" and "Child Care Expenses" in the Corporation's Eligibility Guidelines as well as changes to the language in the Corporation's Compliance Policies regarding Advocacy Training, Redistricting, and Solicitation to comport with LSC Regulations. Linnea Thompson, seconded by Tom Boswell moved that the proposed amendments to the Compliance Policies, including the Eligibility Guidelines be approved. The Motion passed.

Mr. Shapiro further explained that LSC Regulations require that the Board review those benefit programs for low-income individuals and families that solely have income and asset eligibility requirements that are more restrictive than those adopted for PSLS and which, if present, can permit dispensing with income and asset inquiries during intake. He specifically referred to his memorandum entitled "PSLS Financial Eligibility – Government Programs for Low-Income Persons" and its attachments. He noted that, under the present PSLS Eligibility Guidelines, if an applicant's sole income is from TANF, SSI, or Food Stamps, such person would be automatically income-eligible for PSLS services. A review of the attachments indicated that the income eligibility requirements for food stamps had now become more liberal than the PSLS guidelines and that the proposed amendment to the Eligibility Guidelines removed food stamps from the governmental programs for low-income persons that indicated automatic PSLS eligibility. He further stated that the attachments indicated that the governmental financial requirements to receive SSI and TANF continued to be more restrictive than the PSLS guidelines. Paul Donahue, seconded by Mark Steffen, moved that the Financial Eligibility Guidelines be amended to remove food stamps from the governmental programs for low-income persons that indicated automatic PSLS eligibility. The Motion passed.

C. Review of Prairie State Financial Eligibility and Asset Guidelines - Bernard Shapiro called the Board's attention to the Amended Eligibility Guidelines which reflected the amendments that the Board had just approved. Mark Steffen, seconded by Linnea Thompson, moved that the amended Eligibility Guidelines be approved. The Motion passed.

D. Executive Director Evaluation - Wendy Vaughn reported that, as she stated earlier in the meeting, this matter would be taken up at the May 2013 meeting of the Board of Directors.

IX. Adjournment

There being no further business before the Board of Directors, President Wendy Vaughn declared the meeting adjourned 11:30 a.m.

PRAIRIE STATE LEGAL SERVICES

LSC COMPLIANCE MANUAL

February, 2013

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LSC COMPLIANCE MANUAL

This manual sets forth the policies and procedures of Prairie State Legal Services, Inc. (PSLS) that are intended to comply with the rules and restrictions set forth in the federal regulations pertaining to the Legal Services Corporation (LSC), 45 CFR §1600 *et. seq.* and other pronouncements of LSC whether in the form of program letters or otherwise. In some of the sections there appears general explanatory material which is set out in shadow. This material seeks to provide the essence of the particular requirement in a more popular form. Nevertheless, the specific policies of PSLS are as written.

I. Outside Practice of Law

Source: 45 CFR §1604

1. General Policy

Outside employment is any employment by an attorney in addition to a full time employee's regular employment with PSLS but does not include court appointments of attorneys subject to the restrictions set forth below or the performance of duties as a Judge Advocate General Corps attorney in the United States armed forces reserves . A full time employee is an individual who meets the definition of full time employees set forth in Section V(B) of the Personnel Manual. Full-time employees cannot engage in outside employment without prior written approval from the Executive Director and must comply fully with the Legal Services Corporation Regulations published as 45 CFR Sec. 1604.

2. Conditions Upon Which Approval May Be Granted

a. Outside employment:
   - must not interfere with the efficient performance of the employee's duties;
   - must not constitute a conflict of interest with the employee's duties; and,
   - must not occur during the employee's regular or assigned working hours unless the employee, for the entire day during which such outside employment occurs, is on either Compensatory Time, Annual Leave or Leave Without Pay; and,

b. The Executive Director is invested with wide discretion in approving and denying requests for outside employment. Relevant considerations will include a projection of how this expenditure of an employee's time and effort is consistent with the employee's responsibilities to the recipient's clients and how it will affect the program.

3. Outside Legal Work

All attorneys employed by PSLS are expected to devote their full professional activities to program matters. Therefore, except for the limited exceptions outlined below, an attorney may not solicit or undertake outside professional employment. Prohibited outside legal work is the provision of legal assistance to a client who is not receiving that legal assistance from PSLS.

4. Exceptions

The following limited exceptions may be granted by following the procedures set forth in paragraph five:

a. undertaking matters for him or herself, family members, close friends or another member of PSLS's staff where the relationship and subject matter make it inappropriate to refer the matter to an attorney in private practice. Typical examples of cases falling into this category would be obtaining a divorce for a relative, litigating a minor lawsuit on behalf of a relative, handling an adoption for a friend, or defending a relative charged with a misdemeanor. This exception must not extend to major time-consuming civil or criminal litigation, such as a contested court action or a jury trial.
b. acting pursuant to an appointment made under a court rule or practice of applicability to all attorneys in the jurisdiction insofar as the appointment is consistent with PSLS's primary responsibility to provide legal assistance to eligible clients in civil matters and remitting to PSLS all compensation received;
c. acting on behalf of a religious, community or charitable group on a non-fee basis;
d. for staff members who have been in private practice, concluding matters previously undertaken that cannot be concluded by a former associate or a successor attorney without prejudice to a former client. In such an instance compensation of the attorney is permitted. However, a previous practice should be concluded as completely as possible before commencing employment so that this exception is used as little as possible. Specifically, the employee should spend only reasonable amounts of time after employment finishing up such cases and should conclude all prior legal work within three months of the date of their employment, except under conditions approved by the Executive Director; and,
e. teaching, lecturing, consulting or performing evaluations at an accredited school.

5. Exception Procedure

If an attorney wishes to undertake a matter that falls within one of the limited exceptions set forth above, he/she must notify the Executive Director in writing, describing the matter and explaining why it is an appropriate exception. Prior written approval of the Executive Director must be obtained for each specific matter to be handled. Such approval is contingent upon compliance with the following guidelines:

a. neither the name or the address of PSLS shall appear on any pleading, letter or document prepared in connection with any matter permitted by the exception herein;

b. it must be understood that in undertaking any representation in connection with any matter permitted by an exception herein, the attorney is not acting on behalf or as an agent of PSLS in any respect whatsoever and no representations to the contrary may be made;

c. use of secretarial, clerical and/or other program resources for any non-PSLS matter is strictly prohibited; and,

d. work in connection with a matter permitted by an exception herein must not be done during working hours (unless such time worked is charged against accrued Compensatory Time, Annual Leave or Leave Without Pay for which approval has already been granted).

These guidelines do not apply to court appointments permitted under Section 4(b), above.

II. Appeals on Behalf of Clients

MEMO REQUIRED - SEND TO EXECUTIVE DIRECTOR, A DIRECTOR OF LITIGATION AND MANAGING ATTORNEY

Source: 45 CFR 1605

Once it becomes apparent that an appeal to a state or federal appellate court may be necessary to file for a client or a group of clients, **a memo must be submitted to the Executive Director, a Director of Litigation, and Managing Attorney** This memo requesting approval for filing an appeal must discuss and/or analyze the following topics, as appropriate:

1. The fact situation;

2. The issues raised in trial court;

3. The decision of trial court and, if appropriate, attach a copy of the Order and/or Opinion;

4. The issue(s) to be raised on appeal;

5. Supporting and contrary authorities. Comment on the possible ramifications of an adverse decision and the necessity of this appeal in adequately representing your clients(s);

6. Other alternatives that have been considered. If alternatives have not been considered, explain why;

7. Priority of this case in your office;

8. An estimate of the total costs of this appeal that will need to be paid from the Litigation Fund. Also, comment on the possibility of these costs being waived by a Pauper's Petition; and,

9. Your recommendation.

III. Prohibited Political Activities

Source: 45 CFR §1608

1. Policy

The support or promotion of political activities or interests by PSLS employees during work hours or with any program resources is prohibited.

No decision of PSLS (including personnel decisions) shall be premised upon political considerations, such as an employee's (or prospective employee's) political beliefs or activities on his/her own time.

2. Prohibited Activities

Employees of PSLS are subject to the regulation of the Legal Services Corporation set out at 45 CFR Sec. 1608.

PSLS staff may not make PSLS funds, personnel or equipment available to any political party or association, to the campaign of any candidate for public or party office, or to advocate or oppose any ballot measure, initiative or referendum.

No employee shall intentionally identify PSLS or the Legal Services Corporation with any partisan or non-partisan political activity or with the campaign of any candidate for public or party office.

No employee may be a candidate for partisan elective public office.

While engaged in legal assistance activities supported by the Legal Services Corporation Act, no attorney shall engage in any political activity, any voter registration activity, or any activity to provide voters with transportation to the polls.

Nothing herein is meant to prohibit a PSLS attorney from providing any form of legal

assistance to an eligible client, or to interfere with the fulfillment of any attorney's professional responsibilities to a client.

IV. Fee Generating Cases

REPORT REQUIRED - KEEP IN CLIENT FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1609

Policy - PSLS cannot provide legal assistance in a fee-generating case unless any of the following apply:

1. The case has been rejected by the local lawyer referral service, or by two private attorneys.

2. Neither the referral service nor two private attorneys will consider the case without payment of a consultation fee.

3. An eligible client is seeking benefits under Sub-chapter II or Sub-chapter XVI of the Social Security Act.

4. After consultation with appropriate representatives of the private bar, the local office has determined that the type of case is one that private attorneys in area served by the particular office do not accept or do not accept without prepayment of a fee.

5. The managing attorney of the office, hereby designated by the Executive Director in his stead, has determined that referral of the case to the private bar is not possible because:

   a. Documented attempts to refer similar cases in the past generally have been futile.

   b. Emergency circumstances compel immediate action before referral can be made but the client is advised that, if appropriate, and consistent with professional responsibility, referral will be attempted at a late time.

   c. Recovery of damages is not the principal object of the client's case and substantial statutory fees are not likely to be available.

A fee generating case is a case or matter which if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in a fee for legal

services from an award to a client, from public funds or from the opposing party. A fee generating case does not include a case where either a court appoints Prairie State or one of its attorneys to provide representation in a case pursuant to a statute or court rule or practice equally applicable to all attorneys in the jurisdiction or we have undertaken representation under a contract with a government agency or other entity.

Procedures - The following procedures are to be followed in furtherance of the above policy:

Record Keeping - For each fee generating case accepted, Form "Fee Generating Case," **(See Below)**, with the exception described below, shall be completed and made a part of the client's case file. In addition, a copy of each completed form shall be sent to the Administrative Office and shall be maintained in a separate file.

Court Appointed Cases - For each court appointment, a copy of the order of the court making the appointment and a copy of the statute or court rule that permits the appointment shall be made a part of the client's case file. If the appointment is made orally or is subject to an unwritten practice, an appropriate written description of the appointment or practice shall be made a part of the client's case file.

Consultation With The Private Bar - If a local office consults with members of the private bar to determine that a certain type or types of cases are ones that private attorneys in the area ordinarily do not accept, or do not accept without prepayment of a fee, or do not accept because the income of the opposing party is below a certain level or the amount of damages to be recovered are below a certain amount, the office shall maintain in a separate file a memorandum containing a list of the types of fee generating cases which the private bar ordinarily do not accept or do not accept without prepayment of a fee and the names of appropriate representatives of the private bar with whom the local office has discussed fee generating cases and the bases on which the local office has reached its conclusions. **If the requirements of this section are met, then the Fee Generating Case From appearing below need not be completed.**

FEE GENERATING CASES FORM

Name of Client: _____

Case Number: _____

This case is a fee generating case. If the case were undertaken on behalf of an eligible client by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services from an award:

(1) to a client _____; or
(2) from public funds _____; or

(3) from the opposing party _____

Although, if undertaken by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services, this is not a fee generating case because a court appointed Prairie State Legal Services, Inc. or its employees to provide representation in this case pursuant to a statute or a court rule or practice equally applicable to all attorneys in this judicial circuit.

A. Representation is provided in this fee generating case because:

(1) the case has been rejected by the local lawyer referral service _____, or by the following two private attorneys: _____ on _____: or

(2) neither the referral service _____, nor two private attorneys _____ will consider the case without payment of a consultation fee.

This section needs to be addressed only if there are no checks in the prior section.

B. Representation was provided in this fee generating case without first attempting to refer the case because:

(1) the eligible client is seeking only statutory benefits as defined by §1609.3(b)(1) [SSA or SSI]; or

(2) the director has determined that referral of the case to the private bar is not possible because:

(i) documented attempts to refer similar cases in the past generally have been futile; or

(ii) emergency circumstances compel immediate action before referral can be made, but the client has been advised that, if appropriate and consistent with professional responsibility, referral will be attempted at a later time; or

(iii) recovery of damages is not the principal object of the recipient's client's case and substantial statutory attorney's fees are not likely to be available.

Name of Principal Advocate: _____ Date completed: _____

****

General Explanation of Fee Generating Case Requirements

First question - Is the case fee generating?

A. A fee generating case is a case or matter which, if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in a fee for legal services from an award to a client from public funds, or from the opposing party.

B. An attorney in private practice could get fees in such cases as SSI or SSD cases, divorces (750 ILCS 5/508), lockouts if damages are sought, or in cases brought under 42 U.S.C. §1983 for violations of the Constitution or federal law.

C. However, there must be a reasonable expectation that a private attorney would seek or obtain a fee.

D. If the Office determines and documents that private attorneys don't seek fees in certain cases such as orders of protection or divorces because court's won't award fees under 750 ILCS 5/508 or because the income of the adverse party is less than a certain amount in a divorce case, or the amount sought as damages is too little such as in small claims case, then there is no reasonable expectation of a fee and the case is not fee generating.

E. When a court appoints us to provide representation pursuant to a statute, court rule or practice equally applicable to all attorneys in this judicial circuit, the case is not fee generating

If the case is not fee generating then we don't have to do anything further.

Second question - What if the case is fee generating?

A. We can still do it if certain conditions are met and we fill out the Fee Generating Cases form.

B. The following are instances when we can provide representation and fill out the form:

1. The case has been rejected by the local lawyer referral service or by two private attorneys who are named on the form.

2. Neither the referral service nor two private attorneys will consider the case without payment of a consultation fee.

3. The case involves SSI or SSD.

4. We know from experience that the private bar won't provide any representation in the particular type of case and we document that experience.

5. There is an emergency and referral will be attempted at a later time.

6. Recovery of damages is not the principle object of the case and substantial statutory fees are not likely to be available - basically any case where the relief we are seeking includes something above and beyond damages such as administrative review; a case where we are seeking equitable relief such as an injunction (in a lockout case) or recission, or specific performance.

V. Financial Eligibility

Source: 45 CFR 1611

PSLS ELIGIBILITY GUIDELINES (February 2013)

The Prairie State Board of Directors has established the Financial Eligibility Guidelines as set forth below. Only individuals and groups determined to be financially eligible under these guidelines and the Legal Services Corporation regulations may receive legal assistance with Legal Services Corporation funds. The Board of Directors has established annual income ceilings for all offices which may not exceed 125% of the Official Poverty Level.

Family Size	Maximum Income Schedules - 125%		
	Weekly	Monthly	Annually
1	276	1,197	14,363
2	373	1,616	19,388
3	469	2,034	24,413
4	566	2,453	29,438
5	663	2,872	34,463
6	759	3,291	39,488
7	856	3,709	44,513
8	953	4,128	49,538

(Additional person - add $5,025/year)

If the eligibility criteria are met, Prairie State staff may provide services to applicants whose gross income exceeds 125% of the Official Poverty Level, but does not exceed 200% of the poverty level. Please consult Section II (3), below, for a complete explanation of situations in which these higher income figures may apply.

Family Size	Maximum Income Schedules - 200%		
	Weekly	Monthly	Annually
1	442	1,915	22,980
2	597	2,588	31,020
3	751	3,255	39,060
4	906	3,925	47,100
5	1,060	4,595	55,140

6	1,215	5,265	63,180
7	1,370	5,935	71,220
8	1,524	6,605	79,260

(Additional person - add $8,040/year)

I. INTRODUCTION

The guidelines for client eligibility to receive legal services from Prairie State Legal Services, Inc., hereinafter referred to as "PSLS", are adopted by the governing board of PSLS, subject to the approval of the Legal Services Corporation. These guidelines prescribe the criteria which are used to determine client eligibility for PSLS services. In conjunction with the PSLS Caseload Priority Plan, they are designed to ensure that preference will be given to the legal needs of those least able to obtain legal assistance and that the limited resources of PSLS are equitably and rationally directed toward meeting those needs. The PSLS board will review these guidelines every three years and make any appropriate modification to ensure that the guidelines are consistent with applicable law, local circumstances and program resources. When appropriate, the board shall solicit comment from the client community, staff, and the community-at-large on these guidelines.

II. ELIGIBILITY CRITERIA - INDIVIDUALS

A. Residence - Clients shall either be residents of a PSLS program service area approved by the PSLS Board of Directors and the Legal Services Corporation, or:

1. Be certified by another Legal Services Corporation program to be an eligible legal aid client based upon such program's eligibility criteria, in which case, a Managing Attorney may, in his/her sound discretion, accept the case; or,

2. Reside in an area which PSLS has agreed to serve pursuant to a funded agreement with another agency; in which case, services contracted for would be provided.

B. Income

1. "Income" means actual current annual total cash receipts before taxes of all persons who are resident members of, and contribute to, the support of the applicant's household. A household is comprised of the client and all persons who the client is legally obligated to support and all persons who are legally obligated to support the client. If the applicant is a victim of domestic violence, the income of the alleged perpetrator of the domestic violence shall not be considered income of the applicant.

PSLS has considered the following factors in determining 125% of poverty as the

ordinary maximum eligibility level:

a) Cost of living in the locality;
b) The number of clients who can be served by the resources of PSLS;
c) The population who would be eligible at and below alternative income levels; and,
d) The availability and cost of legal services provided by the private bar.

If the applicant income is comprised solely of benefits from TANF, SSI, or food stamps, the applicant and the applicant's household shall be deemed to be financially eligible without further inquiry.

MAXIMUM INCOME SCHEDULES

FAMILY SIZE	125% POVERTY (ANNUAL)
1	14,363
2	19,388
3	24,413
4	29,438
5	34,463
6	39,488
7	44,513
8	49,538

For family units with more than eight members, add $5,025 for each additional family member.

The Legal Services Corporation revises the poverty figures annually in the Federal Register. Each Prairie State office shall implement LSC's latest poverty guidelines once they have been adopted by the PSLS Board of Directors.

2. "Total cash receipts" include, but are not limited to, wages and salaries before any deduction; income from self-employment after deductions for business or farm expenses; regular payments from governmental programs for low income persons or persons with disabilities; social security payments; unemployment and worker's compensation payments; strike benefits from union funds; veterans benefits; training stipends; alimony; child support payments; military family allotments; public or private employee pension benefits; regular insurance or annuity payments; income from dividends, interest, rents, royalties or from estates and trusts; and other regular or recurring sources of financial support that are currently and actually available to the applicant. Total cash receipts do not include the value of food or rent received by the applicant in lieu of wages; money withdrawn from a bank; tax refunds; gifts; compensation and/or one-time insurance payments for injuries sustained; non-cash benefits; and up to $2,000 per year of funds received by individual Native Americans that is derived from Indian trust income or other distributions exempt by statute."

3. If an applicant's income is in excess of 125% of the federal poverty level, but less than 200 % of the poverty level and the applicant's assets do not exceed PSLS' asset ceiling or the asset ceiling has been waived, clients may be provided legal services if any one of the following sets of circumstances exist:

(a) The problem for which the applicant seeks representation involves obtaining governmental benefits provided for low income individuals and families.

(b) The problem for which the applicant seeks representation involves obtaining or maintaining governmental benefits for persons with disabilities.

(c) It is reasonable to expect that the applicant's income will decrease below 125% of the poverty level within the next twelve months because of such factors as seasonal variations in income.

(d) The applicant or the applicant's household is incurring one or more of the following listed expenses on a repeated basis AND the amount of such expense(s) either: (1) is/are at least 10% of the gross monthly income of the household; or, (2) would reduce gross monthly income below 125% of the poverty level.

Expenses to be considered include:

A. Unreimbursed medical expenses and medical insurance premiums;

B. Child care expenses necessary for employment, job training, or educational activities in preparation for employment;

C. Transportation or other expenses necessary for employment job training or educational activities in preparation for employment; and,

D. Unpaid non medical expenses associated with age or physical infirmity of a family member residing with the applicant; and,

E. Current taxes including local, State and Federal income and employment taxes, Social Security and Medicare taxes, and local property taxes (including special property tax assessments) but not sales taxes or excise taxes such as airline ticket fees, hotel occupancy taxes, gas taxes, cigarette taxes, etc.

(e) The applicant or members of the applicant's household have incurred fixed debts and obligations fixed as to both time and amount including unpaid federal, state, or local taxes from prior years, rent, mortgage payments, child support, alimony, and business equipment loan payments. Expenses such as food costs, utilities, credit card debt, etc. are not fixed debts and obligations which may be taken into account in determining financial eligibility.

(f) Other significant factors related to financial inability to afford legal

assistance.

(g) Each office shall keep a record of the number of clients served under the exception in paragraphs (a) through (e) and shall record the factual bases for these decisions in the clients' files.

A schedule indicating maximum income guidelines for 200% of poverty follows:

MAXIMUM INCOME SCHEDULES

FAMILY SIZE	200% POVERTY (ANNUAL)
1	22,980
2	31,020
3	39,060
4	47,100
5	55,140
6	63,180
7	71,220
8	79,200

(Additional person - add $8,040/year)

4. An applicant's whose income exceeds 200% of the federal poverty limit may be served if he/she is seeking legal assistance to maintain benefits provided by a government program for low income individuals or families

5. An applicant whose income exceeds 200% of the national poverty level may be served if his/her income is primarily committed to medical or nursing home expenses if excluding such portion of the applicant's income which is committed to medical or nursing home expenses, the applicant would otherwise be financially eligible for service and if the Executive Director or his/her designee gives prior written approval based on written documentation of such expenses.

