



FINAL REPORT
LEGAL SERVICES CORPORATION
Office of Compliance and Enforcement

Legal Aid Society of Middle Tennessee
and the Cumberlands
February 27-March 2, 2012

Case Service Report/Case Management System Review

Recipient No. 643040

I. EXECUTIVE SUMMARY

Finding 1: LASMT's automated case management system ("ACMS") is sufficient to ensure that information necessary for the effective management of cases is accurately and timely recorded.

Finding 2: LASMT's intake procedures and case management system generally support the program's compliance related requirements. The intake screening procedures observed in program offices demonstrate compliance in obtaining written citizenship attestations, performing conflict and duplicate checks at the start of the intake process, and considering all authorized exceptions and factors when screening an applicant for income eligibility. However, additional training is needed in the Clarksville, Tullahoma and Gallatin offices regarding screening for reasonable income prospects and the specific requirements of the Violence Against Women Act of 2006 as it relates to citizenship screening.

Finding 3: LASMT 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.

Finding 4: LASMT maintains asset eligibility documentation as required by 45 CFR §§ 1611.3(c) and (d), and CSR Handbook (2008 Ed., as amended 2011), § 5.4.

Finding 5: LASMT is not in compliance with the documentation requirements of 45 CFR Part 1626 and CSR Handbook (2008 Ed., as amended 2011), § 5.5. A number of case files reviewed lacked the citizenship/alien eligibility documentation as required by LSC regulations and the CSR Handbook (2008 Ed., as amended 2011), § 5.5.

Finding 6: LASMT is in compliance with the retainer requirements of 45 CFR § 1611.9.

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

Finding 8: Sampled cases evidenced compliance with the requirements of 45 CFR § 1620.4 and § 1620.6(c) (Priorities in use of resources).

Finding 9: LASMT is not in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6 (Description of legal assistance provided). There was a number of case files reviewed which contained no description of the legal assistance provided.

Finding 10: LASMT's application of the CSR case closure categories is consistent with Chapter VIII, CSR Handbook (2008 Ed., as amended 2011), however a number of case files reviewed were noted for having CSR case closing code errors.

Finding 11: LASMT is in general compliance regarding the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3. However, numerous case files reviewed were found to be dormant or untimely closed.

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

Finding 13: Review of LASMT's policies and the list of attorneys, who have engaged in the outside practice of law, revealed that LASMT is in compliance with the requirements of 45 CFR Part 1604 (Outside practice of law).

Finding 14: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1608 (Prohibited political activities).

Finding 15: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1609 (Fee-generating cases).

Finding 16: A limited review of LASMT's financial records and observation of the physical location at its main and branch offices indicates compliance with 45 CFR Part 1610 (Program integrity of recipient) in that the program does not appear to engage in restricted activities. Also, the program provides written notification to its non-LSC funding sources of \$250 and over of the prohibitions and conditions which apply to the funds received from sources other than LSC.

Finding 17: LASMT 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. In addition, LASMT is in compliance with 45 CFR § 1614.3(d) (3) which requires oversight and follow-up of the PAI cases. However, as noted in Finding 33, below, LASMT is not in compliance with 45 CFR Part 1614.1(e).

Finding 18: LASMT is in compliance with 45 CFR § 1627.4(a) which prohibits programs from utilizing LSC funds to pay for membership fees or dues to any private or nonprofit organization.

Finding 19: LASMT is in compliance with 45 CFR Part 1635 (Timekeeping requirement).

Finding 20: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1642 (Attorneys' fees).

Finding 21: Sampled cases reviewed and documents reviewed evidenced compliance with the requirements of 45 CFR Part 1612 (Restrictions on lobbying and certain other activities).

Finding 22: Sampled cases evidenced 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: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1617 (Class actions).

Finding 24: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1632 (Redistricting).

Finding 25: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1633 (Restriction on representation in certain eviction proceedings).

Finding 26: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1637 (Representation of prisoners).

Finding 27: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1638 (Restriction on solicitation).

Finding 28: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1643 (Restriction on assisted suicide, euthanasia, and mercy killing).

Finding 29: Sampled cases evidenced 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: From a limited review of LASMT's internal controls over bank reconciliations it was determined that several outstanding checks are listed as over 180 days old.

Finding 31: Based upon a limited review LASMT's policies and procedures, fiscal/accounting records and interviews with its fiscal staff and management, it was determined that the program has evidenced generally sound internal controls. However, the program should further strengthen its internal controls by: 1) adopting the record retention guidelines contained in the 2010 edition of the Accounting Guide for LSC Recipients ("AGLR"); 2) updating its Credit Card and Charge Card Policy and Procedure to reflect current account information; and 3) taking steps to better inform its clients of LASMT's policy for cash received.

Finding 32: A limited review of LASMT's accounting records revealed that the program has not retained any unexpended funds from its closed Technology Initiative Grants ("TIG").

Finding 33: From a limited review of documents and interviews with staff it was determined that LASMT is in non-compliance with 45 CFR § 1614.1(e) because a former staff attorney, (now a contract attorney), has been working on PAI cases within two (2) years of her separation from the program, and the program used LSC funds to cover the direct payments made to this former staff attorney.

Finding 34: From a limited review of documents and interviews with staff it was determined that LASMT is in non-compliance with 45 CFR § 1614.3(e), because: (1) PAI funds devoted to the 12.5% requirement are overstated by contract attorney payments; (2) all methods of allocating common costs are not clearly documented; (3) direct or indirect time spent working towards the PAI effort by attorneys and paralegals are not always based on time records for actual hours worked; and (4) time charged to “Bar Work” in some cases may have been PAI related, but have been excluded from the PAI calculation.