6. An applicant whose income exceeds the regular eligibility level may be served if the assistance provided the client is supported by funds from a source other than the Legal

Services Corporation and if permitted by such source.

7. Financially eligible applicants whose case is a "fee-generating" case, as that term is defined by LSC Regulation 1609.2, shall not be represented by PSLS employees: (a) unless other adequate representation is unavailable as described in 45 C.F.R. 1609.3(a) and the case fits within the priorities of Prairie State Legal Services; or, (b) one of the sets of circumstances described in 45 C.F.R. 1609.3)(b) exists.

C. Asset Ceilings - The following criteria shall apply in determining eligibility for legal representation regarding assets:

1. The value of real and personal property of all persons who are resident members of the applicant's household that is available to the applicant, not counting property that is excluded in Section 3 below, cannot exceed $15,000, except as provided in Section 4 below. If the applicant is a victim of domestic violence, the assets of the alleged perpetrator of the domestic violence and any assets held jointly by the perpetrator and the victim or the perpetrator and a member of the household shall be deemed unavailable to the applicant.

2. Value means the lower of the equity interest in the property or the demonstrable real value of the property.

3. The following property is excluded in determining asset eligibility:

(a) Principal residence;
(b) All motor vehicles used for transportation by the applicant or a member of the applicant's household;
(c) Clothing and professionally prescribed health aids for the applicant or member of the applicant's household;
(d) Equity interest up to $4,000 in any other property;
(e) The cash value of life insurance policies, endowment policies or annuity contracts payable to a household member;
(f) Work-related equipment which is essential to employment or self-employment of an applicant or member of a family unit provided that the owner is attempting to produce income consistent with its value up to $1,500; and,
(g) The interest, whether vested or not, to the assets held in or to receive pensions, annuities, benefits, distributions, refunds of contributions, or other payments under a retirement plan including a stock bonus, pension, profit sharing, annuity, or similar plan; a government or church retirement plan or contract; an individual retirement annuity, or individual retirement account; and a public employee pension plan created under the Illinois Pension Code.

4. The Executive Director or his/her designee may waive the established ceilings in unusual circumstances. In such a case, the decision shall be documented and included in the

client's file. A record shall be maintained indicating the number of clients so served and the factual bases for the decisions.

D. Other Disqualifying Criteria - Other factors which shall be used in the determination of the eligibility of applicants under the maximum income level shall include:

1. Clear and convincing evidence that a person previously obtained legal services based upon material and intentional misrepresentation of fact in making written application for legal services may disqualify the person from receiving PSLS assistance in the sound discretion of a Managing Attorney. The Managing Attorney's decision is appealable to the Executive Director.

2. Current income prospects, taking into account seasonal variations in income.

3. The availability of private legal representation at a low cost with respect to the particular matter in which assistance is sought.

4. The consequences for the individual if legal assistance is denied.

5. Prior instances of abusing the program services by threatening or taking hostile actions toward program staff or volunteers, by failing to contact program staff or volunteer attorneys after their case has been accepted and services provided, refusing to cooperate with program staff or volunteers in the provision of legal services, or refusal to abide by the terms of a negotiated settlement or court order may be the basis for a denial of program services.

E. Prohibited Representation

No legal assistance shall be provided by PSLS employees in the following circumstances:

1. Criminal proceedings as defined in LSC Regulation 1613.2.

2. Any action in the nature of habeas corpus post convictions proceedings seeking to collaterally attack a criminal conviction as outlined in LSC Regulation 1615.

3. An action to defend a person from eviction from public housing if that person has been charged with or convicted of the illegal sale, distribution, or manufacture of a controlled substance and the eviction is brought by a public housing agency because the illegal drug activity threatens the health or safety of another tenant or employee of the public housing agency as set forth in 45 C.F.R. 1633.

4. An action that is any part of an effort to reform a federal or state welfare

system as set forth in 45 C.F.R. 1639.

5. A class action.

6. Any person who is incarcerated in a federal, state, or local prison in any litigation consistent with the provisions of 45 C.F.R. 1637.

7. Any person who is an ineligible alien as defined in 45 C.F.R. 1626.

8. Any person seeking representation in legislative or administrative advocacy except as set forth in 45 C.F.R. 1612.

9. Any person seeking representation to advocate or oppose any plan or proposal, or represent any party, or participate in any way in litigation relating to redistricting as set forth in 45 C.F.R. 1632.

10. Any person seeking representation to effect an assisted suicide, euthanasia, or mercy killing as set forth in 45 C.F.R. 1643.

III. GROUP REPRESENTATION

PSLS may provide legal assistance to a group, corporation, or association if it provides information showing that it lacks, and has no practical means of obtaining funds to retain private counsel taking into account the resources available such as the group's income and income prospects, assets and obligations and either:

A. The group or for a non-membership group the organizing or operating body of the group is primarily composed of individuals who would be financially eligible for LSC-funded legal assistance as set forth in these policies or

B. The group has as a principal activity the delivery of services to those persons in the community who would be financially eligible for LSC funded legal assistance as set forth in these policies and the legal assistance sought relates to such activity.

When group representation is undertaken, information that demonstrates that the group meets the eligibility criteria shall be documented in the client's file.

IV. LEGAL MATTERS HANDLED BY PSLS

A. General - PSLS shall offer to all eligible clients legal services consisting of legal advice, referral and extended representation in the types of cases and matters authorized by the Legal Services Corporation. Extended representation is provided consistent with Prairie State's caseload priorities and when the client's legal problem prevents the client from meeting his/her

basic human needs. From time to time, other specific cases or matters may be provided when such services are funded through a non-Legal Services Corporation source so long as such legal counsel or representation is not inconsistent with the Legal Services Corporation Act, Regulations, Instructions, or appropriation riders, and the PSLS program priorities.

B. Appeals - The Executive Director shall be responsible for authorizing judicial appellate proceedings on behalf of eligible clients pursuant to LSC Regulations and policies adopted by the PSLS board.

V. RETAINER AGREEMENTS

PSLS staff shall execute a written Retainer Agreement with each client who receives extended legal services. A written Retainer Agreement is not required when the only service to be provided is counsel or advice or brief service. The Retainer Agreement shall be executed when representation commences or, if not possible due to an emergency situation, as soon thereafter as is practicable. The Retainer Agreement shall clearly identify the relationship between the client and Prairie State, the matter in which representation is sought, the nature of the legal services to be provided, and the rights and responsibilities of the client. PSLS staff shall retain the executed Retainer Agreement as part of the client's file.

VI. VERIFICATION

If there is substantial reason to doubt the accuracy of the information, staff shall make appropriate inquiry to verify it in a manner consistent with an attorney/client relationship.

VII. TERMINATION OF SERVICES

A. Change in Circumstances - If an eligible client becomes ineligible through a change in circumstances, PSLS shall discontinue representation if the change in circumstances is sufficiently likely to continue so that the client can afford private legal assistance and discontinuation of representation is not inconsistent with the attorney's professional responsibilities.

B. PSLS, by decision of a Managing Attorney and reviewable by the Executive Director, may terminate its services to any person who makes any misrepresentation of a material fact, insults or abuses any employee of PSLS, or unreasonably fails to cooperate with PSLS in processing his or her legal matter, provided discontinuation of service is not otherwise inconsistent with the attorney's professional responsibilities.

VIII. LITIGATION COSTS

A. PSLS staff shall execute certificates of indigence consistent with the requirements contained in 735 ILCS 5/5-105.5 or shall institute in forma pauperis proceedings on behalf of

clients whenever appropriate.

B. PSLS shall neither solicit nor accept any fee for its services from its clients; however, when it would not be an undue hardship on the client and when the execution of a certificate of indigence or an in forma pauperis proceeding is not appropriate, the client shall be requested to advance all or a part of the court costs and any related expenses. Advancement of such costs shall not be a condition of client eligibility unless PSLS does not have sufficient funds available for this purpose or if denial of PSLS representation would have a minimal impact on the client or if the projected costs would consume a disproportionate portion of the PSLS budget for such purposes taking into account the importance of the result of the case to the client.

IX. REFERRALS OF APPLICANTS AND CLIENTS

PSLS may refer applicants determined eligible for PSLS services to private attorneys pursuant to procedures established with local bar associations and in accord with Legal Services Corporation law and regulations. Ineligible clients shall be directed to the appropriate lawyer referral service or other referral system adopted by the bar association. PSLS staff may refer eligible clients to attorneys participating in the PAI project for representation consistent with PSLS priorities. PAI plans shall be designed to expand the availability of legal services for eligible clients and to guarantee the client competent representation.

X. CONFIDENTIALITY OF CLIENT RECORDS

It shall be the policy of Prairie State Legal Services to ensure the privacy and confidentiality of all client records, including, but not limited to, applications for service, interview notes and all other papers of a confidential nature which may be obtained during the course of representation. No such information shall be disclosed to any person who is not an employee of Prairie State Legal Services without the express written consent of the client.

When PSLS representation contemplates the bringing of a lawsuit on behalf of a client, a written statement of the facts supporting a complaint must be obtained from the client prior to the filing of the complaint or the commencement of pre-complaint negotiation consistent with the requirements of 45 C.F.R. 1636. A copy of the statement of facts shall be forwarded to the Executive Director for central filing pursuant to 45 C.F.R. 1636. That statement of facts is to be made available to LSC or any other federal department, agency, or contractor of a federal department or agency monitoring or auditing PSLS activities.

In addition, Public Law 105-119 requires PSLS to make available for disclosure to the Legal Services Corporation and the public certain information regarding the identity and address of the client and court and the course of action, except where disclosure is prohibited by law, an order or rule of court, or the attorney handling the case reasonably believes that revealing such information would place the client at risk of physical harm.

Public Law 103-134 requires PSLS to disclose eligibility information to LSC upon request.

APPENDIX "A"

Eligibility Guidelines - Illustrative Examples

* Applicant has a family of four including herself. Her monthly gross income is $2,500. The eligibility schedule indicates that the maximum monthly amount she can earn is $2,453. The schedule indicating 200% of poverty for a family of four is $3,925. She is, thus, between 125% and 200% of the federal poverty level. You need to inquire further to see if considerations exist that would render her eligible under our eligibility guidelines. Upon further inquiry, you learn that she has monthly prescription charges of $275. Prescription charges are medical expenses listed in Section II(B)(3) of the Guidelines and may be considered in determining eligibility. Because $275 a month is "at least 10%" of her monthly gross income, she is income eligible.

* Applicant has a family of four including herself. Her monthly gross income is $2,500. Upon further inquiry, you learn that she incurs monthly medical expenses of $75, monthly child care expenses of $100 while she works, and transportation expenses of $100 (which she incurs traveling to and from her job); all of which are listed in Section II(B)(3) of the Guidelines. Even though none of these expenses alone amount to 10% of her income ($250), together they total $275 and she is income eligible.

* Applicant has a family of four including herself. Her monthly gross income is $2,500, which is $47 in excess of the monthly eligibility standard for a family of four ($2,453). Upon further inquiry, you learn that she incurs monthly child care expenses of $100 while she works. Even though those expenses are less than 10% of her monthly gross income, when subtracted from her gross income of $2,500, she has an adjusted income of $2,400, which is below the monthly income eligibility standard of $2,453. She is income eligible.

VI. Legislative and Administrative Advocacy

REPORT REQUIRED - KEEP IN LOCAL OFFICE AND SENT COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR 1612

I. Legislative and Administrative Rulemaking Prohibitions.

A. Except as permitted by Sections B and C below, it is impermissible for any individual, while engaged in legal services activities funded by PSLS., to initiate or to participate in any effort:

1 that attempts to influence the passage or defeat of any legislation or constitutional amendment; or any initiative, referendum or similar procedure of the Congress, any state legislature or local council, or similar governing body acting in a legislative capacity;

2. that attempts to influence any provision in a legislative measure appropriating funds to, or defining or limiting the functions or authority of, the recipient or the Legal Services Corporation; e.g., self-help lobbying;

3. that attempts to influence the conduct of oversight proceedings of any legislative body concerning PSLS or the Legal Services Corporation;

4. that attempts to participate in or influence any rulemaking or influence the issuance, amendment, or revocation of any executive order. Rulemaking is defined to include agency processes for formulating, amending, or appealing rules, regulations or guidelines of general applicability and future effect issued by the agency pursuant to Federal, State or local rulemaking procedures, including notice and comment rulemaking and adjudicatory proceedings that are formal adversarial proceedings used to formulate or modify an agency policy of general applicability and future effect;

5. that engages in any grassroots lobbying activity;

6. that pays for any personal service, advertisement, telegram, telephone, communication, letter, printed or written matter, administrative expense or related expense associated with any activity prohibited in the five preceding paragraphs.

B. Notwithstanding the prohibitions outlined in A, it is permissible for any individual funded by PSLS to:

1. provide administrative representation for an eligible client in a proceeding that adjudicates the particular rights or interests of such eligible client or in negotiations directly involving that client's legal rights or responsibilities including pre-litigation negotiation and negotiation in the course of litigation;

2. initiate or participate in litigation challenging agency rules, regulations, guidelines or policies unless otherwise prohibited by law or the Legal Services Corporation regulations;

3 . communicate with a government agency for the purpose of obtaining information, clarification, interpretation of the agency's rules, regulations, practices or policies;

4. inform clients, other recipients, or attorneys representing eligible clients, about new or proposed statutes, executive orders or administrative regulations;

5 . communicate directly or indirectly with the Legal Services Corporation for any purpose including commenting upon existing or proposed Legal Services Corporation rules, regulations, guidelines, instructions and policies;

6. participate in meetings or serve on committees of bar associations, provided that no resources of PSLS are used to support prohibited legislative or rulemaking activities and that PSLS is not identified with activities of bar associations that include such prohibited activities;

7. advise a client of the client's right to communicate directly with an elected official; or

8. participate in activity relating to the judiciary, including the promulgation of court rules, rules of professional responsibility and disciplinary rules.

C. Non-LSC funds may be used by an employee:

1. to respond to a written request from a governmental agency or official thereof, elected official, legislative body, committee or member thereof, made to an employee or to a recipient to--

a) testify orally or in writing;

b) provide information which may include analysis of or comment upon existing or proposed rules, regulations or legislation, or drafts of proposed rules, regulations or legislation;

c) testify before, make information available to, commissions, committees or advisory bodies; or

d) participate in negotiated rulemaking under the Negotiated Rule Making Act, 5 U.S.C. 561 or comparable state or local laws.

2. Such participation can be made only as follows:

a) With the written approval of the Executive Director

b) Communications made in response to requests may be distributed by the employee only to the party or parties that made the request or to other persons or entities only to the extent that such distribution is required to comply with the request;

c) No employee of PSLS shall solicit or arrange a request from any official to testify or to otherwise provide information in connection with legislation or rulemaking; and,

d) Each employee shall maintain copies of all written requests received and any written responses made in response thereto and provide such requests and responses to the executive director at the time the employee makes a request for approval.

3. Employees may use non-LSC funds to provide oral or written comments to an agency and its staff in a public rulemaking proceeding which includes notice and comment rulemaking and other public proceedings. Public rulemaking means any rulemaking proceeding or portion of such proceeding or procedure that is open to the public through notices of proposed rulemakiing published in the Federal Register or similar State or local journals, announcements of public hearings on proposed rules or notices of proposed rulemaking including those that are routinely sent to interested members of the public, or other similar notifications to members of the public.

4. Employees may use non-LSC funds to contact or communicate with, respond to or request from, a State or local governmental agency, a State or local legislative body or committee, or a member thereof, regarding funding for PSLS.

D. Advocacy Training

1. It is impermissible for any individual, while engaged in legal assistance activities funded by PSLS to participate in or conduct a training program for the purpose of advocating a particular public policy, encourage or facilitate political activities, labor or anti-labor activities, boycotts, picketing, strikes, or demonstrations, or the development of strategies to influence legislation or rulemaking or to train participants to engage in activities prohibited by the Legal Service Corporation Act, other applicable law, or Corporation regulations, guidelines or instructions.

2.. Attorneys and paralegals may participate in any training program, including skills, substantive and management training, which assists such employees to provide adequate legal assistance to eligible clients or advise eligible clients as to the legal rights of the clients.

3. Employees of PSLS may participate in training activities intended to inform staff about what activities are prohibited by the LSC Act, other applicable Federal law, or Legal Services Corporation regulations, guidelines or instructions.

II. Prohibitions on Demonstrations, Boycotts, Strikes and Certain Other Activities.

A. It is impermissible for any individual, during working hours, while providing legal assistance or representation to PSLS clients or while using resources provided by the Legal

Services Corporation or by private entities to--

1. participate in any public demonstration, picketing, boycott or strike except as permitted by law in connection with the employee's own employment situation; or,

2. encourage, direct or coerce others to engage in such activities.

B. It is impermissible for any individual employed by PSLS at any time to engage in or encourage others to engage in any:

1 rioting or civil disturbance;

2. activity determined by a court to be in violation of an outstanding injunction of any court of competent jurisdiction; or

3. other illegal activity that is inconsistent with an employee's responsibilities under applicable law, Legal Services Corporation regulations, or the Illinois Rules of Professional Conduct.

C. Attorneys for PSLS. may inform and advise a client about legal alternatives to litigation or the lawful conduct thereof and may take such action on behalf of a client as may be required by professional responsibilities or applicable Illinois law.

III. Prohibited Organizing Activities

A. It is impermissible for any employee, while engaged in legal assistance activities funded by the Legal Services Corporation or private entities, to initiate the formation, or to act as an organizer, of any association, federation, labor union, coalition, network, affiance, or any similar entity.

B. Employees may provide legal advice or assistance to eligible clients who desire to plan, establish or operate organizations, including preparing articles of incorporation and bylaws for such organizations. Employees may also provide legal advice or assistance to eligible community groups or organizations, on both organizational issues and on substantive legal issues of interest to the organization.

Record Keeping

Each local office shall maintain in a separate file the following documents:

1. Written requests from a government agency or official, elected official, legislative body, committee, or member thereof made to an employee of Prairie State Legal Services, Inc. to:

a. Testify orally or in writing.

b. Provide information which may include analysis of or comments upon existing or proposed rules, regulations, or legislation, or drafts of proposed rules, regulations, or legislation.

c. Participate in negotiated rulemaking under federal or state laws.

2. Written responses to written requests.

3. For all training programs conducted or supported by a local office, a complete set of any training materials, including handouts and the training agenda.

4. **Each time a local office engages in any activity described in paragraph 1 of this section it shall complete the Form entitled "NOTICE TO ADMINISTRATIVE OFFICE OF PERMISSIBLE ADMINISTRATIVE OR LEGISLATIVE ACTIVITIES PURSUANT TO 45 CFR §1612.6 which is set forth immediately below.**

The Administrative Office shall maintain in a separate file the following documents:

1. Copies of semi-annual reports describing legislative and rulemaking activities conducted pursuant to 45 CFR §1612.6

2. Records documenting the expenditure of non-LSC funds for legislative and rule making activities permitted in 45 CFR §1612.6 relating to written requests.
3. List of the registered lobbyists employed by Prairie State Legal Services, Inc.

NOTICE TO ADMINISTRATIVE OFFICE OF PERMISSIBLE ADMINISTRATIVE OR LEGISLATIVE ACTIVITIES PURSUANT TO 45 CFR §1612.6

Name of Client: _____

Case Number: _____

Description of Permitted Advocacy: _____

_____

_____

_____

_____

_____

_____

Total Hours Spent on Permissible Activity: _____

Attorney: _____

Date Permissible Activities Began: _____

Date Permissible Activities Ended: _____

VII. Legal Assistance Regarding Criminal Proceedings

Source: 45 CFR §1613

Policy

No attorney employed by Prairie State Legal Services shall provide legal assistance in criminal proceedings unless such assistance is required as a part of an attorney's responsibility as a member of the bar. "Criminal proceedings" as used here is defined by the Legal Services Corporation Regulation 1613.2. as "the adversary judicial process prosecuted by a public officer and initiated by as formal complaint, information, or indictment charging a person with an offense denominated 'criminal' by applicable law and punishable by death, imprisonment or a jail sentence. In no case shall any representation be provided in any criminal proceeding without a review by the Managing Attorney of the office and final approval by the Executive Director. The decision of the Executive Director shall be final and in writing.

General Explanation

The regulation generally prohibits any type of representation in a criminal proceeding. However, it does not prohibit the following:

A. Representing clients in ordinance violation or petty offense cases which do not carry potential jail time.

B. Representing clients in traffic matters which do not carry potential jail time.

C. Representing or advising victims of crime.

D. Representing clients with regard to sealing or expungement of convictions.

VIII. Restrictions on Actions Collaterally Attacking Criminal Convictions

Source: 45 CFR §1615

1. Policy

No attorney employed by Prairie State Legal Services may provide legal assistance in any action in the nature of habeas corpus seeking to collaterally attack a criminal conviction.

2. Prohibition

Except as authorized by Paragraph 3, no Legal Services Corporation funds shall be used to provide legal assistance in an action in the nature of habeas corpus collaterally attacking a criminal conviction where prohibited by 45 CFR Sec. 1615.2.

3. Exceptions

Legal assistance is not prohibited:

a. to challenge a conviction resulting from a criminal proceeding in which the defendant received representation from PSLS pursuant to Legal Services Corporation Regulations; or,

b. pursuant to a court appointment made under a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction if authorized by PSLS after a determination that the representation is consistent with the program's primary responsibility to provide legal assistance to eligible clients in civil matters.

IX. Class Actions

Source: 45 CFR §1617

It is impermissible for any PSLS employee while engaged in legal assistance activities funded by PSLS to initiate or participate in any class action suit. For purposes of this policy, "class action suit" refers to a lawsuit filed as, or otherwise declared by the court having jurisdiction over the case, to be a class action pursuant to Rule 23 of the Federal Rules of Civil

Procedure or under the Illinois Code of Civil Procedure.

This limitation does not preclude the representation of multiple parties or eligible groups; nor does it proscribe the use of other relevant judicial or statutory procedures, including those related to: third party practice, joinder, interpleader, intervention, consolidation, mandamus, declaratory judgment, or injunctive relief.

To initiate or participate in any class actions means that any individual, while engaged in legal assistance activities funded by PSLS may not be involved at any stage of a class action prior to an order granting relief, including acting as an amicus curiae, co-counsel or providing legal assistance to an individual client who seeks to intervene in, modify, or challenge the adequacy of the representation of a class. It is permissible to represent an individual who seeks to withdraw from or opt out of a class.

Participating in a class action does not include non-adversarial monitoring of an order granting relief or representation of an individual client seeking to obtain the benefit of relief already ordered by a court. Non-adversarial monitoring includes efforts to remain informed about, or to explain, clarify, educate, or advise others about the terms of an order granting relief.

Record Keeping - The Administrative Office shall maintain a list of class action cases where Prairie State or one of its attorneys is involved in non-adversarial activities. The list shall set forth the case name, the court where the case is filed, the status of the case, and a description of the non-adversarial activities.

X. Priorities In Use of Resources

SIGNED AGREEMENT REQUIRED - SEND TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1620

Policy - All staff who handle cases or matters or who are authorized to make decisions about case acceptance, shall **sign** an agreement in a form set forth below which indicates that the signatory has read and is familiar with the priorities of Prairie State Legal Services, Inc., has read and is familiar with what constitutes an emergency situation and procedures for dealing with an emergency that have been adopted and will not undertake any case or matter that is not a priority or an emergency.

EMPLOYEE AGREEMENT

I certify and agree to the following:

1. I have read and am familiar with the present priorities of Prairie State Legal Services Inc.

2. I am familiar with the definition of an emergency situation which follows:

> An Emergency Exception refers to those cases which are clearly outside of Prairie State legal Services' priorities, but which are accepted for service because of the urgent nature of the situation.

3. I am familiar with the procedures for dealing with an emergency which follow:

> In emergency situations, whether the emergency is limited to a particular client or is of a more general nature, such as an economic or natural disaster, staff members may accept cases for representation when:
>
> A. The representation is not prohibited by the Legal Services Corporation Regulations or Appropriation Riders in effect at the time that the representation is provided; and
>
> B. The Executive Director determines that such representation is appropriate and necessary to meet the need or needs of the individual client or class of clients as a result of new and unforeseen circumstances that have caused the emergency. Approval for the representation may be given verbally, but should be confirmed in writing within 10 days of the original approval. The Executive Director shall report to the Board of Directors regarding the exercise of this authority at the next quarterly meeting of the board.

4. I will not undertake any case or matter for Prairie State Legal Services, Inc., that is not a priority or an emergency situation.

XI. Restrictions on Legal Assistance to Aliens

Source: 45 CFR §1626

With the exception of normal intake and referral services and the indirect incidental benefit of general client and community education activities, it is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to provide legal assistance for or on behalf of an ineligible alien. All prospective clients who seek legal services beyond intake and referral and who are citizens of the United States shall complete a declaration of citizenship. All prospective clients who are not United States citizens shall demonstrate their eligibility for legal services as provided in 45 CFR 1626.5 and 1626.7

by providing the forms required in the appendix to this regulation as set forth as follows:

Alien category	Immigration Act (INA)	LSC regs; 45 CFR § 1626	Examples of acceptable documents
LAWFUL PERMANENT RESIDENT	INA § 101(a)(20); 8 USC § 1101(a)(20).	§ 1626.5(a)	I-551 or I-151
			or I-181 (Memorandum of Creation of Record of Lawful Permanent Residence), with approval stamp;
			or passport bearing immigrant visa or stamp indicating admission for lawful permanent residence;
			or order granting registry, suspension of deportation, cancellation of removal, or adjustment of status from the INS, an immigration judge, the BIA, or a federal court;
			or I-327 Reentry Permit;
			or I-94 with stamp indicating admission for lawful permanent residence;
			or any verification from INS or other authoritative document.

ALIEN WHO IS -- married to U.S. citizen, or	INA §§ 208, 210, 244 (replaced by INA § 240A(b) for aliens in proceedings initiated on or after 4/1/97), 245, 245A, 249; 8 USC §§ 1158, 1160, 1254 (replaced by 1229b(b) for aliens in proceedings initiated on or after 4/1/97), 1255, 1255a, 1259.	§ 1626.5(b)	Proof of relationship to U.S. citizen * and proof of filing: **
--parent of U.S. citizen, or--			I-485 (application for adjustment of status based on family-based visa, registry, or various special adjustment laws)
unmarried child under 21 of U.S. citizen			or I-256A or EOIR-40 (application for suspension of deportation)
And			or EOIR-42 (application for cancellation of removal)
--has filed an application for adjustment of status to permanent residency			or I-817 (application for Family Unity)
			or I-881 (application for NACARA suspension or special rule cancellation and adjustment)
			or OF-230 (application at consulate for visa)
			or I-129F (Petition for Alien Fianc[eacute](e) (for spouses and children of USCs applying for K-status)
			or I-130 (family-based immigrant visa petition)

or I-360 (self-petition for widow(er) or abused spouse or child)

or I-539 indicating application for V status

or I-589 (application for asylum)

or I-698 (application to adjust from temporary to permanent residence)

or I-730 (refugee/asylee relative petition)

or any verification from INS or other authoritative document.

* Proof of relationship may include: copy of marriage certificate accompanied by proof of spouse's U.S. citizenship; copy of birth certificate, religious archival document such as baptismal certificate, adoption decree or other documents demonstrating parentage of a U.S. citizen; copy of birth certificate, baptismal certificate, adoption decree, or other documents demonstrating alien is a child under age 21, accompanied by proof parent is a U.S. citizen; or in lieu of the above, a copy of INS Form I-130 (visa petition) or I-360 (self-petition) containing information demonstrating alien is related to such a U.S. citizen, accompanied by proof of filing.

			** Proof of filing may include a fee receipt or cancelled check showing that the application was filed with the INS or the immigration court; a filing stamp showing that the application was filed; or a copy of the application accompanied by a declaration or attestation signed by the immigrant, or the immigrant's attorney or legal representative for the application, that such form was filed. Proof of filing is also established by: a letter or Form I-797 from INS or the immigration court acknowledging receipt of or approval of one of the above-listed forms; or Form I-94 (arrival/departure record) or I-512 (advance parole) indicating entry to pursue an above-listed application; or I-688B or I-766 (employment authorization document) coded 8 CFR § 274a. 12(c)(9) (applicant for adjustment), (c)(10) (applicant for suspension or cancellation, (c)(16) (applicant for registry), (c)(21) (S-visa principal or dependent), (c)(20) or (22) (legalization applicant), (c)(24) (LIFE Act legalization applicant), (a)(9) (K-status), (a)(13)(Family Unity), (a)(14) (LIFE Act Family Unity), (a)(15) (V-status), (a)(16) or (c)(25) (T-status) or (c)(8) (asylum applicant).
REFUGEE	INA § 207, 8 USC § 1157.	§ 1626.5(c)	I-94 or passport stamped "refugee" or "§ 207" or I-688B or I-766 coded 8 CFR § 274a.12(a)(3)(refugee) or § 274a. 12(a)(4)(paroled as refugee) or I-571 refugee travel document

			or any verification from INS or other authoritative document.
ASYLEE	INA § 208, 8 USC § 1158.	§ 1626.5(c)	I-94 or passport stamped "asylee" or "§ 208" or an order granting asylum from INS, immigration judge, BIA, or federal court or I-571 refugee travel document or I-688B coded 8 CFR § 274a. 12(a)(5)(asylee) or any verification from INS or other authoritative document.
GRANTED WITHHOLDING OR DEFERRAL OF DEPORTATION OR REMOVAL	INA § 241(b)(3) or former INA § 243(h), 8 USC § 1251(b)(3) or former 8 USC § 1253(H)	§ 1626.5(e).	I-94 stamped "§ 243(h)" or "241(b)(3)" or an order granting withholding or deferral of deportation or removal from INS, immigration judge, BIA, or federal court Also acceptable I-688B coded 8 CFR § 274a.12(a)(10)(granted withholding of deportation or removal) or any verification from INS or other authoritative document.
CONDITIONAL ENTRANT	INA § 203(a)(7), 8 USC § 1153(a)(7).	§ 1626.5(d)	I-94 or passport stamped "conditional entrant" or any verification from INS or other authoritative document.
H-2A AGRICULTURAL WORKER	INA § 101 (a)(15)(H)(ii); 8 USC § 1101 (a)(15)(ii).	§ 1626,11	I-94 or passport stamped "H-2" or any verification from INS or other authoritative document.

SPECIAL AGRICULTURAL WORKER TEMPORARY RESIDENT	INA § 210 8 USC § 1160	§ 1626.10(d)	I-688, 688A, 688B, or 766 indicating issuance under § 210 (or under 8 CFR § 274a. 12(a)(2), with other evidence indicating eligibility under INA § 210)
or any verification from INS or other authoritative document.			

Prospective clients whose initial intake and screening does not occur in person and whose legal problem can be resolved through brief advice or consultation shall be asked to orally declare their citizenship and/or eligible alien status.

Prospective clients who are physically present in the office but who cannot produce the required documentation of eligibility may receive emergency assistance pursuant to Prairie State Legal Services, Inc. policies so long as the prospective client makes a written statement identifying the category under which the person claims eligibility and indicates the documents that will be produced to verify such status, but they may not receive any subsequent legal assistance unless they submit a written declaration or documentation of eligibility status as soon thereafter as is reasonably practicable.

If a client who was an eligible alien becomes ineligible through a change in circumstances, consistent with the Illinois Rules of Professional Conduct, staff must discontinue representation.

Legal assistance with LSC funds may be provided to persons otherwise ineligible pursuant to 45 CFR §1626 who have been battered or subjected to extreme cruelty or a victim of sexual assault or trafficking in the United States or whose child has been battered or subjected to extreme cruelty or a victim of sexual assault or trafficking in the United States by any of the above mentioned persons and the alien did not actively participate in such battery or cruelty. In such cases the legal assistance provided must be directly related to the prevention of, or obtaining relief from, the battery or cruelty.

Record Keeping

In all cases **other** than brief service or referral over the telephone, each local office shall maintain in each client's case file the copies of documents required by the LSC regulations as set forth above that verify eligibility. If verification is delayed because of emergencies, written documentation detailing the nature of the emergency shall be maintained in the particular client's case file.

XII. Membership Fees or Dues

Source: 45 CFR §1627

We may not use LSC funds to pay membership fees or dues to any private or nonprofit organization.

A dues payment is a payment to an organization on behalf of the program or an individual employed by the program to be a member of the organization, or to acquire voting or participatory rights in the organization.

1. Paid Memberships

   a. PSLS maintains a group membership out of non-LSC funds for its attorneys with the National Legal Aid and Defender's Association.

   b. PSLS will pay basic dues for each attorney's membership in state and local bar associations.

   c. PSLS will pay Attorney Registration and Disciplinary Commission fees.

   d. Where important for PSLS business, PSLS may pay from non-LSC funds for membership in the American Bar Association (approval of Executive Director is required).

   e. PSLS will **not** pay for individual section memberships of any bar association.

2. Admission Fees

PSLS will not pay court admission fees or other fees which are prerequisites for the practice of law in a particular court or jurisdiction.

3. Other Memberships

PSLS will not pay for any membership fees, dues or similar costs not covered above unless approved and certified by the Executive Director as being directly related to the Corporation functions.

4. Prairie State Legal Services, Inc. will use non-LSC funds to continue to pay dues on behalf of the program or its employees to local bar associations, the Illinois State Bar Association and such other organizations that the Executive Director determines to be significant for carrying out the missions of Prairie State Legal Services, Inc.

XIII. Redistricting

Source: 45 CFR §1632

PSLS shall not make available any funds, personnel, or equipment for use in advocating or opposing any plan or proposal, or representing any party, or participating in any other way in litigation, related to redistricting. "Redistricting" means any effort, directly or indirectly, that is intended to or would have the effect of altering, revising, or reapportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census. "Advocating or opposing any plan" means any effort, whether by request or otherwise, even if of a neutral nature, to revise a legislative, judicial, or elective district at any level of government.

This policy does not prohibit any litigation brought under the Voting Rights Act of 1965, as amended, 42 U.S.C. §1971, *et seq.*, provided such litigation does not involve redistricting.

XIV. Representation in Certain Eviction Proceedings

REPORT REQUIRED - KEEP IN CLIENT'S FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1633

It is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to defend any person in a proceeding to evict that person from a public housing project if:

(a) The person has been charged with or has been convicted of the illegal sale, distribution, or manufacture of a controlled substance, or possession of a controlled substance with the intent to sell or distribute; and

(b) The eviction proceeding is brought by a public housing agency on that basis

that the illegal drug activity for which the person has been charged or for which the person has been convicted threatens the health or safety of other tenants residing in the public housing project or employees of the public housing agency.

A person is considered to have been "charged with" when that person is subject to a pending criminal proceeding instituted by a governmental entity with authority to initiate such proceedings

Public housing project and public housing agency have the same meanings given to those terms in section 3 of the United States Housing Act of 1937. 42 U.S.C. §1437a.

Local offices shall maintain a list of all cases which involve an eviction from public housing and there is an allegation of drug sale, distribution, manufacture, or possession with intent to sell or distribute.

In each client case file for a case described in the paragraph immediately above, the local office shall maintain documentation why the representation is permissible and the form set forth immediately below. **A copy of the form shall be sent to the Administrative Office.**

****

REPRESENTATION IN CERTAIN EVICTION PROCEEDINGS

Name of Client: _____

Case Number: _____

This case involves an allegation of drug sale, distribution or manufacture, or possession with intent to sell or distribute. However, representation is permissible because:

This case involves a client who is neither currently charged with, nor has been convicted of either: the illegal sale, distribution or manufacture of a controlled substance, or with the possession of a controlled substance with the intent to sell or distribute it; or

The housing authority in the eviction proceeding does not allege that the illegal drug activity for which the client is charged or convicted threatens the health or safety of other tenants or employees of the housing authority.

Name of Principal Advocate: _____ Date completed: _____

****

General Explanation

We are prohibited from representing clients in a narrow group of evictions. The prohibition applies only if:

(1) The eviction is from a public housing project [not Section 8];

(2) The client has been charged with or convicted of illegal sale, distribution or manufacture of a controlled substance, or of possession with intent to sell or distribute - not possession; [The prohibition does not apply if the person charged or convicted is not the client such as a family member or guest], and

(3) The eviction is brought by a PHA on the basis that the illegal activity threatens the health or safety of other tenants in the project or of the employees of the PHA

If the eviction is from public housing (not Section 8), and we can provide representation, then the form above must be sent to the Administrative Office. Thus, the form must be kept in the client's file and sent to the Administrative Office when the case involves an eviction from public housing where there either is (1) an allegation of drug sale, distribution, manufacture, or possession with intent to sell or distribute, but which we still can handle because there is no charge or conviction, or (2) involves a charge or conviction of drug sale, distribution, etc. but we can handle the case because there is no health/safety allegation. We don't need a form if the charge or conviction relates to a person other than the client.

XV. Timekeeping

Source: 45 CFR §1635

Time spent by attorneys and paralegals of Prairie State Legal Services, Inc., shall be documented in time records as described below which record the amount of time spent on each case, matter, or supporting activity. Time records must be created contemporaneously and account for time in increments in tenths of an hour.

Each attorney and paralegal shall maintain time records on a contemporaneous basis that records the amount of time that person spends on each case, matter, or supporting activity. Contemporaneous is defined to mean "by the end of the day." The definitions of each of these

categories is as follows:

Case

A form of program service in which an attorney or paralegal provides legal services to one or more clients. Included in this category are the legal work necessary to provide legal assistance in litigation, administrative proceedings, negotiations, brief assistance and assistance with individual PAI cases. Also included are such additional activities as case supervision and management, case review, client intake, case and client consultation, responding to client grievances, ADR, and other direct services to clients involving all types of legal problems.

Matter

An action which contributes to the overall delivery of program services but does not involve direct legal advice to or legal representation of one or more specific clients. Examples of matters are group acceptance meetings, community legal education activities, pro se clinics, activities relating to the availability of legal services, training, general supervision of program services, preparation of desk manuals, PAI recruitment and maintenance, intake when no case is opened, tracking substantive law developments, bar association activities and activities relating to our relations with other human service organizations.

Supporting Activity

An action that is not a case or matter. Included in this category are activities such as fund raising, preparation for and attendance at board of director meetings, general staff meetings, developing such systems as a telephone or timekeeping system and staff breaks.

XVI. Timekeeping Certification for Part Time Employees

REPORT REQUIRED - SEND TO ADMINISTRATIVE OFFICE

Federal Regulation 45 CFR §1635, requires that each such staff member certify each quarter that they have not engaged in any restricted activity during any time for which they were being paid by Prairie State. This certificate must only be submitted by those of us who have two or more part-time jobs **and** one of the other jobs involves activities that are "restricted." The following procedure shall be followed by staff who meet the above criteria:

1. By September 30th of each year, each part-time employee who handles cases shall

certify that he or she does not work for another organization that engages in "restricted activities." The attached certification form shall set out what is comprised by the term "restricted activities."

2. The certification form shall also contain an agreement on the part of the staff person that if circumstances change and a part-time job involving "restricted activities" is undertaken, the staff person shall immediately notify his or her immediate supervisor who shall in turn notify the Administrative Office in writing.

3. The completed certification forms shall be submitted to the Administrative Office and kept in a separate file.

4. The attached certification form shall be completed thereafter on an annual basis by September 30.

5. If a staff person cannot make the certification, then quarterly certification forms shall be completed. Each office where such staff persons work shall have copies of the quarterly certificates. Each of those certificates shall be sent to the Administrative Office and kept in a separate file.

****

ANNUAL CERTIFICATION FOR PART-TIME CASEHANDLERS

This certification is to be filled out only by the following employees:

- **You work part-time for Prairie State Legal Services, Inc.; and,**
- **Working for Prairie State is the <u>only</u> part-time job you have; or,**
- **You have one or more additional part-time <u>jobs</u>; but,**
- **<u>None</u> of the additional part-time jobs is for an organization that engages in restricted activities as defined below:**

<u>RESTRICTED ACTIVITIES</u>

Restricted Activities are those activities set forth in 45 CFR §1610.2 as follows:

Political Activities - including working for pay for a political party or a candidate for public office;

Fee Generating Cases - a case or matter in which it reasonably may be expected to result in a fee from an award to a client, from public funds, or from the opposing party;

Criminal Proceedings - the adversary judicial process prosecuted by a public officer and initiated by a formal complaint, information, or indictment, and punishable by death, imprisonment, or a jail sentence; (<u>A misdemeanor is not a criminal proceeding</u>.)

Actions Collaterally Attacking Criminal Convictions - habeas corpus proceedings;

Organizing Activities - activities to initiate the formation, or to act as an organizer, of any association, federation, labor union, coalition, network, alliance, or any similar entity;

Abortions;

School Desegregation;

Violations of the Military Selective Service Act or Military Desertion;

Redistricting - involving altering, revising, or re-apportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census;

Legislative and Administrative Advocacy;

Class Actions;

Prisoner Litigation;

Welfare Reform - litigation challenging laws or regulations enacted as part of an effort to reform a Federal or State welfare system, rulemaking involving proposals that are being considered to implement an effort to reform a Federal or State welfare system, or lobbying before legislative or administrative bodies involving proposed legislation that is part of an effort to reform a Federal or **State welfare system**;

Drug Related Evictions - representing tenants in conventional public housing in eviction actions in which the eviction is based on the tenant having been charged or convicted of the illegal sale, distribution, or manufacture of a controlled substance, or possession of a controlled substance with the intent to sell or distribute; and,

Representation of Ineligible Aliens.

CERTIFICATION

Pursuant to the requirements of 45 CFR §1635.3(d), I certify that I do not presently work for an organization that engages in restricted activities as set forth above. I also certify that if I commence working for such an organization, I will immediately inform my immediate supervisor of that fact and thereafter will fill out the "1635 Quarterly Certification for Part-time Casehandlers" form.

Date: _____ Name (Printed): _____

Signature: _____

****

XVII. Client Identity and Statement of Facts

REPORT REQUIRED - KEEP IN CLIENT'S FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1636

We may not file a complaint in a court of law or engage in pre-complaint settlement negotiations on behalf of a client who is a potential plaintiff in the proposed action and who has authorized Prairie State Legal Services, Inc. to file suit in the event that the settlement negotiations are unsuccessful, unless the proposed plaintiff is identified by name in the complaint or in the pre-litigation settlement negotiations, unless a court of competent jurisdiction has entered an order protecting the proposed plaintiff from such disclosure based on a finding , after notice and an opportunity for a hearing on the matter of probable serious harm to the plaintiff if the disclosure is not prevented, and the proposed plaintiff has signed a dated written statement in English and, if necessary, in a language other than English that the client understands, enumerating the particular facts supporting the proposed complaint, insofar as they are known to the client when the statement is signed.

A signed statement prepared for purposes of complying with this policy shall not include any client information that is not otherwise to be disclosed as the basis of the complaint or of a pre-complaint demand letter for relief. The statement shall assert the purpose of its preparation and shall state that it does not operate as a waiver of the attorney client privilege or work product privilege for any purpose other than compliance with Section 504(a)(8) of Public Law 104-134, 110 Stat. 1321 (1996).

The prepared statement shall be retained in the client's file. Such statement shall not be disclosed except to the Legal Services Corporation or to a Federal department or agency auditing or monitoring Prairie State Legal Services, Inc. in compliance with Section 509 of Public Law 104-134.

In the event of an emergency, when staff reasonably believes that delay is likely to cause harm to a significant safety, property, or liberty interest of the client, staff may proceed with the proposed litigation or negotiation without a signed statement of facts, provided that the statement is prepared and signed as soon as possible thereafter.

A signed statement of facts is not required to be prepared when representation involves a client who is (1) a defendant; (2) who is involved in an administrative proceeding that responds to an action taken by government agency, such as unfavorable disability, welfare, unemployment, or housing authority decisions; (3) for whom only brief service, advice, and/or referral activities are provided; or (4) when contact with another party is preliminary to negotiation or is not made in contemplation of litigation, such as to clarify facts, to gauge the potential for later negotiation, or to resolve a matter on which Prairie State Legal Services, Inc.

does not intend to pursue litigation.

A statement of facts is not required when the case is referred to a private attorney under PSLS's Private Attorney Involvement Program.

General Explanation

Prepare a written statement of the particular facts supporting the proposed complaint insofar as they are known to the client when the statement is prepared. The statement should state that it does not operate as a waiver of the attorneyy-client privilege or work product for any purpose other than compliance with Section 504(a)(8) of Public Law 104-134. The statement is to be signed and dated. In some instances, the complaint or petition can substitute for the statement of facts – e.g. a petition for an order of protection. In the case of a dissolution petition based on physical or mental cruelty, the general allegation in the complaint will not suffice and a statement of the specifics constituting the cruelty is necessary. Where complaint substitutes, the references to privilege and need not be included. Where a separate statement is prepared, it should not include more than it needs to include to support the claim or complaint. The statement of facts is discoverable.

XVIII. Representation of Incarcerated Persons

REPORT AND PERMISSION REQUIRED - SEND TO ADMINISTRATIVE OFFICE KEEP COPY OF APPROVAL IN CLIENT'S FILE

Source: 45 CFR §1637

It is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to participate in any civil litigation on behalf of a person who is incarcerated in a Federal, State, or local prison or to participate in administrative proceedings on behalf of such persons **challenging the conditions of incarceration.** This limitation on representation applies to all persons so incarcerated, regardless of whether they are a plaintiff or defendant in litigation. "Incarcerated means the involuntary physical restraint in a facility dedicated to such restraint, of a person who has been arrested or convicted of a crime.

In order to ensure compliance with this policy, if after a case has been accepted for representation and litigation on behalf of the client is pending, it is learned that the client has become incarcerated, approval of continuing representation must be obtained from the Executive Director. Approval should be sought by completing the form set forth directly below which is hereby incorporated as part of this policy and, when completed, will be retained as part of the client's file and a copy of which must be forwarded to and will be kept in the Administrative Office.

This policy does not apply to cases and matters on behalf of persons who are incarcerated that do not involve litigation in court or administrative proceedings challenging Transferee conditions of incarceration.

REQUEST FOR APPROVAL FOR CONTINUED REPRESENTATION OF INCARCERATED CLIENT

Date: _____
Name of Client: _____
Case Number: _____
Date Case Accepted: _____

I am requesting approval to continue representation of an incarcerated person in pending litigation.

Type of Case:

_____

_____

_____

Expected Date of Completion: _____

Expected Period of Incarceration: _____

Efforts made to withdraw from this case or the reason why withdrawal would not be appropriate under the Illinois Supreme Court's Rules of Professional Responsibility or other court rule, or reason why it is anticipated that the period of incarceration is likely to be brief and the litigation will continue beyond the period of incarceration are as follows:

_____

_____

_____

Case Handler's Name: _____ Date: _____

****

Continued representation of the above named client during the period of incarceration is hereby:

_____ Approved_____ Denied_____ Approved on the following conditions:

_____

_____

_____

_____ _____

Executive Director_____Date

XIX. Restriction on Solicitation

Source: 45 CFR §1638)

It is impermissible for staff to represent an individual as a result of in-person unsolicited provided by an employee of Prairie State Legal Services, Inc. or other provider of legal services funded by the Legal Services Corporation and staff employees are also prohibited from referring to other recipients individuals to whom they have given in-person unsolicited advice.

For purposes of this policy, "in-person" mans a face-to-face encounter or a personal encounter through other means of communication such as a personal letter or telephone call; "Unsolicited advice" means advice to obtain counsel or take legal action given to an individual who did not seek the advice or with whom the recipient does not have an attorney-client relationship.

This policy does prevent a staff person from providing to an existing client any advice warranted by professional responsibility to the client; does not prevent a staff person from responding to an individual's specific question about whether the individual should consult an attorney or take legal action; and, does not prevent staff person from responding to an individual who makes a specific request for information about the person's legal rights or who asks for assistance in connection with a specific legal problem.

This policy is not intended to and does not prohibit Prairie State Legal Services, Inc. employees from providing information regarding legal rights and responsibilities or providing information regarding Prairie State's intake procedures through community legal education activities such as outreach, public service announcements, maintaining an ongoing presence in a court house to provide advice at the invitation of the court, disseminating community legal education publications, and giving presentations to groups that request them.

XX. Welfare Reform

Source: 45 CFR §1639

It is impermissible for staff to initiate legal representation, challenge, or participate in any other way in efforts to reform a Federal or State welfare system, including participation in:

(a) litigation challenging laws or regulations enacted as part of a reform of a Federal or State welfare system;

(b) rulemaking involving proposals that are being considered to implement a reform of a Federal or State welfare system;

(c) lobbying before legislative or administrative bodies undertaken directly or through grassroots efforts involving pending or proposed legislation that is part of an effort to reform a Federal or State Welfare system.

For purposes of this policy, "Federal or State welfare system" means those programs affected by the provisions other than Child Support Enforcement of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and subsequent legislation enacted by Congress or by the State to implement, replace or modify key components of the provisions of that Act or by the State to replace or modify key components of its General Assistance or similar means-tested programs conducted by the State or by counties with State funding or under state mandate.

This policy does not preclude representation of individual clients who are seeking specific relief from a welfare agency so long as such representation does not challenge an existing Federal or State welfare reform statute.

Consistent with the provisions of 45 CFR §1612.5, Prairie State personnel may use non-LSC funds to comment in a public rulemaking proceeding or respond to a written request for information or testimony from a Federal, State, or local agency, legislative body or committee, or a member thereof, regarding an effort to reform a Federal or State welfare system.

XXI. Restrictions on Assisted Suicide, Euthanasia, and Mercy Killing

REQUIREMENT THAT DOCUMENTATION OF REASONS JUSTIFYING COMPLIANCE TO BE KEPT IN CLIENT'S FILE

Source: 45 CFR §1643

It is impermissible for any individual while engaged in any PSLS legal service activities funded by the Legal Services Corporation to assist in, support, or fund any activity or service which has a purpose assisting in or bringing a suit or providing any other form of legal assistance for the purpose of:

(a) Securing or funding any item, benefit, program, or service furnished for the purpose of causing or the purpose of assisting in causing , the suicide, euthanasia, or mercy killing of any individual.

(b) Compelling any person, institution or governmental entity to provide or fund any item, benefit, program, or service for such purpose.

(c) Asserting or advocating a legal right to cause, or to assist in causing, the suicide, euthanasia, or mercy killing of any individual.

This prohibition does not apply to the following sets of circumstances:

(1) The withholding or withdrawing of medical treatment or medical care.

(2) The withholding or withdrawing of nutrition or hydration.

(3) Abortion.

(4) The use of items goods, benefits, or services furnished for purposes relating to the alleviation of pain or discomfort even if they may increase the risk of death, unless they are furnished for the purpose of causing or assisting in causing death.

(5) The provision of factual information regarding applicable law on assisted suicide, euthanasia, and mercy killing.

In any case or matter in which representation is directly or indirectly related to some activity that could result in the death of a person, the local office shall document in the case file the reasons why the legal representation is permissible under this policy.

XXII. Case Disclosure

Source: 45 CFR §1644

Policy - For all cases filed in a state or federal court by Prairie State Legal Services on behalf of any client the following information is subject to disclosure to the Legal Services Corporation and to the public: (1) The name and full address of each party unless disclosure is (a) protected by an order or rule of the court; (b) protected by state or federal law; or (c) the attorney handling the case reasonably believes that revealing such information would put the attorney's client at risk of physical harm. (2) The principal cause of action. (3) The court name and full address of the court. (4) The court docket number.

General Explanation

We are required by LSC to complete a case disclosure report for:

(1) A case we **originally** file **in court** on behalf of our client as plaintiff. If we have not originally filed the case but later assume representation, do **not** complete the report.

For example, if a shelter or someone from a clerk's office files for an emergency order of protection for a person and we enter the case to represent that person at the plenary hearing, **do not** file a report. Similarly, do not file a disclosure report on post decree matters.

(2) Actions we file for judicial review of a decision by an administrative agency

(3) An appeal we file when we have not represented the client in the lower court.

If the court docket number is not the current year, then you should not be including the case in the report because it would not be an original filing.

Case disclosure reports are prepared by completing the Litigation Screen on LegalServer each time you file a case that meets the above criteria.

The report is sent semi-annually to LSC and is subject to public disclosure. The report must be completed within one week from the date a case is filed.

The Litigation Report is not required for:

- PAI cases;

- Administrative cases, such as Social Security (except actions for judicial review);

- Cases where we are the defendant or respondent;

- Cases where we did not initiate the suit;

- Cases that are not original actions, such as post decree matters, motions to modify, garnishment exemptions, contempt actions, etc.

This policy does not apply to cases filed by private attorneys as part of Prairie State's private involvement activities pursuant to 45 CFR §1614. This policy only applies to original filings and does not apply to answers, counterclaims, cross complaints, joinder or third party pleadings nor does it apply to appeals when a Prairie State lawyer represented the client in the trial court.

Procedure

Our case disclosure report is made on the Litigation Screen in our case management program - LegalServer. To access this screen choose "Add Litigation" from the list of choices on the right side of the screen under the heading, "Actions." Fill out the required fields (marked with a red asterisk) on the screen. We use this screen **only** for the purpose of meeting LSC's case disclosure rules.

The following data must be entered:

In the "**Cause of Action**" field provide a brief description of the **Cause of Action**. (Order of Protection, Divorce). Stating the requested relief, eg. "injunction" is not sufficient. Similarly if the filing if for administrative review or common law certiorari state that in the Cause of Action field but also add the subject of the administrative review such as Section 8 or Medicaid, etc.

Next, from the drop down menu in the "**Court**" field, choose the court in which you filed the case.

In the "**Docket Number**" field type in the court docket number of the case you filed.

In the "**Date Proceeding Initiated**" field, type in the date you filed Petition /Complaint in court. **THIS IS VERY IMPORTANT. The semi annual report is based on the date in this field.**

Check to see if you have entered an address for the adverse party. To do this:

Choose "**Edit Adverse Party**" from the **Actions** menu on the right side of the screen.

Click the **"Edit"** button and see if there is an address for the adverse party(ies) you named in the Petition/Complaint that you filed. If not enter the street address, city, state and zipcode for the particular respondent/defendant. Make sure you place the street adverse on the first line of the field.

Click the **Save/Stay** button.

XXIII. Other Prohibited Cases

In addition to the restrictions and rules set forth above this section summarizes those statutory prohibitions for which there are no LSC regulations promulgated. These statutory restrictions are found at 42 U.S.C. §2996f(a)(C) and 42 U.S.C. §2996f(b). They are also listed with the prohibitions and rules discussed above in 45 CFR §1610.2.

Abortion 42 U.S.C. §2996f(b)(8)

We are prohibited from providing legal assistance with respect to any proceeding or litigation which seeks to procure a non-therapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution.

Desegregation 42 U.S.C. §2996f(b)(9).

We are prohibited from providing legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system, except that we may provide legal advice to an eligible client with respect to such client's rights and responsibilities.

Selective Service 42 U.S.C. §2996f(b)(10).

We are prohibited from providing legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act [50 App. U.S.C. §451 *et seq.*] or of desertion from the Armed Forces of the United States.

PRAIRIE STATE LEGAL SERVICES

LSC COMPLIANCE MANUAL

February, 2013

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LSC COMPLIANCE MANUAL

This manual sets forth the policies and procedures of Prairie State Legal Services, Inc. (PSLS) that are intended to comply with the rules and restrictions set forth in the federal regulations pertaining to the Legal Services Corporation (LSC), 45 CFR §1600 *et. seq.* and other pronouncements of LSC whether in the form of program letters or otherwise. In some of the sections there appears general explanatory material which is set out in shadow. This material seeks to provide the essence of the particular requirement in a more popular form. Nevertheless, the specific policies of PSLS are as written.

I. Outside Practice of Law

Source: 45 CFR §1604

1. General Policy

Outside employment is any employment by an attorney in addition to a full time employee's regular employment with PSLS but does not include court appointments of attorneys subject to the restrictions set forth below or the performance of duties as a Judge Advocate General Corps attorney in the United States armed forces reserves . A full time employee is an individual who meets the definition of full time employees set forth in Section V(B) of the Personnel Manual. Full-time employees cannot engage in outside employment without prior written approval from the Executive Director and must comply fully with the Legal Services Corporation Regulations published as 45 CFR Sec. 1604.

2. Conditions Upon Which Approval May Be Granted

a. Outside employment:
   - must not interfere with the efficient performance of the employee's duties;
   - must not constitute a conflict of interest with the employee's duties; and,
   - must not occur during the employee's regular or assigned working hours unless the employee, for the entire day during which such outside employment occurs, is on either Compensatory Time, Annual Leave or Leave Without Pay; and,

b. The Executive Director is invested with wide discretion in approving and denying requests for outside employment. Relevant considerations will include a projection of how this expenditure of an employee's time and effort is consistent with the employee's responsibilities to the recipient's clients and how it will affect the program.

3. Outside Legal Work

All attorneys employed by PSLS are expected to devote their full professional activities to program matters. Therefore, except for the limited exceptions outlined below, an attorney may not solicit or undertake outside professional employment. Prohibited outside legal work is the provision of legal assistance to a client who is not receiving that legal assistance from PSLS.

4. Exceptions

The following limited exceptions may be granted by following the procedures set forth in paragraph five:

a. undertaking matters for him or herself, family members, close friends or another member of PSLS's staff where the relationship and subject matter make it inappropriate to refer the matter to an attorney in private practice. Typical examples of cases falling into this category would be obtaining a divorce for a relative, litigating a minor lawsuit on behalf of a relative, handling an adoption for a friend, or defending a relative charged with a misdemeanor. This exception must not extend to major time-consuming civil or criminal litigation, such as a contested court action or a jury trial.
b. acting pursuant to an appointment made under a court rule or practice of applicability to all attorneys in the jurisdiction insofar as the appointment is consistent with PSLS's primary responsibility to provide legal assistance to eligible clients in civil matters and remitting to PSLS all compensation received;
c. acting on behalf of a religious, community or charitable group on a non-fee basis;
d. for staff members who have been in private practice, concluding matters previously undertaken that cannot be concluded by a former associate or a successor attorney without prejudice to a former client. In such an instance compensation of the attorney is permitted. However, a previous practice should be concluded as completely as possible before commencing employment so that this exception is used as little as possible. Specifically, the employee should spend only reasonable amounts of time after employment finishing up such cases and should conclude all prior legal work within three months of the date of their employment, except under conditions approved by the Executive Director; and,
e. teaching, lecturing, consulting or performing evaluations at an accredited school.

5. Exception Procedure

If an attorney wishes to undertake a matter that falls within one of the limited exceptions set forth above, he/she must notify the Executive Director in writing, describing the matter and explaining why it is an appropriate exception. Prior written approval of the Executive Director must be obtained for each specific matter to be handled. Such approval is contingent upon compliance with the following guidelines:

a. neither the name or the address of PSLS shall appear on any pleading, letter or document prepared in connection with any matter permitted by the exception herein;

b. it must be understood that in undertaking any representation in connection with any matter permitted by an exception herein, the attorney is not acting on behalf or as an agent of PSLS in any respect whatsoever and no representations to the contrary may be made;

c. use of secretarial, clerical and/or other program resources for any non-PSLS matter is strictly prohibited; and,

d. work in connection with a matter permitted by an exception herein must not be done during working hours (unless such time worked is charged against accrued Compensatory Time, Annual Leave or Leave Without Pay for which approval has already been granted).

These guidelines do not apply to court appointments permitted under Section 4(b), above.

II. Appeals on Behalf of Clients

MEMO REQUIRED - SEND TO EXECUTIVE DIRECTOR, A DIRECTOR OF LITIGATION AND MANAGING ATTORNEY

Source: 45 CFR 1605

Once it becomes apparent that an appeal to a state or federal appellate court may be necessary to file for a client or a group of clients, **a memo must be submitted to the Executive Director, a Director of Litigation, and Managing Attorney** This memo requesting approval for filing an appeal must discuss and/or analyze the following topics, as appropriate:

1. The fact situation;

2. The issues raised in trial court;

3. The decision of trial court and, if appropriate, attach a copy of the Order and/or Opinion;

4. The issue(s) to be raised on appeal;

5. Supporting and contrary authorities. Comment on the possible ramifications of an adverse decision and the necessity of this appeal in adequately representing your clients(s);

6. Other alternatives that have been considered. If alternatives have not been considered, explain why;

7. Priority of this case in your office;

8. An estimate of the total costs of this appeal that will need to be paid from the Litigation Fund. Also, comment on the possibility of these costs being waived by a Pauper's Petition; and,

9. Your recommendation.

III. Prohibited Political Activities

Source: 45 CFR §1608

1. Policy

The support or promotion of political activities or interests by PSLS employees during work hours or with any program resources is prohibited.

No decision of PSLS (including personnel decisions) shall be premised upon political considerations, such as an employee's (or prospective employee's) political beliefs or activities on his/her own time.

2. Prohibited Activities

Employees of PSLS are subject to the regulation of the Legal Services Corporation set out at 45 CFR Sec. 1608.

PSLS staff may not make PSLS funds, personnel or equipment available to any political party or association, to the campaign of any candidate for public or party office, or to advocate or oppose any ballot measure, initiative or referendum.

No employee shall intentionally identify PSLS or the Legal Services Corporation with any partisan or non-partisan political activity or with the campaign of any candidate for public or party office.

No employee may be a candidate for partisan elective public office.

While engaged in legal assistance activities supported by the Legal Services Corporation Act, no attorney shall engage in any political activity, any voter registration activity, or any activity to provide voters with transportation to the polls.

Nothing herein is meant to prohibit a PSLS attorney from providing any form of legal

assistance to an eligible client, or to interfere with the fulfillment of any attorney's professional responsibilities to a client.

IV. Fee Generating Cases

REPORT REQUIRED - KEEP IN CLIENT FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1609

Policy - PSLS cannot provide legal assistance in a fee-generating case unless any of the following apply:

1. The case has been rejected by the local lawyer referral service, or by two private attorneys.

2. Neither the referral service nor two private attorneys will consider the case without payment of a consultation fee.

3. An eligible client is seeking benefits under Sub-chapter II or Sub-chapter XVI of the Social Security Act.

4. After consultation with appropriate representatives of the private bar, the local office has determined that the type of case is one that private attorneys in area served by the particular office do not accept or do not accept without prepayment of a fee.

5. The managing attorney of the office, hereby designated by the Executive Director in his stead, has determined that referral of the case to the private bar is not possible because:

   a. Documented attempts to refer similar cases in the past generally have been futile.

   b. Emergency circumstances compel immediate action before referral can be made but the client is advised that, if appropriate, and consistent with professional responsibility, referral will be attempted at a late time.

   c. Recovery of damages is not the principal object of the client's case and substantial statutory fees are not likely to be available.

A fee generating case is a case or matter which if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in a fee for legal

services from an award to a client, from public funds or from the opposing party. A fee generating case does not include a case where either a court appoints Prairie State or one of its attorneys to provide representation in a case pursuant to a statute or court rule or practice equally applicable to all attorneys in the jurisdiction or we have undertaken representation under a contract with a government agency or other entity.

Procedures - The following procedures are to be followed in furtherance of the above policy:

Record Keeping - For each fee generating case accepted, Form "Fee Generating Case," (**See Below**), with the exception described below, shall be completed and made a part of the client's case file. In addition, a copy of each completed form shall be sent to the Administrative Office and shall be maintained in a separate file.

Court Appointed Cases - For each court appointment, a copy of the order of the court making the appointment and a copy of the statute or court rule that permits the appointment shall be made a part of the client's case file. If the appointment is made orally or is subject to an unwritten practice, an appropriate written description of the appointment or practice shall be made a part of the client's case file.

Consultation With The Private Bar - If a local office consults with members of the private bar to determine that a certain type or types of cases are ones that private attorneys in the area ordinarily do not accept, or do not accept without prepayment of a fee, or do not accept because the income of the opposing party is below a certain level or the amount of damages to be recovered are below a certain amount, the office shall maintain in a separate file a memorandum containing a list of the types of fee generating cases which the private bar ordinarily do not accept or do not accept without prepayment of a fee and the names of appropriate representatives of the private bar with whom the local office has discussed fee generating cases and the bases on which the local office has reached its conclusions. **If the requirements of this section are met, then the Fee Generating Case From appearing below need not be completed.**

FEE GENERATING CASES FORM

Name of Client: _____

Case Number: _____

This case is a fee generating case. If the case were undertaken on behalf of an eligible client by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services from an award:

(1) to a client _____; or
(2) from public funds _____; or

(3) from the opposing party _____

Although, if undertaken by an attorney in private practice, there would be a reasonable expectation that the case could result in a fee for legal services, this is not a fee generating case because a court appointed Prairie State Legal Services, Inc. or its employees to provide representation in this case pursuant to a statute or a court rule or practice equally applicable to all attorneys in this judicial circuit.

A. Representation is provided in this fee generating case because:

(1) the case has been rejected by the local lawyer referral service _____, or by the following two private attorneys: _____ on _____: or

(2) neither the referral service _____, nor two private attorneys _____ will consider the case without payment of a consultation fee.

This section needs to be addressed only if there are no checks in the prior section.

B. Representation was provided in this fee generating case without first attempting to refer the case because:

(1) the eligible client is seeking only statutory benefits as defined by §1609.3(b)(1) [SSA or SSI]; or

(2) the director has determined that referral of the case to the private bar is not possible because:

(i) documented attempts to refer similar cases in the past generally have been futile; or

(ii) emergency circumstances compel immediate action before referral can be made, but the client has been advised that, if appropriate and consistent with professional responsibility, referral will be attempted at a later time; or

(iii) recovery of damages is not the principal object of the recipient's client's case and substantial statutory attorney's fees are not likely to be available.

Name of Principal Advocate: _____ Date completed: _____

****

General Explanation of Fee Generating Case Requirements

First question - Is the case fee generating?

A. A fee generating case is a case or matter which, if undertaken on behalf of an eligible client by an attorney in private practice, reasonably may be expected to result in a fee for legal services from an award to a client from public funds, or from the opposing party.

B. An attorney in private practice could get fees in such cases as SSI or SSD cases, divorces (750 ILCS 5/508), lockouts if damages are sought, or in cases brought under 42 U.S.C. §1983 for violations of the Constitution or federal law.

C. However, there must be a reasonable expectation that a private attorney would seek or obtain a fee.

D. If the Office determines and documents that private attorneys don't seek fees in certain cases such as orders of protection or divorces because court's won't award fees under 750 ILCS 5/508 or because the income of the adverse party is less than a certain amount in a divorce case, or the amount sought as damages is too little such as in small claims case, then there is no reasonable expectation of a fee and the case is not fee generating.

E. When a court appoints us to provide representation pursuant to a statute, court rule or practice equally applicable to all attorneys in this judicial circuit, the case is not fee generating

If the case is not fee generating then we don't have to do anything further.

Second question - What if the case is fee generating?

A. We can still do it if certain conditions are met and we fill out the Fee Generating Cases form.

B. The following are instances when we can provide representation and fill out the form:

1. The case has been rejected by the local lawyer referral service or by two private attorneys who are named on the form.

2. Neither the referral service nor two private attorneys will consider the case without payment of a consultation fee.

3. The case involves SSI or SSD.

4. We know from experience that the private bar won't provide any representation in the particular type of case and we document that experience.

5. There is an emergency and referral will be attempted at a later time.

6. Recovery of damages is not the principle object of the case and substantial statutory fees are not likely to be available - basically any case where the relief we are seeking includes something above and beyond damages such as administrative review; a case where we are seeking equitable relief such as an injunction (in a lockout case) or recission, or specific performance.

V. Financial Eligibility

Source: 45 CFR 1611

PSLS ELIGIBILITY GUIDELINES (February 2013)

The Prairie State Board of Directors has established the Financial Eligibility Guidelines as set forth below. Only individuals and groups determined to be financially eligible under these guidelines and the Legal Services Corporation regulations may receive legal assistance with Legal Services Corporation funds. The Board of Directors has established annual income ceilings for all offices which may not exceed 125% of the Official Poverty Level.

Family Size	Maximum Income Schedules - 125%		
	Weekly	Monthly	Annually
1	276	1,197	14,363
2	373	1,616	19,388
3	469	2,034	24,413
4	566	2,453	29,438
5	663	2,872	34,463
6	759	3,291	39,488
7	856	3,709	44,513
8	953	4,128	49,538

(Additional person - add $5,025/year)

If the eligibility criteria are met, Prairie State staff may provide services to applicants whose gross income exceeds 125% of the Official Poverty Level, but does not exceed 200% of the poverty level. Please consult Section II (3), below, for a complete explanation of situations in which these higher income figures may apply.

Family Size	Maximum Income Schedules - 200%		
	Weekly	Monthly	Annually
1	442	1,915	22,980
2	597	2,588	31,020
3	751	3,255	39,060
4	906	3,925	47,100
5	1,060	4,595	55,140

6	1,215	5,265	63,180
7	1,370	5,935	71,220
8	1,524	6,605	79,260

(Additional person - add $8,040/year)

I. INTRODUCTION

The guidelines for client eligibility to receive legal services from Prairie State Legal Services, Inc., hereinafter referred to as "PSLS", are adopted by the governing board of PSLS, subject to the approval of the Legal Services Corporation. These guidelines prescribe the criteria which are used to determine client eligibility for PSLS services. In conjunction with the PSLS Caseload Priority Plan, they are designed to ensure that preference will be given to the legal needs of those least able to obtain legal assistance and that the limited resources of PSLS are equitably and rationally directed toward meeting those needs. The PSLS board will review these guidelines every three years and make any appropriate modification to ensure that the guidelines are consistent with applicable law, local circumstances and program resources. When appropriate, the board shall solicit comment from the client community, staff, and the community-at-large on these guidelines.

II. ELIGIBILITY CRITERIA - INDIVIDUALS

A. Residence - Clients shall either be residents of a PSLS program service area approved by the PSLS Board of Directors and the Legal Services Corporation, or:

1. Be certified by another Legal Services Corporation program to be an eligible legal aid client based upon such program's eligibility criteria, in which case, a Managing Attorney may, in his/her sound discretion, accept the case; or,

2. Reside in an area which PSLS has agreed to serve pursuant to a funded agreement with another agency; in which case, services contracted for would be provided.

B. Income

1. "Income" means actual current annual total cash receipts before taxes of all persons who are resident members of, and contribute to, the support of the applicant's household. A household is comprised of the client and all persons who the client is legally obligated to support and all persons who are legally obligated to support the client. If the applicant is a victim of domestic violence, the income of the alleged perpetrator of the domestic violence shall not be considered income of the applicant.

PSLS has considered the following factors in determining 125% of poverty as the

ordinary maximum eligibility level:

a) Cost of living in the locality;
b) The number of clients who can be served by the resources of PSLS;
c) The population who would be eligible at and below alternative income levels; and,
d) The availability and cost of legal services provided by the private bar.

If the applicant income is comprised solely of benefits from TANF or SSI, the applicant and the applicant's household shall be deemed to be financially eligible without further inquiry.

MAXIMUM INCOME SCHEDULES

FAMILY SIZE	125% POVERTY (ANNUAL)
1	14,363
2	19,388
3	24,413
4	29,438
5	34,463
6	39,488
7	44,513
8	49,538

For family units with more than eight members, add $5,025 for each additional family member.

The Legal Services Corporation revises the poverty figures annually in the Federal Register. Each Prairie State office shall implement LSC's latest poverty guidelines once they have been adopted by the PSLS Board of Directors.

2. "Total cash receipts" include, but are not limited to, wages and salaries before any deduction; income from self-employment after deductions for business or farm expenses; regular payments from governmental programs for low income persons or persons with disabilities; social security payments; unemployment and worker's compensation payments; strike benefits from union funds; veterans benefits; training stipends; alimony; child support payments; military family allotments; public or private employee pension benefits; regular insurance or annuity payments; income from dividends, interest, rents, royalties or from estates and trusts; and other regular or recurring sources of financial support that are currently and actually available to the applicant. Total cash receipts do not include the value of food or rent received by the applicant in lieu of wages; money withdrawn from a bank; tax refunds; gifts; compensation and/or one-time insurance payments for injuries sustained; non-cash benefits; and up to $2,000 per year of funds received by individual Native Americans that is derived from Indian trust income or other distributions exempt by statute."

3. If an applicant's income is in excess of 125% of the federal poverty level, but less than 200 % of the poverty level and the applicant's assets do not exceed PSLS' asset ceiling or the asset ceiling has been waived, clients may be provided legal services if any one of the following sets of circumstances exist:

(a) The problem for which the applicant seeks representation involves obtaining governmental benefits provided for low income individuals and families.

(b) The problem for which the applicant seeks representation involves obtaining or maintaining governmental benefits for persons with disabilities.

(c) It is reasonable to expect that the applicant's income will decrease below 125% of the poverty level within the next twelve months because of such factors as seasonal variations in income.

(d) The applicant or the applicant's household is incurring one or more of the following listed expenses on a repeated basis AND the amount of such expense(s) either: (1) is/are at least 10% of the gross monthly income of the household; or, (2) would reduce gross monthly income below 125% of the poverty level.

Expenses to be considered include:

A. Unreimbursed medical expenses and medical insurance premiums;

B. Child care expenses necessary for employment, job training, or educational activities in preparation for employment;

C. Transportation or other expenses necessary for employment job training or educational activities in preparation for employment; and,

D. Unpaid non medical expenses associated with age or physical infirmity of a family member residing with the applicant; and,

E. Current taxes including local, State and Federal income and employment taxes, Social Security and Medicare taxes, and local property taxes (including special property tax assessments) but not sales taxes or excise taxes such as airline ticket fees, hotel occupancy taxes, gas taxes, cigarette taxes, etc.

(e) The applicant or members of the applicant's household have incurred fixed debts and obligations fixed as to both time and amount including unpaid federal, state, or local taxes from prior years, rent, mortgage payments, child support, alimony, and business equipment loan payments. Expenses such as food costs, utilities, credit card debt, etc. are not fixed debts and obligations which may be taken into account in determining financial eligibility.

(f) Other significant factors related to financial inability to afford legal

assistance.

(g) Each office shall keep a record of the number of clients served under the exception in paragraphs (a) through (e) and shall record the factual bases for these decisions in the clients' files.

A schedule indicating maximum income guidelines for 200% of poverty follows:

MAXIMUM INCOME SCHEDULES

FAMILY SIZE	200% POVERTY (ANNUAL)
1	22,980
2	31,020
3	39,060
4	47,100
5	55,140
6	63,180
7	71,220
8	79,200

(Additional person - add $8,040/year)

4. An applicant's whose income exceeds 200% of the federal poverty limit may be served if he/she is seeking legal assistance to maintain benefits provided by a government program for low income individuals or families

5. An applicant whose income exceeds 200% of the national poverty level may be served if his/her income is primarily committed to medical or nursing home expenses if excluding such portion of the applicant's income which is committed to medical or nursing home expenses, the applicant would otherwise be financially eligible for service and if the Executive Director or his/her designee gives prior written approval based on written documentation of such expenses.

6. An applicant whose income exceeds the regular eligibility level may be served if the assistance provided the client is supported by funds from a source other than the Legal

Services Corporation and if permitted by such source.

7. Financially eligible applicants whose case is a "fee-generating" case, as that term is defined by LSC Regulation 1609.2, shall not be represented by PSLS employees: (a) unless other adequate representation is unavailable as described in 45 C.F.R. 1609.3(a) and the case fits within the priorities of Prairie State Legal Services; or, (b) one of the sets of circumstances described in 45 C.F.R. 1609.3)(b) exists.

C. Asset Ceilings - The following criteria shall apply in determining eligibility for legal representation regarding assets:

1. The value of real and personal property of all persons who are resident members of the applicant's household that is available to the applicant, not counting property that is excluded in Section 3 below, cannot exceed $15,000, except as provided in Section 4 below. If the applicant is a victim of domestic violence, the assets of the alleged perpetrator of the domestic violence and any assets held jointly by the perpetrator and the victim or the perpetrator and a member of the household shall be deemed unavailable to the applicant.

2. Value means the lower of the equity interest in the property or the demonstrable real value of the property.

3. The following property is excluded in determining asset eligibility:

(a) Principal residence;
(b) All motor vehicles used for transportation by the applicant or a member of the applicant's household;
(c) Clothing and professionally prescribed health aids for the applicant or member of the applicant's household;
(d) Equity interest up to $4,000 in any other property;
(e) The cash value of life insurance policies, endowment policies or annuity contracts payable to a household member;
(f) Work-related equipment which is essential to employment or self-employment of an applicant or member of a family unit provided that the owner is attempting to produce income consistent with its value up to $1,500; and,
(g) The interest, whether vested or not, to the assets held in or to receive pensions, annuities, benefits, distributions, refunds of contributions, or other payments under a retirement plan including a stock bonus, pension, profit sharing, annuity, or similar plan; a government or church retirement plan or contract; an individual retirement annuity, or individual retirement account; and a public employee pension plan created under the Illinois Pension Code.

4. The Executive Director or his/her designee may waive the established ceilings in unusual circumstances. In such a case, the decision shall be documented and included in the

client's file. A record shall be maintained indicating the number of clients so served and the factual bases for the decisions.

D. Other Disqualifying Criteria - Other factors which shall be used in the determination of the eligibility of applicants under the maximum income level shall include:

1. Clear and convincing evidence that a person previously obtained legal services based upon material and intentional misrepresentation of fact in making written application for legal services may disqualify the person from receiving PSLS assistance in the sound discretion of a Managing Attorney. The Managing Attorney's decision is appealable to the Executive Director.

2. Current income prospects, taking into account seasonal variations in income.

3. The availability of private legal representation at a low cost with respect to the particular matter in which assistance is sought.

4. The consequences for the individual if legal assistance is denied.

5. Prior instances of abusing the program services by threatening or taking hostile actions toward program staff or volunteers, by failing to contact program staff or volunteer attorneys after their case has been accepted and services provided, refusing to cooperate with program staff or volunteers in the provision of legal services, or refusal to abide by the terms of a negotiated settlement or court order may be the basis for a denial of program services.

E. Prohibited Representation

No legal assistance shall be provided by PSLS employees in the following circumstances:

1. Criminal proceedings as defined in LSC Regulation 1613.2.

2. Any action in the nature of habeas corpus post convictions proceedings seeking to collaterally attack a criminal conviction as outlined in LSC Regulation 1615.

3. An action to defend a person from eviction from public housing if that person has been charged with or convicted of the illegal sale, distribution, or manufacture of a controlled substance and the eviction is brought by a public housing agency because the illegal drug activity threatens the health or safety of another tenant or employee of the public housing agency as set forth in 45 C.F.R. 1633.

4. An action that is any part of an effort to reform a federal or state welfare

system as set forth in 45 C.F.R. 1639.

5. A class action.

6. Any person who is incarcerated in a federal, state, or local prison in any litigation consistent with the provisions of 45 C.F.R. 1637.

7. Any person who is an ineligible alien as defined in 45 C.F.R. 1626.

8. Any person seeking representation in legislative or administrative advocacy except as set forth in 45 C.F.R. 1612.

9. Any person seeking representation to advocate or oppose any plan or proposal, or represent any party, or participate in any way in litigation relating to redistricting as set forth in 45 C.F.R. 1632.

10. Any person seeking representation to effect an assisted suicide, euthanasia, or mercy killing as set forth in 45 C.F.R. 1643.

III. GROUP REPRESENTATION

PSLS may provide legal assistance to a group, corporation, or association if it provides information showing that it lacks, and has no practical means of obtaining funds to retain private counsel taking into account the resources available such as the group's income and income prospects, assets and obligations and either:

A. The group or for a non-membership group the organizing or operating body of the group is primarily composed of individuals who would be financially eligible for LSC-funded legal assistance as set forth in these policies or

B. The group has as a principal activity the delivery of services to those persons in the community who would be financially eligible for LSC funded legal assistance as set forth in these policies and the legal assistance sought relates to such activity.

When group representation is undertaken, information that demonstrates that the group meets the eligibility criteria shall be documented in the client's file.

IV. LEGAL MATTERS HANDLED BY PSLS

A. General - PSLS shall offer to all eligible clients legal services consisting of legal advice, referral and extended representation in the types of cases and matters authorized by the Legal Services Corporation. Extended representation is provided consistent with Prairie State's caseload priorities and when the client's legal problem prevents the client from meeting his/her

basic human needs. From time to time, other specific cases or matters may be provided when such services are funded through a non-Legal Services Corporation source so long as such legal counsel or representation is not inconsistent with the Legal Services Corporation Act, Regulations, Instructions, or appropriation riders, and the PSLS program priorities.

B. Appeals - The Executive Director shall be responsible for authorizing judicial appellate proceedings on behalf of eligible clients pursuant to LSC Regulations and policies adopted by the PSLS board.

V. RETAINER AGREEMENTS

PSLS staff shall execute a written Retainer Agreement with each client who receives extended legal services. A written Retainer Agreement is not required when the only service to be provided is counsel or advice or brief service. The Retainer Agreement shall be executed when representation commences or, if not possible due to an emergency situation, as soon thereafter as is practicable. The Retainer Agreement shall clearly identify the relationship between the client and Prairie State, the matter in which representation is sought, the nature of the legal services to be provided, and the rights and responsibilities of the client. PSLS staff shall retain the executed Retainer Agreement as part of the client's file.

VI. VERIFICATION

If there is substantial reason to doubt the accuracy of the information, staff shall make appropriate inquiry to verify it in a manner consistent with an attorney/client relationship.

VII. TERMINATION OF SERVICES

A. Change in Circumstances - If an eligible client becomes ineligible through a change in circumstances, PSLS shall discontinue representation if the change in circumstances is sufficiently likely to continue so that the client can afford private legal assistance and discontinuation of representation is not inconsistent with the attorney's professional responsibilities.

B. PSLS, by decision of a Managing Attorney and reviewable by the Executive Director, may terminate its services to any person who makes any misrepresentation of a material fact, insults or abuses any employee of PSLS, or unreasonably fails to cooperate with PSLS in processing his or her legal matter, provided discontinuation of service is not otherwise inconsistent with the attorney's professional responsibilities.

VIII. LITIGATION COSTS

A. PSLS staff shall execute certificates of indigence consistent with the requirements contained in 735 ILCS 5/5-105.5 or shall institute in forma pauperis proceedings on behalf of

clients whenever appropriate.

B. PSLS shall neither solicit nor accept any fee for its services from its clients; however, when it would not be an undue hardship on the client and when the execution of a certificate of indigence or an in forma pauperis proceeding is not appropriate, the client shall be requested to advance all or a part of the court costs and any related expenses. Advancement of such costs shall not be a condition of client eligibility unless PSLS does not have sufficient funds available for this purpose or if denial of PSLS representation would have a minimal impact on the client or if the projected costs would consume a disproportionate portion of the PSLS budget for such purposes taking into account the importance of the result of the case to the client.

IX. REFERRALS OF APPLICANTS AND CLIENTS

PSLS may refer applicants determined eligible for PSLS services to private attorneys pursuant to procedures established with local bar associations and in accord with Legal Services Corporation law and regulations. Ineligible clients shall be directed to the appropriate lawyer referral service or other referral system adopted by the bar association. PSLS staff may refer eligible clients to attorneys participating in the PAI project for representation consistent with PSLS priorities. PAI plans shall be designed to expand the availability of legal services for eligible clients and to guarantee the client competent representation.

X. CONFIDENTIALITY OF CLIENT RECORDS

It shall be the policy of Prairie State Legal Services to ensure the privacy and confidentiality of all client records, including, but not limited to, applications for service, interview notes and all other papers of a confidential nature which may be obtained during the course of representation. No such information shall be disclosed to any person who is not an employee of Prairie State Legal Services without the express written consent of the client.

When PSLS representation contemplates the bringing of a lawsuit on behalf of a client, a written statement of the facts supporting a complaint must be obtained from the client prior to the filing of the complaint or the commencement of pre-complaint negotiation consistent with the requirements of 45 C.F.R. 1636. A copy of the statement of facts shall be forwarded to the Executive Director for central filing pursuant to 45 C.F.R. 1636. That statement of facts is to be made available to LSC or any other federal department, agency, or contractor of a federal department or agency monitoring or auditing PSLS activities.

In addition, Public Law 105-119 requires PSLS to make available for disclosure to the Legal Services Corporation and the public certain information regarding the identity and address of the client and court and the course of action, except where disclosure is prohibited by law, an order or rule of court, or the attorney handling the case reasonably believes that revealing such information would place the client at risk of physical harm.

Public Law 103-134 requires PSLS to disclose eligibility information to LSC upon request.

APPENDIX "A"

Eligibility Guidelines - Illustrative Examples

* Applicant has a family of four including herself. Her monthly gross income is $2,500. The eligibility schedule indicates that the maximum monthly amount she can earn is $2,453. The schedule indicating 200% of poverty for a family of four is $3,925. She is, thus, between 125% and 200% of the federal poverty level. You need to inquire further to see if considerations exist that would render her eligible under our eligibility guidelines. Upon further inquiry, you learn that she has monthly prescription charges of $275. Prescription charges are medical expenses listed in Section II(B)(3) of the Guidelines and may be considered in determining eligibility. Because $275 a month is "at least 10%" of her monthly gross income, she is income eligible.

* Applicant has a family of four including herself. Her monthly gross income is $2,500. Upon further inquiry, you learn that she incurs monthly medical expenses of $75, monthly child care expenses of $100 while she works, and transportation expenses of $100 (which she incurs traveling to and from her job); all of which are listed in Section II(B)(3) of the Guidelines. Even though none of these expenses alone amount to 10% of her income ($250), together they total $275 and she is income eligible.

* Applicant has a family of four including herself. Her monthly gross income is $2,500, which is $47 in excess of the monthly eligibility standard for a family of four ($2,453). Upon further inquiry, you learn that she incurs monthly child care expenses of $100 while she works. Even though those expenses are less than 10% of her monthly gross income, when subtracted from her gross income of $2,500, she has an adjusted income of $2,400, which is below the monthly income eligibility standard of $2,453. She is income eligible.

VI. Legislative and Administrative Advocacy

REPORT REQUIRED - KEEP IN LOCAL OFFICE AND SENT COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR 1612

I. Legislative and Administrative Rulemaking Prohibitions.

A. Except as permitted by Sections B and C below, it is impermissible for any individual, while engaged in legal services activities funded by PSLS., to initiate or to participate in any effort:

1 that attempts to influence the passage or defeat of any legislation or constitutional amendment; or any initiative, referendum or similar procedure of the Congress, any state legislature or local council, or similar governing body acting in a legislative capacity;

2. that attempts to influence any provision in a legislative measure appropriating funds to, or defining or limiting the functions or authority of, the recipient or the Legal Services Corporation; e.g., self-help lobbying;

3. that attempts to influence the conduct of oversight proceedings of any legislative body concerning PSLS or the Legal Services Corporation;

4. that attempts to participate in or influence any rulemaking or influence the issuance, amendment, or revocation of any executive order. Rulemaking is defined to include agency processes for formulating, amending, or appealing rules, regulations or guidelines of general applicability and future effect issued by the agency pursuant to Federal, State or local rulemaking procedures, including notice and comment rulemaking and adjudicatory proceedings that are formal adversarial proceedings used to formulate or modify an agency policy of general applicability and future effect;

5. that engages in any grassroots lobbying activity;

6. that pays for any personal service, advertisement, telegram, telephone, communication, letter, printed or written matter, administrative expense or related expense associated with any activity prohibited in the five preceding paragraphs.

B. Notwithstanding the prohibitions outlined in A, it is permissible for any individual funded by PSLS to:

1. provide administrative representation for an eligible client in a proceeding that adjudicates the particular rights or interests of such eligible client or in negotiations directly involving that client's legal rights or responsibilities including pre-litigation negotiation and negotiation in the course of litigation;

2. initiate or participate in litigation challenging agency rules, regulations, guidelines or policies unless otherwise prohibited by law or the Legal Services Corporation regulations;

3 . communicate with a government agency for the purpose of obtaining information, clarification, interpretation of the agency's rules, regulations, practices or policies;

4. inform clients, other recipients, or attorneys representing eligible clients, about new or proposed statutes, executive orders or administrative regulations;

5. communicate directly or indirectly with the Legal Services Corporation for any purpose including commenting upon existing or proposed Legal Services Corporation rules, regulations, guidelines, instructions and policies;

6. participate in meetings or serve on committees of bar associations, provided that no resources of PSLS are used to support prohibited legislative or rulemaking activities and that PSLS is not identified with activities of bar associations that include such prohibited activities;

7. advise a client of the client's right to communicate directly with an elected official; or

8. participate in activity relating to the judiciary, including the promulgation of court rules, rules of professional responsibility and disciplinary rules.

C. Non-LSC funds may be used by an employee:

1. to respond to a written request from a governmental agency or official thereof, elected official, legislative body, committee or member thereof, made to an employee or to a recipient to--

a) testify orally or in writing;

b) provide information which may include analysis of or comment upon existing or proposed rules, regulations or legislation, or drafts of proposed rules, regulations or legislation;

c) testify before, make information available to, commissions, committees or advisory bodies; or

d) participate in negotiated rulemaking under the Negotiated Rule Making Act, 5 U.S.C. 561 or comparable state or local laws.

2. Such participation can be made only as follows:

a) With the written approval of the Executive Director

b) Communications made in response to requests may be distributed by the employee only to the party or parties that made the request or to other persons or entities only to the extent that such distribution is required to comply with the request;

c) No employee of PSLS shall solicit or arrange a request from any official to testify or to otherwise provide information in connection with legislation or rulemaking; and,

d) Each employee shall maintain copies of all written requests received and any written responses made in response thereto and provide such requests and responses to the executive director at the time the employee makes a request for approval.

3. Employees may use non-LSC funds to provide oral or written comments to an agency and its staff in a public rulemaking proceeding which includes notice and comment rulemaking and other public proceedings. Public rulemaking means any rulemaking proceeding or portion of such proceeding or procedure that is open to the public through notices of proposed rulemakiing published in the Federal Register or similar State or local journals, announcements of public hearings on proposed rules or notices of proposed rulemaking including those that are routinely sent to interested members of the public, or other similar notifications to members of the public.

4. Employees may use non-LSC funds to contact or communicate with, respond to or request from, a State or local governmental agency, a State or local legislative body or committee, or a member thereof, regarding funding for PSLS.

D. Advocacy Training

1. It is impermissible for any individual, while engaged in legal assistance activities funded by PSLS to participate in or conduct a training program for the purpose of advocating a particular public policy, encourage or facilitate political activities, labor or anti-labor activities, boycotts, picketing, strikes, or demonstrations, or the development of strategies to influence legislation or rulemaking or to train participants to engage in activities prohibited by the Legal Service Corporation Act, other applicable law, or Corporation regulations, guidelines or instructions.

2.. Attorneys and paralegals may participate in any training program, including skills, substantive and management training, which assists such employees to provide adequate legal assistance to eligible clients or advise eligible clients as to the legal rights of the clients.

3. Employees of PSLS may participate in training activities intended to inform staff about what activities are prohibited by the LSC Act, other applicable Federal law, or Legal Services Corporation regulations, guidelines or instructions.

II. Prohibitions on Demonstrations, Boycotts, Strikes and Certain Other Activities.

A. It is impermissible for any individual, during working hours, while providing legal assistance or representation to PSLS clients or while using resources provided by the Legal

Services Corporation or by private entities to--

1. participate in any public demonstration, picketing, boycott or strike except as permitted by law in connection with the employee's own employment situation; or,

2. encourage, direct or coerce others to engage in such activities.

B. It is impermissible for any individual employed by PSLS at any time to engage in or encourage others to engage in any:

1 rioting or civil disturbance;

2. activity determined by a court to be in violation of an outstanding injunction of any court of competent jurisdiction; or

3. other illegal activity that is inconsistent with an employee's responsibilities under applicable law, Legal Services Corporation regulations, or the Illinois Rules of Professional Conduct.

C. Attorneys for PSLS. may inform and advise a client about legal alternatives to litigation or the lawful conduct thereof and may take such action on behalf of a client as may be required by professional responsibilities or applicable Illinois law.

III. Prohibited Organizing Activities

A. It is impermissible for any employee, while engaged in legal assistance activities funded by the Legal Services Corporation or private entities, to initiate the formation, or to act as an organizer, of any association, federation, labor union, coalition, network, affiance, or any similar entity.

B. Employees may provide legal advice or assistance to eligible clients who desire to plan, establish or operate organizations, including preparing articles of incorporation and bylaws for such organizations. Employees may also provide legal advice or assistance to eligible community groups or organizations, on both organizational issues and on substantive legal issues of interest to the organization.

Record Keeping

Each local office shall maintain in a separate file the following documents:

1. Written requests from a government agency or official, elected official, legislative body, committee, or member thereof made to an employee of Prairie State Legal Services, Inc. to:

a. Testify orally or in writing.

b. Provide information which may include analysis of or comments upon existing or proposed rules, regulations, or legislation, or drafts of proposed rules, regulations, or legislation.

c. Participate in negotiated rulemaking under federal or state laws.

2. Written responses to written requests.

3. For all training programs conducted or supported by a local office, a complete set of any training materials, including handouts and the training agenda.

4. Each time a local office engages in any activity described in paragraph 1 of this section it shall complete the Form entitled "NOTICE TO ADMINISTRATIVE OFFICE OF PERMISSIBLE ADMINISTRATIVE OR LEGISLATIVE ACTIVITIES PURSUANT TO 45 CFR §1612.6 which is set forth immediately below.

The Administrative Office shall maintain in a separate file the following documents:

1. Copies of semi-annual reports describing legislative and rulemaking activities conducted pursuant to 45 CFR §1612.6

2. Records documenting the expenditure of non-LSC funds for legislative and rule making activities permitted in 45 CFR §1612.6 relating to written requests.
3. List of the registered lobbyists employed by Prairie State Legal Services, Inc.

NOTICE TO ADMINISTRATIVE OFFICE OF PERMISSIBLE ADMINISTRATIVE OR LEGISLATIVE ACTIVITIES PURSUANT TO 45 CFR §1612.6

Name of Client: _____

Case Number: _____

Description of Permitted Advocacy: _____

_____

_____

_____

_____

_____

_____

Total Hours Spent on Permissible Activity: _____

Attorney: _____

Date Permissible Activities Began: _____

Date Permissible Activities Ended: _____

VII. Legal Assistance Regarding Criminal Proceedings

Source: 45 CFR §1613

Policy

No attorney employed by Prairie State Legal Services shall provide legal assistance in criminal proceedings unless such assistance is required as a part of an attorney's responsibility as a member of the bar. "Criminal proceedings" as used here is defined by the Legal Services Corporation Regulation 1613.2. as "the adversary judicial process prosecuted by a public officer and initiated by as formal complaint, information, or indictment charging a person with an offense denominated 'criminal' by applicable law and punishable by death, imprisonment or a jail sentence. In no case shall any representation be provided in any criminal proceeding without a review by the Managing Attorney of the office and final approval by the Executive Director. The decision of the Executive Director shall be final and in writing.

General Explanation

The regulation generally prohibits any type of representation in a criminal proceeding. However, it does not prohibit the following:

A. Representing clients in ordinance violation or petty offense cases which do not carry potential jail time.

B. Representing clients in traffic matters which do not carry potential jail time.

C. Representing or advising victims of crime.

D. Representing clients with regard to sealing or expungement of convictions.

VIII. Restrictions on Actions Collaterally Attacking Criminal Convictions

Source: 45 CFR §1615

1. Policy

No attorney employed by Prairie State Legal Services may provide legal assistance in any action in the nature of habeas corpus seeking to collaterally attack a criminal conviction.

2. Prohibition

Except as authorized by Paragraph 3, no Legal Services Corporation funds shall be used to provide legal assistance in an action in the nature of habeas corpus collaterally attacking a criminal conviction where prohibited by 45 CFR Sec. 1615.2.

3. Exceptions

Legal assistance is not prohibited:

a. to challenge a conviction resulting from a criminal proceeding in which the defendant received representation from PSLS pursuant to Legal Services Corporation Regulations; or,

b. pursuant to a court appointment made under a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction if authorized by PSLS after a determination that the representation is consistent with the program's primary responsibility to provide legal assistance to eligible clients in civil matters.

IX. Class Actions

Source: 45 CFR §1617

It is impermissible for any PSLS employee while engaged in legal assistance activities funded by PSLS to initiate or participate in any class action suit. For purposes of this policy, "class action suit" refers to a lawsuit filed as, or otherwise declared by the court having jurisdiction over the case, to be a class action pursuant to Rule 23 of the Federal Rules of Civil

Procedure or under the Illinois Code of Civil Procedure.

This limitation does not preclude the representation of multiple parties or eligible groups; nor does it proscribe the use of other relevant judicial or statutory procedures, including those related to: third party practice, joinder, interpleader, intervention, consolidation, mandamus, declaratory judgment, or injunctive relief.

To initiate or participate in any class actions means that any individual, while engaged in legal assistance activities funded by PSLS may not be involved at any stage of a class action prior to an order granting relief, including acting as an amicus curiae, co-counsel or providing legal assistance to an individual client who seeks to intervene in, modify, or challenge the adequacy of the representation of a class. It is permissible to represent an individual who seeks to withdraw from or opt out of a class.

Participating in a class action does not include non-adversarial monitoring of an order granting relief or representation of an individual client seeking to obtain the benefit of relief already ordered by a court. Non-adversarial monitoring includes efforts to remain informed about, or to explain, clarify, educate, or advise others about the terms of an order granting relief.

Record Keeping - The Administrative Office shall maintain a list of class action cases where Prairie State or one of its attorneys is involved in non-adversarial activities. The list shall set forth the case name, the court where the case is filed, the status of the case, and a description of the non-adversarial activities.

X. Priorities In Use of Resources

SIGNED AGREEMENT REQUIRED - SEND TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1620

Policy - All staff who handle cases or matters or who are authorized to make decisions about case acceptance, shall **sign** an agreement in a form set forth below which indicates that the signatory has read and is familiar with the priorities of Prairie State Legal Services, Inc., has read and is familiar with what constitutes an emergency situation and procedures for dealing with an emergency that have been adopted and will not undertake any case or matter that is not a priority or an emergency.

EMPLOYEE AGREEMENT

I certify and agree to the following:

1. I have read and am familiar with the present priorities of Prairie State Legal Services Inc.

2. I am familiar with the definition of an emergency situation which follows:

> An Emergency Exception refers to those cases which are clearly outside of Prairie State legal Services' priorities, but which are accepted for service because of the urgent nature of the situation.

3. I am familiar with the procedures for dealing with an emergency which follow:

> In emergency situations, whether the emergency is limited to a particular client or is of a more general nature, such as an economic or natural disaster, staff members may accept cases for representation when:
>
> A. The representation is not prohibited by the Legal Services Corporation Regulations or Appropriation Riders in effect at the time that the representation is provided; and
>
> B. The Executive Director determines that such representation is appropriate and necessary to meet the need or needs of the individual client or class of clients as a result of new and unforeseen circumstances that have caused the emergency. Approval for the representation may be given verbally, but should be confirmed in writing within 10 days of the original approval. The Executive Director shall report to the Board of Directors regarding the exercise of this authority at the next quarterly meeting of the board.

4. I will not undertake any case or matter for Prairie State Legal Services, Inc., that is not a priority or an emergency situation.

XI. Restrictions on Legal Assistance to Aliens

Source: 45 CFR §1626

With the exception of normal intake and referral services and the indirect incidental benefit of general client and community education activities, it is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to provide legal assistance for or on behalf of an ineligible alien. All prospective clients who seek legal services beyond intake and referral and who are citizens of the United States shall complete a declaration of citizenship. All prospective clients who are not United States citizens shall demonstrate their eligibility for legal services as provided in 45 CFR 1626.5 and 1626.7

by providing the forms required in the appendix to this regulation as set forth as follows:

Alien category	Immigration Act (INA)	LSC regs; 45 CFR § 1626	Examples of acceptable documents
LAWFUL PERMANENT RESIDENT	INA § 101(a)(20); 8 USC § 1101(a)(20).	§ 1626.5(a)	I-551 or I-151
			or I-181 (Memorandum of Creation of Record of Lawful Permanent Residence), with approval stamp;
			or passport bearing immigrant visa or stamp indicating admission for lawful permanent residence;
			or order granting registry, suspension of deportation, cancellation of removal, or adjustment of status from the INS, an immigration judge, the BIA, or a federal court;
			or I-327 Reentry Permit;
			or I-94 with stamp indicating admission for lawful permanent residence;
			or any verification from INS or other authoritative document.

ALIEN WHO IS -- married to U.S. citizen, or	INA §§ 208, 210, 244 (replaced by INA § 240A(b) for aliens in proceedings initiated on or after 4/1/97), 245, 245A, 249; 8 USC §§ 1158, 1160, 1254 (replaced by 1229b(b) for aliens in proceedings initiated on or after 4/1/97), 1255, 1255a, 1259.	§ 1626.5(b)	Proof of relationship to U.S. citizen * and proof of filing: **
--parent of U.S. citizen, or--			I-485 (application for adjustment of status based on family-based visa, registry, or various special adjustment laws)
unmarried child under 21 of U.S. citizen			or I-256A or EOIR-40 (application for suspension of deportation)
And			or EOIR-42 (application for cancellation of removal)
--has filed an application for adjustment of status to permanent residency			or I-817 (application for Family Unity)
			or I-881 (application for NACARA suspension or special rule cancellation and adjustment)
			or OF-230 (application at consulate for visa)
			or I-129F (Petition for Alien Fianc[eacute](e) (for spouses and children of USCs applying for K-status)
			or I-130 (family-based immigrant visa petition)

or I-360 (self-petition for widow(er) or abused spouse or child)

or I-539 indicating application for V status

or I-589 (application for asylum)

or I-698 (application to adjust from temporary to permanent residence)

or I-730 (refugee/asylee relative petition)

or any verification from INS or other authoritative document.

* Proof of relationship may include: copy of marriage certificate accompanied by proof of spouse's U.S. citizenship; copy of birth certificate, religious archival document such as baptismal certificate, adoption decree or other documents demonstrating parentage of a U.S. citizen; copy of birth certificate, baptismal certificate, adoption decree, or other documents demonstrating alien is a child under age 21, accompanied by proof parent is a U.S. citizen; or in lieu of the above, a copy of INS Form I-130 (visa petition) or I-360 (self-petition) containing information demonstrating alien is related to such a U.S. citizen, accompanied by proof of filing.

			** Proof of filing may include a fee receipt or cancelled check showing that the application was filed with the INS or the immigration court; a filing stamp showing that the application was filed; or a copy of the application accompanied by a declaration or attestation signed by the immigrant, or the immigrant's attorney or legal representative for the application, that such form was filed. Proof of filing is also established by: a letter or Form I-797 from INS or the immigration court acknowledging receipt of or approval of one of the above-listed forms; or Form I-94 (arrival/departure record) or I-512 (advance parole) indicating entry to pursue an above-listed application; or I-688B or I-766 (employment authorization document) coded 8 CFR § 274a. 12(c)(9) (applicant for adjustment), (c)(10) (applicant for suspension or cancellation, (c)(16) (applicant for registry), (c)(21) (S-visa principal or dependent), (c)(20) or (22) (legalization applicant), (c)(24) (LIFE Act legalization applicant), (a)(9) (K-status), (a)(13)(Family Unity), (a)(14) (LIFE Act Family Unity), (a)(15) (V-status), (a)(16) or (c)(25) (T-status) or (c)(8) (asylum applicant).
REFUGEE	INA § 207, 8 USC § 1157.	§ 1626.5(c)	I-94 or passport stamped "refugee" or "§ 207" or I-688B or I-766 coded 8 CFR § 274a.12(a)(3)(refugee) or § 274a. 12(a)(4)(paroled as refugee) or I-571 refugee travel document

			or any verification from INS or other authoritative document.
ASYLEE	INA § 208, 8 USC § 1158.	§ 1626.5(c)	I-94 or passport stamped "asylee" or "§ 208"
			or an order granting asylum from INS, immigration judge, BIA, or federal court
			or I-571 refugee travel document
			or I-688B coded 8 CFR § 274a. 12(a)(5)(asylee)
			or any verification from INS or other authoritative document.
GRANTED WITHHOLDING OR DEFERRAL OF DEPORTATION OR REMOVAL	INA § 241(b)(3) or former INA § 243(h), 8 USC § 1251(b)(3) or former 8 USC § 1253(H)	§ 1626.5(e).	I-94 stamped "§ 243(h)" or "241(b)(3)" or an order granting withholding or deferral of deportation or removal from INS, immigration judge, BIA, or federal court
			Also acceptable
			I-688B coded 8 CFR § 274a.12(a)(10)(granted withholding of deportation or removal)
			or any verification from INS or other authoritative document.
CONDITIONAL ENTRANT	INA § 203(a)(7), 8 USC § 1153(a)(7).	§ 1626.5(d)	I-94 or passport stamped "conditional entrant"
			or any verification from INS or other authoritative document.
H-2A AGRICULTURAL WORKER	INA § 101 (a)(15)(H)(ii); 8 USC § 1101 (a)(15)(ii).	§ 1626,11	I-94 or passport stamped "H-2"
			or any verification from INS or other authoritative document.

SPECIAL AGRICULTURAL WORKER TEMPORARY RESIDENT	INA § 210 8 USC § 1160	§ 1626.10(d)	I-688, 688A, 688B, or 766 indicating issuance under § 210 (or under 8 CFR § 274a. 12(a)(2), with other evidence indicating eligibility under INA § 210)

or any verification from INS or other authoritative document.

Prospective clients whose initial intake and screening does not occur in person and whose legal problem can be resolved through brief advice or consultation shall be asked to orally declare their citizenship and/or eligible alien status.

Prospective clients who are physically present in the office but who cannot produce the required documentation of eligibility may receive emergency assistance pursuant to Prairie State Legal Services, Inc. policies so long as the prospective client makes a written statement identifying the category under which the person claims eligibility and indicates the documents that will be produced to verify such status, but they may not receive any subsequent legal assistance unless they submit a written declaration or documentation of eligibility status as soon thereafter as is reasonably practicable.

If a client who was an eligible alien becomes ineligible through a change in circumstances, consistent with the Illinois Rules of Professional Conduct, staff must discontinue representation.

Legal assistance with LSC funds may be provided to persons otherwise ineligible pursuant to 45 CFR §1626 who have been battered or subjected to extreme cruelty or a victim of sexual assault or trafficking in the United States or whose child has been battered or subjected to extreme cruelty or a victim of sexual assault or trafficking in the United States by any of the above mentioned persons and the alien did not actively participate in such battery or cruelty. In such cases the legal assistance provided must be directly related to the prevention of, or obtaining relief from, the battery or cruelty.

Record Keeping

In all cases **other** than brief service or referral over the telephone, each local office shall maintain in each client's case file the copies of documents required by the LSC regulations as set forth above that verify eligibility. If verification is delayed because of emergencies, written documentation detailing the nature of the emergency shall be maintained in the particular client's case file.

XII. Membership Fees or Dues

Source: 45 CFR §1627

We may not use LSC funds to pay membership fees or dues to any private or nonprofit organization.

A dues payment is a payment to an organization on behalf of the program or an individual employed by the program to be a member of the organization, or to acquire voting or participatory rights in the organization.

1. Paid Memberships

   a. PSLS maintains a group membership out of non-LSC funds for its attorneys with the National Legal Aid and Defender's Association.

   b. PSLS will pay basic dues for each attorney's membership in state and local bar associations.

   c. PSLS will pay Attorney Registration and Disciplinary Commission fees.

   d. Where important for PSLS business, PSLS may pay from non-LSC funds for membership in the American Bar Association (approval of Executive Director is required).

   e. PSLS will **not** pay for individual section memberships of any bar association.

2. Admission Fees

PSLS will not pay court admission fees or other fees which are prerequisites for the practice of law in a particular court or jurisdiction.

3. Other Memberships

PSLS will not pay for any membership fees, dues or similar costs not covered above unless approved and certified by the Executive Director as being directly related to the Corporation functions.

4. Prairie State Legal Services, Inc. will use non-LSC funds to continue to pay dues on behalf of the program or its employees to local bar associations, the Illinois State Bar Association and such other organizations that the Executive Director determines to be significant for carrying out the missions of Prairie State Legal Services, Inc.

XIII. Redistricting

Source: 45 CFR §1632

PSLS shall not make available any funds, personnel, or equipment for use in advocating or opposing any plan or proposal, or representing any party, or participating in any other way in litigation, related to redistricting. "Redistricting" means any effort, directly or indirectly, that is intended to or would have the effect of altering, revising, or reapportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census. "Advocating or opposing any plan" means any effort, whether by request or otherwise, even if of a neutral nature, to revise a legislative, judicial, or elective district at any level of government.

This policy does not prohibit any litigation brought under the Voting Rights Act of 1965, as amended, 42 U.S.C. §1971, *et seq.*, provided such litigation does not involve redistricting.

XIV. Representation in Certain Eviction Proceedings

REPORT REQUIRED - KEEP IN CLIENT'S FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1633

It is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to defend any person in a proceeding to evict that person from a public housing project if:

(a) The person has been charged with or has been convicted of the illegal sale, distribution, or manufacture of a controlled substance, or possession of a controlled substance with the intent to sell or distribute; and

(b) The eviction proceeding is brought by a public housing agency on that basis

that the illegal drug activity for which the person has been charged or for which the person has been convicted threatens the health or safety of other tenants residing in the public housing project or employees of the public housing agency.

A person is considered to have been "charged with" when that person is subject to a pending criminal proceeding instituted by a governmental entity with authority to initiate such proceedings

Public housing project and public housing agency have the same meanings given to those terms in section 3 of the United States Housing Act of 1937. 42 U.S.C. §1437a.

Local offices shall maintain a list of all cases which involve an eviction from public housing and there is an allegation of drug sale, distribution, manufacture, or possession with intent to sell or distribute.

In each client case file for a case described in the paragraph immediately above, the local office shall maintain documentation why the representation is permissible and the form set forth immediately below. **A copy of the form shall be sent to the Administrative Office.**

****

REPRESENTATION IN CERTAIN EVICTION PROCEEDINGS

Name of Client: _____

Case Number: _____

This case involves an allegation of drug sale, distribution or manufacture, or possession with intent to sell or distribute. However, representation is permissible because:

This case involves a client who is neither currently charged with, nor has been convicted of either: the illegal sale, distribution or manufacture of a controlled substance, or with the possession of a controlled substance with the intent to sell or distribute it; or

The housing authority in the eviction proceeding does not allege that the illegal drug activity for which the client is charged or convicted threatens the health or safety of other tenants or employees of the housing authority.

Name of Principal Advocate: _____ Date completed: _____

****

General Explanation

We are prohibited from representing clients in a narrow group of evictions. The prohibition applies only if:

(1) The eviction is from a public housing project [not Section 8];

(2) The client has been charged with or convicted of illegal sale, distribution or manufacture of a controlled substance, or of possession with intent to sell or distribute - not possession; [The prohibition does not apply if the person charged or convicted is not the client such as a family member or guest], and

(3) The eviction is brought by a PHA on the basis that the illegal activity threatens the health or safety of other tenants in the project or of the employees of the PHA

If the eviction is from public housing (not Section 8), and we can provide representation, then the form above must be sent to the Administrative Office. Thus, the form must be kept in the client's file and sent to the Administrative Office when the case involves an eviction from public housing where there either is (1) an allegation of drug sale, distribution, manufacture, or possession with intent to sell or distribute, but which we still can handle because there is no charge or conviction, or (2) involves a charge or conviction of drug sale, distribution, etc. but we can handle the case because there is no health/safety allegation. We don't need a form if the charge or conviction relates to a person other than the client.

\

XV. Timekeeping

Source: 45 CFR §1635

Time spent by attorneys and paralegals of Prairie State Legal Services, Inc., shall be documented in time records as described below which record the amount of time spent on each case, matter, or supporting activity. Time records must be created contemporaneously and account for time in increments in tenths of an hour.

Each attorney and paralegal shall maintain time records on a contemporaneous basis that records the amount of time that person spends on each case, matter, or supporting activity. Contemporaneous is defined to mean "by the end of the day." The definitions of each of these

categories is as follows:

Case

A form of program service in which an attorney or paralegal provides legal services to one or more clients. Included in this category are the legal work necessary to provide legal assistance in litigation, administrative proceedings, negotiations, brief assistance and assistance with individual PAI cases. Also included are such additional activities as case supervision and management, case review, client intake, case and client consultation, responding to client grievances, ADR, and other direct services to clients involving all types of legal problems.

Matter

An action which contributes to the overall delivery of program services but does not involve direct legal advice to or legal representation of one or more specific clients. Examples of matters are group acceptance meetings, community legal education activities, pro se clinics, activities relating to the availability of legal services, training, general supervision of program services, preparation of desk manuals, PAI recruitment and maintenance, intake when no case is opened, tracking substantive law developments, bar association activities and activities relating to our relations with other human service organizations.

Supporting Activity

An action that is not a case or matter. Included in this category are activities such as fund raising, preparation for and attendance at board of director meetings, general staff meetings, developing such systems as a telephone or timekeeping system and staff breaks.

XVI. Timekeeping Certification for Part Time Employees

REPORT REQUIRED - SEND TO ADMINISTRATIVE OFFICE

Federal Regulation 45 CFR §1635, requires that each such staff member certify each quarter that they have not engaged in any restricted activity during any time for which they were being paid by Prairie State. This certificate must only be submitted by those of us who have two or more part-time jobs **and** one of the other jobs involves activities that are "restricted." The following procedure shall be followed by staff who meet the above criteria:

1. By September 30th of each year, each part-time employee who handles cases shall

certify that he or she does not work for another organization that engages in "restricted activities." The attached certification form shall set out what is comprised by the term "restricted activities."

2. The certification form shall also contain an agreement on the part of the staff person that if circumstances change and a part-time job involving "restricted activities" is undertaken, the staff person shall immediately notify his or her immediate supervisor who shall in turn notify the Administrative Office in writing.

3. The completed certification forms shall be submitted to the Administrative Office and kept in a separate file.

4. The attached certification form shall be completed thereafter on an annual basis by September 30.

5. If a staff person cannot make the certification, then quarterly certification forms shall be completed. Each office where such staff persons work shall have copies of the quarterly certificates. Each of those certificates shall be sent to the Administrative Office and kept in a separate file.

****

ANNUAL CERTIFICATION FOR PART-TIME CASEHANDLERS

This certification is to be filled out only by the following employees:

- **You work part-time for Prairie State Legal Services, Inc.; and,**
- **Working for Prairie State is the <u>only</u> part-time job you have; or,**
- **You have one or more additional part-time <u>jobs</u>; but,**
- **<u>None</u> of the additional part-time jobs is for an organization that engages in restricted activities as defined below:**

<u>RESTRICTED ACTIVITIES</u>

Restricted Activities are those activities set forth in 45 CFR §1610.2 as follows:

Political Activities - including working for pay for a political party or a candidate for public office;

Fee Generating Cases - a case or matter in which it reasonably may be expected to result in a fee from an award to a client, from public funds, or from the opposing party;

Criminal Proceedings - the adversary judicial process prosecuted by a public officer and initiated by a formal complaint, information, or indictment, and punishable by death, imprisonment, or a jail sentence; (<u>A misdemeanor is not a criminal proceeding</u>.)

Actions Collaterally Attacking Criminal Convictions - habeas corpus proceedings;

Organizing Activities - activities to initiate the formation, or to act as an organizer, of any association, federation, labor union, coalition, network, alliance, or any similar entity;

Abortions;

School Desegregation;

Violations of the Military Selective Service Act or Military Desertion;

Redistricting - involving altering, revising, or re-apportioning a legislative, judicial, or elective district at any level of government, including influencing the timing or manner of the taking of a census;

Legislative and Administrative Advocacy;

Class Actions;

Prisoner Litigation;

Welfare Reform - litigation challenging laws or regulations enacted as part of an effort to reform a Federal or State welfare system, rulemaking involving proposals that are being considered to implement an effort to reform a Federal or State welfare system, or lobbying before legislative or administrative bodies involving proposed legislation that is part of an effort to reform a Federal or **State welfare system;**

Drug Related Evictions - representing tenants in conventional public housing in eviction actions in which the eviction is based on the tenant having been charged or convicted of the illegal sale, distribution, or manufacture of a controlled substance, or possession of a controlled substance with the intent to sell or distribute; and,

Representation of Ineligible Aliens.

CERTIFICATION

Pursuant to the requirements of 45 CFR §1635.3(d), I certify that I do not presently work for an organization that engages in restricted activities as set forth above. I also certify that if I commence working for such an organization, I will immediately inform my immediate supervisor of that fact and thereafter will fill out the "1635 Quarterly Certification for Part-time Casehandlers" form.

Date: _____ Name (Printed): _____

Signature: _____

****

XVII. Client Identity and Statement of Facts

REPORT REQUIRED - KEEP IN CLIENT'S FILE AND SEND COPY TO ADMINISTRATIVE OFFICE

Source: 45 CFR §1636

We may not file a complaint in a court of law or engage in pre-complaint settlement negotiations on behalf of a client who is a potential plaintiff in the proposed action and who has authorized Prairie State Legal Services, Inc. to file suit in the event that the settlement negotiations are unsuccessful, unless the proposed plaintiff is identified by name in the complaint or in the pre-litigation settlement negotiations, unless a court of competent jurisdiction has entered an order protecting the proposed plaintiff from such disclosure based on a finding , after notice and an opportunity for a hearing on the matter of probable serious harm to the plaintiff if the disclosure is not prevented, and the proposed plaintiff has signed a dated written statement in English and, if necessary, in a language other than English that the client understands, enumerating the particular facts supporting the proposed complaint, insofar as they are known to the client when the statement is signed.

A signed statement prepared for purposes of complying with this policy shall not include any client information that is not otherwise to be disclosed as the basis of the complaint or of a pre-complaint demand letter for relief. The statement shall assert the purpose of its preparation and shall state that it does not operate as a waiver of the attorney client privilege or work product privilege for any purpose other than compliance with Section 504(a)(8) of Public Law 104-134, 110 Stat. 1321 (1996).

The prepared statement shall be retained in the client's file. Such statement shall not be disclosed except to the Legal Services Corporation or to a Federal department or agency auditing or monitoring Prairie State Legal Services, Inc. in compliance with Section 509 of Public Law 104-134.

In the event of an emergency, when staff reasonably believes that delay is likely to cause harm to a significant safety, property, or liberty interest of the client, staff may proceed with the proposed litigation or negotiation without a signed statement of facts, provided that the statement is prepared and signed as soon as possible thereafter.

A signed statement of facts is not required to be prepared when representation involves a client who is (1) a defendant; (2) who is involved in an administrative proceeding that responds to an action taken by government agency, such as unfavorable disability, welfare, unemployment, or housing authority decisions; (3) for whom only brief service, advice, and/or referral activities are provided; or (4) when contact with another party is preliminary to negotiation or is not made in contemplation of litigation, such as to clarify facts, to gauge the potential for later negotiation, or to resolve a matter on which Prairie State Legal Services, Inc.

does not intend to pursue litigation.

A statement of facts is not required when the case is referred to a private attorney under PSLS's Private Attorney Involvement Program.

General Explanation

Prepare a written statement of the particular facts supporting the proposed complaint insofar as they are known to the client when the statement is prepared. The statement should state that it does not operate as a waiver of the attorneyy-client privilege or work product for any purpose other than compliance with Section 504(a)(8) of Public Law 104-134. The statement is to be signed and dated. In some instances, the complaint or petition can substitute for the statement of facts – e.g. a petition for an order of protection. In the case of a dissolution petition based on physical or mental cruelty, the general allegation in the complaint will not suffice and a statement of the specifics constituting the cruelty is necessary. Where complaint substitutes, the references to privilege and need not be included. Where a separate statement is prepared, it should not include more than it needs to include to support the claim or complaint. The statement of facts is discoverable.

XVIII. Representation of Incarcerated Persons

REPORT AND PERMISSION REQUIRED - SEND TO ADMINISTRATIVE OFFICE KEEP COPY OF APPROVAL IN CLIENT'S FILE

Source: 45 CFR §1637

It is impermissible for any individual, while engaged in legal services activities funded by Prairie State Legal Services, Inc., to participate in any civil litigation on behalf of a person who is incarcerated in a Federal, State, or local prison or to participate in administrative proceedings on behalf of such persons **challenging the conditions of incarceration.** This limitation on representation applies to all persons so incarcerated, regardless of whether they are a plaintiff or defendant in litigation. "Incarcerated means the involuntary physical restraint in a facility dedicated to such restraint, of a person who has been arrested or convicted of a crime.

In order to ensure compliance with this policy, if after a case has been accepted for representation and litigation on behalf of the client is pending, it is learned that the client has become incarcerated, approval of continuing representation must be obtained from the Executive Director. Approval should be sought by completing the form set forth directly below which is hereby incorporated as part of this policy and, when completed, will be retained as part of the client's file and a copy of which must be forwarded to and will be kept in the Administrative Office.

This policy does not apply to cases and matters on behalf of persons who are incarcerated that do not involve litigation in court or administrative proceedings challenging Transferee conditions of incarceration.

REQUEST FOR APPROVAL FOR CONTINUED REPRESENTATION OF INCARCERATED CLIENT

Date: _____
Name of Client: _____
Case Number: _____
Date Case Accepted: _____

I am requesting approval to continue representation of an incarcerated person in pending litigation.

Type of Case:

_____
_____
_____

Expected Date of Completion: _____

Expected Period of Incarceration: _____

Efforts made to withdraw from this case or the reason why withdrawal would not be appropriate under the Illinois Supreme Court's Rules of Professional Responsibility or other court rule, or reason why it is anticipated that the period of incarceration is likely to be brief and the litigation will continue beyond the period of incarceration are as follows:

_____
_____
_____

Case Handler's Name: _____ Date: _____

****

Continued representation of the above named client during the period of incarceration is hereby:

_____ Approved_____ Denied_____ Approved on the following conditions:

_____
_____
_____

_____
Executive Director_____Date

XIX. Restriction on Solicitation

Source: 45 CFR §1638)

It is impermissible for staff to represent an individual as a result of in-person unsolicited provided by an employee of Prairie State Legal Services, Inc. or other provider of legal services funded by the Legal Services Corporation and staff employees are also prohibited from referring to other recipients individuals to whom they have given in-person unsolicited advice.

For purposes of this policy, "in-person" mans a face-to-face encounter or a personal encounter through other means of communication such as a personal letter or telephone call; "Unsolicited advice" means advice to obtain counsel or take legal action given to an individual who did not seek the advice or with whom the recipient does not have an attorney-client relationship.

This policy does prevent a staff person from providing to an existing client any advice warranted by professional responsibility to the client; does not prevent a staff person from responding to an individual's specific question about whether the individual should consult an attorney or take legal action; and, does not prevent staff person from responding to an individual who makes a specific request for information about the person's legal rights or who asks for assistance in connection with a specific legal problem.

This policy is not intended to and does not prohibit Prairie State Legal Services, Inc. employees from providing information regarding legal rights and responsibilities or providing information regarding Prairie State's intake procedures through community legal education activities such as outreach, public service announcements, maintaining an ongoing presence in a court house to provide advice at the invitation of the court, disseminating community legal education publications, and giving presentations to groups that request them.

XX. Welfare Reform

Source: 45 CFR §1639

It is impermissible for staff to initiate legal representation, challenge, or participate in any other way in efforts to reform a Federal or State welfare system, including participation in:

(a) litigation challenging laws or regulations enacted as part of a reform of a Federal or State welfare system;

(b) rulemaking involving proposals that are being considered to implement a reform of a Federal or State welfare system;

(c) lobbying before legislative or administrative bodies undertaken directly or through grassroots efforts involving pending or proposed legislation that is part of an effort to reform a Federal or State Welfare system.

For purposes of this policy, "Federal or State welfare system" means those programs affected by the provisions other than Child Support Enforcement of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and subsequent legislation enacted by Congress or by the State to implement, replace or modify key components of the provisions of that Act or by the State to replace or modify key components of its General Assistance or similar means-tested programs conducted by the State or by counties with State funding or under state mandate.

This policy does not preclude representation of individual clients who are seeking specific relief from a welfare agency so long as such representation does not challenge an existing Federal or State welfare reform statute.

Consistent with the provisions of 45 CFR §1612.5, Prairie State personnel may use non-LSC funds to comment in a public rulemaking proceeding or respond to a written request for information or testimony from a Federal, State, or local agency, legislative body or committee, or a member thereof, regarding an effort to reform a Federal or State welfare system.

XXI. Restrictions on Assisted Suicide, Euthanasia, and Mercy Killing

REQUIREMENT THAT DOCUMENTATION OF REASONS JUSTIFYING COMPLIANCE TO BE KEPT IN CLIENT'S FILE

Source: 45 CFR §1643

It is impermissible for any individual while engaged in any PSLS legal service activities funded by the Legal Services Corporation to assist in, support, or fund any activity or service which has a purpose assisting in or bringing a suit or providing any other form of legal assistance for the purpose of:

(a) Securing or funding any item, benefit, program, or service furnished for the purpose of causing or the purpose of assisting in causing , the suicide, euthanasia, or mercy killing of any individual.

(b) Compelling any person, institution or governmental entity to provide or fund any item, benefit, program, or service for such purpose.

(c) Asserting or advocating a legal right to cause, or to assist in causing, the suicide, euthanasia, or mercy killing of any individual.

This prohibition does not apply to the following sets of circumstances:

(1) The withholding or withdrawing of medical treatment or medical care.

(2) The withholding or withdrawing of nutrition or hydration.

(3) Abortion.

(4) The use of items goods, benefits, or services furnished for purposes relating to the alleviation of pain or discomfort even if they may increase the risk of death, unless they are furnished for the purpose of causing or assisting in causing death.

(5) The provision of factual information regarding applicable law on assisted suicide, euthanasia, and mercy killing.

In any case or matter in which representation is directly or indirectly related to some activity that could result in the death of a person, the local office shall document in the case file the reasons why the legal representation is permissible under this policy.

XXII. Case Disclosure

Source: 45 CFR §1644

Policy - For all cases filed in a state or federal court by Prairie State Legal Services on behalf of any client the following information is subject to disclosure to the Legal Services Corporation and to the public: (1) The name and full address of each party unless disclosure is (a) protected by an order or rule of the court; (b) protected by state or federal law; or (c) the attorney handling the case reasonably believes that revealing such information would put the attorney's client at risk of physical harm. (2) The principal cause of action. (3) The court name and full address of the court. (4) The court docket number.

General Explanation

We are required by LSC to complete a case disclosure report for:

(1) A case we **originally** file **in court** on behalf of our client as plaintiff. If we have not originally filed the case but later assume representation, do **not** complete the report.

For example, if a shelter or someone from a clerk's office files for an emergency order of protection for a person and we enter the case to represent that person at the plenary hearing, **do not** file a report. Similarly, do not file a disclosure report on post decree matters.

(2) Actions we file for judicial review of a decision by an administrative agency

(3) An appeal we file when we have not represented the client in the lower court.

If the court docket number is not the current year, then you should not be including the case in the report because it would not be an original filing.

Case disclosure reports are prepared by completing the Litigation Screen on LegalServer each time you file a case that meets the above criteria.

The report is sent semi-annually to LSC and is subject to public disclosure. The report must be completed within one week from the date a case is filed.

The Litigation Report is not required for:

- PAI cases;

- Administrative cases, such as Social Security (except actions for judicial review);

- Cases where we are the defendant or respondent;

- Cases where we did not initiate the suit;

- Cases that are not original actions, such as post decree matters, motions to modify, garnishment exemptions, contempt actions, etc.

This policy does not apply to cases filed by private attorneys as part of Prairie State's private involvement activities pursuant to 45 CFR §1614. This policy only applies to original filings and does not apply to answers, counterclaims, cross complaints, joinder or third party pleadings nor does it apply to appeals when a Prairie State lawyer represented the client in the trial court.

Procedure

Our case disclosure report is made on the Litigation Screen in our case management program - LegalServer. To access this screen choose "Add Litigation" from the list of choices on the right side of the screen under the heading, "Actions." Fill out the required fields (marked with a red asterisk) on the screen. We use this screen **only** for the purpose of meeting LSC's case disclosure rules.

For example, if a shelter or someone from a clerk's office files for an emergency order of protection for a person and we enter the case to represent that person at the plenary hearing, **do not** file a report. Similarly, do not file a disclosure report on post decree matters.

(2) Actions we file for judicial review of a decision by an administrative agency

(3) An appeal we file when we have not represented the client in the lower court.

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- Cases where we did not initiate the suit;

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Procedure

Our case disclosure report is made on the Litigation Screen in our case management program - LegalServer. To access this screen choose "Add Litigation" from the list of choices on the right side of the screen under the heading, "Actions." Fill out the required fields (marked with a red asterisk) on the screen. We use this screen **only** for the purpose of meeting LSC's case disclosure rules.

The following data must be entered:

In the "**Cause of Action**" field provide a brief description of the **Cause of Action**. (Order of Protection, Divorce). Stating the requested relief, eg. "injunction" is not sufficient. Similarly if the filing if for administrative review or common law certiorari state that in the Cause of Action field but also add the subject of the administrative review such as Section 8 or Medicaid, etc.

Next, from the drop down menu in the "**Court**" field, choose the court in which you filed the case.

In the "**Docket Number**" field type in the court docket number of the case you filed.

In the "**Date Proceeding Initiated**" field, type in the date you filed Petition /Complaint in court. **THIS IS VERY IMPORTANT. The semi annual report is based on the date in this field.**

Check to see if you have entered an address for the adverse party. To do this:

Choose "**Edit Adverse Party**" from the **Actions** menu on the right side of the screen.

Click the **"Edit"** button and see if there is an address for the adverse party(ies) you named in the Petition/Complaint that you filed. If not enter the street address, city, state and zipcode for the particular respondent/defendant. Make sure you place the street adverse on the first line of the field.

Click the **Save/Stay** button.

XXIII. Other Prohibited Cases

In addition to the restrictions and rules set forth above this section summarizes those statutory prohibitions for which there are no LSC regulations promulgated. These statutory restrictions are found at 42 U.S.C. §2996f(a)(C) and 42 U.S.C. §2996f(b). They are also listed with the prohibitions and rules discussed above in 45 CFR §1610.2.

Abortion 42 U.S.C. §2996f(b)(8)

We are prohibited from providing legal assistance with respect to any proceeding or litigation which seeks to procure a non-therapeutic abortion or to compel any individual or institution to perform an abortion, or assist in the performance of an abortion, or provide facilities for the performance of an abortion, contrary to the religious beliefs or moral convictions of such individual or institution.

Desegregation 42 U.S.C. §2996f(b)(9).

We are prohibited from providing legal assistance with respect to any proceeding or litigation relating to the desegregation of any elementary or secondary school or school system, except that we may provide legal advice to an eligible client with respect to such client's rights and responsibilities.

Selective Service 42 U.S.C. §2996f(b)(10).

We are prohibited from providing legal assistance with respect to any proceeding or litigation arising out of a violation of the Military Selective Service Act [50 App. U.S.C. §451 *et seq.*] or of desertion from the Armed Forces of the United States.

Advice:

Prairie State Legal Services

Ask Chris | Support Request | My Assignments | Bernard H. Shapiro: Logout

Home | Cases | Timekeeping | Calendar | Contacts | Organizations | Outreach | Reports | Documents | Users | Help | Admin

Home » Cases » [illegible] (13-0352344) » Edit

Search | Time | Preferences | Quick Referral | Hide Taskbar

PSLS Closing Information

Date Opened* 01/04/2013

Date Closed* 03/01/2013

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy Date to 10 years from Date Closed.

File Destroy Date 03/01/2020

Caseworker who closed case* Shapiro, Bernard

Close Reason* A - Counsel and Advice

Closing a case as Advice Only means that it is a case in which the program (PSLS) provided legal advice (e.g., the advocate ascertained and reviewed relevant facts, exercised judgment in interpreting the particular facts presented by the client and in applying the relevant law to the facts presented, and counseled the client concerning his or her legal problem).

Closed by a Telephone Counselor?* ○ Yes ○ No

Did client understand [illegible]

Note Drafts

Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53

Limited Service:

File Destroy Date 03/01/2020

Caseworker who closed case* Shapiro, Bernard

Close Reason* B - Limited Action (Brief Service)

Closing a case as B means action was taken behalf of an eligible client that was not complex or extended enough to meet the requirements of CSR closing category L. Examples include but are not limited to: communications by letter, telephone or other means to a third party; preparation of a simple legal document; or legal assistance to a pro se client that involves preparation of court or other legal documents.

Closing as K means the case is closed but does not fit into any of the other CSR closing categories. (If a case is closed that could fit into two or more categories, do NOT use K but rather choose the category which best reflects the level of service provided.)

Closing reason L means a case is closed in which we did extensive research, prepared complex legal documents, had extensive interaction with third parties on behalf of an eligible client, or extensive assistance to pro se clients. Examples of Extensive Service include: preparation of complex advance directives, wills, contracts, real estate documents or other legal documents, or the provision of extensive transactional work. This category also includes cases closed where extensive negotiations did not result in a negotiated settlement and cases closed after litigation is initiated in which we appear as counsel of record that do not result in a negotiated settlement, administrative agency or court decision, or in which an order of withdrawal or voluntary dismissal is entered.

Number of people helped (18 and Over) 2

Number of people helped (under 18) 0

Did client understand advice given?* Yes

Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-07-17 15:26:40
Closing Note/Case Summary
2012-07-17 15:23:50
Closing Note/Case Summary

Negotiated Settlement Without Litigation

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy Date to 10 years from Date Closed.

File Destroy Date: 03/01/2020

Caseworker who closed case*: Shapiro, Bernard

Close Reason*: F - Negotiated Settlement w/out Litigation

Closing a case as F means that the program (PSLS) negotiated and reached an actual settlement on behalf of a client WITHOUT any court or administrative actions pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. It includes settlements negotiated with an administrative agency prior to the filing of a formal administrative proceeding. ** NOTE: The file should contain documentation of the settlement. Pro Se cases cannot be closed in this category.

Close reason G means the program (PSLS) negotiated and reached an actual settlement on behalf of a client WHILE a court or formal administrative action was pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. Settlements of pending court or administrative actions should be closed as G even if the court or administrative agency issues an order memorializing the settlement. This category includes only: (1) cases in which an appearance has been entered before a court or administrative agency as counsel of record; or (2) cases in which the settlement was reached prior to the program's entry as counsel of record, provided that the program was actually representing the client in the negotiations (not assisting a pro se client) and provided that there is documentation of the settlement in the case file - preferably a copy of the actual settlement agreement, written confirmation of the settlement with the opposing party, or, if neither of these are available, a copy of a communication to the client outlining the terms of the settlement.

Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43

Negotiated Settlement With Litigation

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy Date to 10 years from Date Closed.

File Destroy Date: 03/01/2020

Caseworker who closed case*: Shapiro, Bernard

Close Reason*: G - Negotiated Settlement with Litigation

Closing a case as F means that the program (PSLS) negotiated and reached an actual settlement on behalf of a client WITHOUT any court or administrative actions pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. It includes settlements negotiated with an administrative agency prior to the filing of a formal administrative proceeding. ** NOTE: The file should contain documentation of the settlement. Pro Se cases cannot be closed in this category.

Close reason G means the program (PSLS) negotiated and reached an actual settlement on behalf of a client WHILE a court or formal administrative action was pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. Settlements of pending court or administrative actions should be closed as G even if the court or administrative agency issues an order memorializing the settlement. This category includes only: (1) cases in which an appearance has been entered before a court or administrative agency as counsel of record; or (2) cases in which the settlement was reached prior to the program's entry as counsel of record, provided that the program was actually representing the client in the negotiations (not assisting a pro se client) and provided that there is documentation of the settlement in the case file - preferably a copy of the actual settlement agreement, written confirmation of the settlement with the opposing party, or, if neither of these are available, a copy of a communication to the client outlining the terms of the settlement.

Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43

Administrative Decision

Caseworker who closed case* Shapiro, Bernard

Close Reason* H - Administrative Agency Decision

Closing a case as F means that the program (PSLS) negotiated and reached an actual settlement on behalf of a client WITHOUT any court or administrative actions pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. It includes settlements negotiated with an administrative agency prior to the filing of a formal administrative proceeding. ** NOTE: The file should contain documentation of the settlement. Pro Se cases cannot be closed in this category.

Close reason G means the program (PSLS) negotiated and reached an actual settlement on behalf of a client WHILE a court or formal administrative action was pending. This category is reserved for cases in which the program conferred with another party so as to reach a resolution of the client's legal problem. Settlements of pending court or administrative actions should be closed as G even if the court or administrative agency issues an order memorializing the settlement. This category includes only: (1) cases in which an appearance has been entered before a court or administrative agency as counsel of record; or (2) cases in which the settlement was reached prior to the program's entry as counsel of record, provided that the program was actually representing the client in the negotiations (not assisting a pro se client) and provided that there is documentation of the settlement in the case file - preferably a copy of the actual settlement agreement, written confirmation of the settlement with the opposing party, or, if neither of these are available, a copy of a communication to the client outlining the terms of the settlement.

Closing as H means the program represented a client in an administrative agency action that resulted in a case-dispositive decision by the agency or body after a hearing or other formal administrative process. It does not include settlements made during the course of litigation that are then approved by the agency, voluntary dismissals or the grant of a motion to withdraw as counsel. If the case is resolved informally through contacts with an administrative agency but without any formal administrative agency action, the case should be closed as B or F, depending on the level of service.

Closing as I means the program represented a client in a court proceeding that resulted in a case dispositive

Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
2013-01-06 11:10:43
Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-07-17 15:26:40
Closing Note/Case Summary
2012-07-17 15:23:50
Closing Note/Case Summary
2012-07-17 15:21:17
Delete All Drafts

Court Decision

has been entered before a court or administrative agency as counsel of record; or (2) cases in which the settlement was reached prior to the program's entry as counsel of record, provided that the program was actually representing the client in the negotiations (not assisting a pro se client) and provided that there is documentation of the settlement in the case file - preferably a copy of the actual settlement agreement, written confirmation of the settlement with the opposing party, or, if neither of these are available, a copy of a communication to the client outlining the terms of the settlement.

Closing as H means the program represented a client in an administrative agency action that resulted in a case-dispositive decision by the agency or body after a hearing or other formal administrative process. It does not include settlements made during the course of litigation that are then approved by the agency, voluntary dismissals or the grant of a motion to withdraw as counsel. If the case is resolved informally through contacts with an administrative agency but without any formal administrative agency action, the case should be closed as B or F, depending on the level of service.

Closing as I means the program represented a client in a court proceeding that resulted in a case dispositive decision made by the court. It is divided into 3 subcategories as follows:

Ia - either there was no adverse party or the adverse party does not contest the case

Ib - there is an adverse party and that party contests the case

Ic - Appeals to an appellate court taken from a decision of any court or tribunal (see 45 CFR - 1605.2 and 1605.3). This category does not include appeals or writs taken from administrative agency decisions or lower trial court decisions to a higher level trial court acting as an appellate court, whether they are on record or de novo proceedings.

Number of people helped (18 and Over) 2

Number of people helped (under 18) 0

Service Provided Representation

2012-10-02 16:49:38
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-07-17 15:26:40
Closing Note/Case Summary
2012-07-17 15:23:50
Closing Note/Case Summary
2012-07-17 15:21:17
Delete All Drafts

Close Case

1. **PSLS Initial Closing Form**

0% Complete

scooby doo
Case No: 13-0352344
LPC 66 Housing Discrimination
Original Date Opened 01/04/2013 [Edit]
Assignment Admin Office

Other

Date Closed* 03/01/2013

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy Date to 10 years from Date Closed.

File Destroy Date 03/01/2020

Caseworker who closed case* Shapiro, Bernard

Close Reason* K - Other (do not use)

Closing a case as B means action was taken behalf of an eligible client that was not complex or extended enough to meet the requirements of CSR closing category L. Examples include but are not limited to: communications by letter, telephone or other means to a third party; preparation of a simple legal document; or legal assistance to a pro se client that involves preparation of court or other legal documents.

Closing as K means the case is closed but does not fit into any of the other CSR closing categories. (If a case is closed that could fit into two or more categories, do NOT use K but rather choose the category which best reflects the level of service provided.)

Closing reason L means a case is closed in which we did extensive research, prepared complex legal documents, had extensive interaction with third parties on behalf of an eligible client, or extensive assistance to pro se clients. Examples of Extensive Service include: preparation of complex advance directives, wills, contracts, real estate documents or other legal documents, or the provision of extensive transactional work. This category also includes cases closed where extensive negotiations did not result in a negotiated settlement and cases closed after litigation is initiated in which we appear as counsel of record that do not result in a negotiated settlement, administrative agency or court decision, or in which an order of withdrawal or voluntary dismissal is entered.

2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
2013-01-24 15:44:06
Closing Note/Case Summary
2013-01-06 11:10:44
Closing Note/Case Summary
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Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
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Eligibility Notes
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2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43

Extensive Service

Due to new PSLS File Retention policy, Legal Server now automatically calculates the File Destroy Date to be 7 years from the Date Closed. However, there are still files containing signed Retainer Agreements that state that PSLS will keep the client's file for TEN years. If the file has an Open Date prior to 11/16/2012 AND contains a signed Retainer Agreement, please be sure to change the File Destroy Date to 10 years from Date Closed.

File Destroy Date 03/01/2020

Caseworker who closed case* Shapiro, Bernard

Close Reason* L - Extensive Service (not FGHI)

Closing a case as B means action was taken behalf of an eligible client that was not complex or extended enough to meet the requirements of CSR closing category L. Examples include but are not limited to: communications by letter, telephone or other means to a third party; preparation of a simple legal document; or legal assistance to a pro se client that involves preparation of court or other legal documents.

Closing as K means the case is closed but does not fit into any of the other CSR closing categories. (If a case is closed that could fit into two or more categories, do NOT use K but rather choose the category which best reflects the level of service provided.)

Closing reason L means a case is closed in which we did extensive research, prepared complex legal documents, had extensive interaction with third parties on behalf of an eligible client, or extensive assistance to pro se clients. Examples of Extensive Service include: preparation of complex advance directives, wills, contracts, real estate documents or other legal documents, or the provision of extensive transactional work. This category also includes cases closed where extensive negotiations did not result in a negotiated settlement and cases closed after litigation is initiated in which we appear as counsel of record that do not result in a negotiated settlement, administrative agency or court decision, or in which an order of withdrawal or voluntary dismissal is entered.

Number of people helped (LB and Giver) 2

2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 12:49:58
Closing Note/Case Summary
2013-02-21 09:56:15
Eligibility Notes
2013-01-28 11:50:40
Closing Note/Case Summary
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Closing Note/Case Summary
2013-01-04 10:50:54
Closing Note/Case Summary
2013-01-04 10:50:53
Closing Note/Case Summary
2013-01-04 10:50:53
Eligibility Notes
2012-10-02 16:50:14
Eligibility Notes
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Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary
2012-08-16 14:07:43
Closing Note/Case Summary

Section 7 – Donations and Gifts to Prairie State

7.1 Basic Guidelines and Procedures. Generally, the gifts which are most beneficial to PSLS and its mission are those (a) which are not inconsistent with PSLS principles; (b) which are cash, pledges of cash, or assets which can easily be converted to cash, or are in kind gifts of goods or services readily usable by PSLS; (c) which have no or minimal restrictions on use; (d) which carry no special donor recognition requirements; and (e) which create no significant administrative costs or potential liability. When soliciting gifts from donors or discussing intended gifts with donors, it is important for staff to encourage gifts which meet these criteria. Items donated for auction, door prizes or similar uses generally meet the criteria set out in this paragraph.

The Executive Director, the Associate Director, the Finance Director, the Director of Community Support, any Managing Attorney, or designee of any such staff may accept gifts (a) which clearly meet the criteria of the preceding paragraph and (b) which are not otherwise inconsistent with this Gift Policy. The ultimate authority and responsibility to accept or decline all other gifts to PSLS rests with the PSLS Board of Directors.

As necessary and appropriate, the PSLS Board of Directors may retain expert services such as attorneys, environmental auditors, and appraisers to assist in evaluating the advisability and legality of accepting a gift on behalf of PSLS. The Board shall consider whether it is appropriate to request that the potential donor pay for part or all of these expert services.

The PSLS Board of Directors shall regularly review all tendered gifts other than those accepted by staff and shall decide whether to accept or decline those gifts in accordance with the guidelines and policies set forth in this Gift Policy. Meetings for review of and action on tendered gifts may be conducted electronically, e.g. by telephone or the web, but a majority of the Board of Directors must participate in a meeting in order to accept or reject tendered gifts. Before declining any gift tendered to PSLS because it fails to comply with this Gift Policy, the Board may encourage the donor to restructure the gift in order to bring it into compliance with this Gift Policy.

7.2 Special Guidelines and Considerations for Non-Cash or Restricted Gifts.

A. Non-cash. Acceptance of non-cash gifts which do not meet the criteria set out in Section 7.1 is potentially problematic. As a result, PSLS generally shall accept non-cash gifts only if they can be easily and economically converted into cash for investment and/or expenditure in accordance with PSLS established policies and procedures. For example, PSLS can accept marketable securities which are traded daily. These shall be sold as soon as possible

after receipt. PSLS may accept in-kind gifts of goods or services that are routinely needed and used in the day-to-day operation of PSLS, *e.g.* donated copy paper or plumbing.

B. Restricted/designated. PSLS understands that donors may wish to restrict or designate their gifts to specific uses. Such restricted gifts are often acceptable and, occasionally, desirable. At the same time, designations which are overly restrictive may prevent PSLS from effectively using the gift to further the purpose of the gift. This is true, in part, because PSLS and client needs are constantly changing. A restriction imposed upon the use of a gift today may prevent that gift from furthering PSLS activities in the future. Restricted gifts also may present unreasonable and costly administrative burdens since it is essential that they be tracked and accounted for separately. Staff should keep in mind that the smaller the size of the gift, the greater the relative costs of administration.

As a result, PSLS generally shall accept restricted gifts only if the nature of the restrictions are reasonable given (a) the size of the gift; (b) the duration of the restrictions; (c) the anticipated burden of administering and accounting for the restrictions; and (d) the likelihood that the use restrictions will be compatible with PSLS and client needs for the duration of the restrictions.

C. Special donor recognition. PSLS is grateful for its generous donors and believes that appropriate recognition should be offered to all donors, except those requesting anonymity. Nevertheless, when a donor insists upon special recognition as a precondition for a gift, the PSLS Board of Directors must evaluate whether the recognition sought is in keeping with the PSLS mission, as well as with this Gift Policy. Scrutiny of such special recognition requests is especially important when they involve requirements for the naming/sponsorship of a building, parcel of property, or other object. Staff may not conditionally accept gifts which involve requirements for naming or sponsorship except where the naming/sponsorship is part of a special, established program previously authorized by the Board, *e.g.,* naming of commemorative paving bricks.

D. Carrying costs. Certain non-cash gifts may require significant carrying costs. Examples of such costs include ongoing premium payments on a donated life insurance policy, transportation charges for a donated boat, liability/property insurance for a donated residence, and brokerage fees to sell donated artwork. Because funds may be unavailable to pay the carrying costs or those costs may exceed the value of the gift, PSLS shall not accept any such gift until the Board of Directors (a) determines that the carrying costs can be easily and quickly eliminated by converting the gift to cash and/or (b) conducts or obtains a favorable cost/benefit analysis of the gift.

E. Real estate. Donations of real estate may be extremely beneficial to PSLS, but they also carry enormous potential liabilities which must be evaluated prior to acceptance. Chief

among the risks associated with the acceptance of a gift of real estate is the danger that the gifted land contains environmental contamination. Even if PSLS accepts a gift of real estate without knowing that it is contaminated, PSLS is liable for the potentially huge costs of clean up. Moreover, PSLS may be liable for the clean-up costs even if those costs exceed the value of the land. Therefore, it is critical that PSLS not accept any gifts of real estate until the Board of Directors conducts or obtains a preliminary environmental inspection and, if needed, a full environmental audit which confirm that the property is clean. PSLS generally shall not accept gifts of real property subject to a reserved life estate unless the life tenant agrees in writing to bear all expenses connected with the property during the life tenancy.

In addition, before accepting a gift of real estate, the Board of Directors shall obtain a title search which confirms that the donor has clear title to the property and that the property has no liens or other liabilities attached. Ordinarily, expenses associated with the environmental inspection/audit, the title search, and any appraisal necessary to establish the value of the gift must be paid by the donor. Because of the complex issues associated with acceptance of a gift of real estate, staff may not conditionally accept such gifts.

F. Artwork. Gifts of artwork, like special donor recognition requests, may present challenging questions, especially if the art is given on condition that it be displayed at PSLS rather than converted to cash. The artwork may not be appropriate for a law office or may be inconsistent with the PSLS mission. The artwork may be controversial because of its theme or message or because of the background of the artist. As a result, staff may accept gifts of art only after review of the artwork and consideration of its intended placement. PSLS should take all possible steps to discourage a donor from commissioning the creation of a work of art for PSLS without prior Board review of the proposed commission.

G. Requests for Special Use of Unrestricted Gifts. When unrestricted gifts are given in memory of someone who has died, in honor of someone who is alive, or otherwise, it is not uncommon that the donor may express a desire that those gifts be used for a particular purpose. Occasionally, the donor's desired disposition may be inconsistent with the best interests of PSLS. While the donor's desire should be carefully considered, the final decision of how such unrestricted gifts are spent rests in the sole discretion of PSLS.

7.3 Local Office Procedure. Prairie State staff may accept cash gifts (cash or checks). Staff shall send checks to the Administrative Office the same day that the office receives them. If a staff member receives a gift of cash, staff shall deposit that gift into the local office's Litigation Account that same day, and write a check to the Administrative Office for the amount of the deposit. Staff shall never send cash to the Administrative Office through the mail. Prairie State staff may also receive a pledge of support. Staff shall report pledge information to the Director of Community Support the same day the office receives the pledge. For gifts of checks or cash, or

in the case of a pledge, staff shall collect and report donor contact information (name, address, phone, and email) to the Director of Community Support. Some donors wish to remain anonymous, or they wish to make gifts in honor or memory of someone. Staff shall report this information as well.

Staff shall encourage interested donors to make a gift via Network for Good, which is featured prominently on the PSLS website.

Personal gifts to PSLS staff from clients, vendors or others doing business with PSLS are addressed in the Employee Handbook.

7.4 Notification of Legal Service Corporation Prohibitions. The Administrative Office shall send a letter thanking the donor for the gift. In compliance with LSC Regulation 45 CFR 1610.5, for all gifts whose value is $250 or greater, the letter shall inform the donor of the prohibitions and conditions which apply to the funds.

26.10 Outstanding Checks.

A. In General. Outstanding (uncashed) checks are problematic for a number of reasons, including that funds to cover such checks must be retained in the Litigation Account and cannot be used for other PSLS purposes. Therefore, staff shall make all appropriate efforts to recover outstanding checks or ensure that they are presented to be cashed. If a check is returned to PSLS by the postal service, staff shall take steps to resend it to the payee if appropriate. If a check is returned to PSLS and it is not appropriate to take steps to resend it to the payee, staff shall void the check as described more fully in Section 26.8G, above. The following sets out procedures for checks which have not been cashed and which have not been returned to the office.

B. Checks Which Have Not Been Cashed At the End of the Following Month. If a check written from the Litigation Account has not been cashed by the end of the month following the month in which it was written, staff shall determine whether it is appropriate to contact the payee to urge the payee to cash the check or to return the check to PSLS. In making this determination, staff may consult with the client if appropriate. Unless it is against the client's interest to contact the payee or there is another specific reason that it is not appropriate to contact the payee, staff shall contact the third party payee to remind the payee of the check and to ask the payee to return or cash the check as appropriate.

If the payee asks for a replacement check, because he/she lost the first check, the Litigation Account Custodian shall not issue a replacement check except with the approval of the Managing Attorney. In determining whether to issue a replacement check, the Managing Attorney shall consider all relevant circumstances including the trustworthiness of the payee and the likelihood that he/she will return the original check should it be located.

C. Checks Which Have Not Been Cashed for a Year or Longer/Special January and July Review. If a check remains outstanding for one year, the Litigation Account Custodian shall adjust the balance in the account so that the funds are no longer being held to cover the outstanding check and are available to be used for other litigation expenses. While some banks honor checks even after a year, the likelihood and risk of a check being presented to be cashed after one year is small enough that PSLS may use the funds for other purposes.

Therefore, each January and July at the time of the monthly reconciliations for December and June, respectively, the Litigation Account Custodian shall review the list of outstanding checks on the LA-2 to identify checks which have been outstanding for ~~12~~ 6 months or longer. Unless there is reason to believe that such a check is likely to be cashed, the Litigation Account Custodian shall remove the check from the outstanding check list on the LA-2 for December/June; the Custodian shall record the amount of the check on the LA-1 for

December/June as a receipt of new funds, increasing the balance of the account, and specifically noting the reason for the entry.