Finding 35: From a limited review of documents and interviews with staff it was determined that LASMT is in non-compliance with LSC’s Accounting Guide, because: (1) the program failed to allocate a portion of investment income to the LSC fund as derivative income and (2) the program failed to allocate a portion of attorney fees to the LSC fund as derivative income.

Finding 36: From a limited review of LASMT’s internal controls over cash receipts it was determined that; (1) cash receipts are properly recorded to the cash receipts log and (2) deposits are made in a timely manner.

II. BACKGROUND OF REVIEW

On February 27 through March 2, 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 the Legal Aid Society of Middle Tennessee and the Cumberlands ("LASMT"). The purpose of the visit was to assess the program's compliance with the LSC Act, regulations, and other applicable laws. The visit was conducted by a team of five (5) attorneys and two (2) fiscal analysts. All team members were OCE staff.

The on-site review was designed and executed to assess the program's compliance with basic client eligibility, intake, case management, regulatory and statutory requirements and to ensure that LASMT has correctly implemented the 2008 CSR Handbook. Specifically, the review team assessed LASMT for compliance with regulatory requirements 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 1638 (Restriction on solicitation); 45 CFR Part 1643 (Restriction on assisted suicide, euthanasia, or mercy killing); and 42 USC 2996f § 1007 (Abortion, school desegregation litigation and military selective service act or desertion).

The OCE team interviewed members of LASMT's upper and middle management, staff attorneys and support staff. LASMT's case intake, case acceptance, case management, and case closure practices and policies in all substantive units were assessed. In addition to interviews, a case file review was conducted. The sample case review period was from January 1, 2009 through December 31, 2011. Case file review relied upon randomly selected files as well as targeted files identified to test for compliance with LSC requirements, including eligibility, potential duplication, timely closing, and proper application of case closure categories. In the course of the on-site review, the OCE team reviewed a total of approximately 533 case files.

LASMT is an LSC recipient with eight (8) offices in Tennessee; its main office is in Nashville with branch offices in Oak Ridge, Cookeville, Clarksville, Columbia, Murfreesboro, Gallatin, and Tullahoma.

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.

LASMT's management staff consists of an Executive Director ("ED"), Operations Manager, Managing Attorneys in for each branch office, Fiscal (Accountant) Professional, and Pro Bono Coordinator. LASMT received a grant award from LSC in the amount of \$2,437,676 for 2012, \$2,846,421 for 2011 and \$2,979,591 for 2010.

For 2011, LASMT reported 5,174 closed cases in its CSR data. LASMT's 2011 self-inspection report indicated a 4.4% error rate. For the year 2010, the self-inspection report indicated a 2.8% error rate and for the year 2009, the self-inspection report indicated a 5.5% error rate.

By letter dated December 14, 2011, OCE requested that LASMT provide a list of all cases reported to LSC in its 2009 CSR data submission ("closed 2009 cases"), a list of all cases reported in its 2010 CSR data submission ("closed 2010 cases"), a list of all cases closed between January 1, 2011 and December 31, 2011 ("closed 2011 cases") and a list of all cases which remained open as of December 31, 2011 ("open cases"). OCE requested that the lists 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 closing category assigned to the case and the funding code assigned to the case. OCE requested that two sets of lists be compiled - one for cases handled by LASMT staff and the other for cases handled through LASMT's PAI component. LASMT was advised that OCE would seek access to such cases 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* (January 5, 2004) protocol. LASMT was requested to promptly notify OCE, 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.

Thereafter, an effort was made to create a representative sample of cases which the team would review during the on-site visit. The sample was created proportionately among 2010 and 2011 closed and open cases. The sample consisted largely of randomly selected cases, but also included targeted cases selected to test for compliance with the CSR instructions relative to timely closings, proper application of the CSR case closing categories, duplicate reporting, etc.

During the visit, access to case-related information was provided through staff intermediaries. Pursuant to the OCE and LASMT agreement of January 4, 2012, LASMT staff maintained possession of the file and discussed with the team the nature of the client's legal problem and the nature of the legal assistance rendered. In order to maintain confidentiality, such discussion, in some instances, was limited to a general discussion of the nature of the problem and the nature of the assistance provided.³ LASMT's management and staff cooperated fully in the course of the review process. As discussed more fully below, LASMT was made aware of any compliance issues during the on-site visit. This was accomplished by informing intermediaries of any compliance issues identified during case review.

At the conclusion of the visit on March 2, 2012, OCE conducted an exit conference during which LASMT was made aware of the areas in which a pattern of non-compliance was found. No

³ In those instances where it was evident that the nature of the problem and/or the nature of the assistance provided had been disclosed to an unprivileged third party, such discussion was more detailed, as necessary to assess compliance.

distinctions between 2010 and 2011 closed and the open cases were found. OCE cited instances of non-compliance. No patterns of non-compliance were found.

LASMT was advised that they would receive a Draft Report that would include all of OCE's findings and they would have 30 days to submit comments.

By letter dated May 8, 2012, OCE issued a Draft Report ("DR") detailing its findings, recommendations, and required corrective actions regarding the February 27-March 2, 2012 CSR/CMS visit. LASMT was asked to review the DR and provide written comments. By letter dated May 27, 2012, LASMT requested the deadline to submit comments be extended 30 days. OCE granted the request and by letter dated July 3, 2012, LASMT's comments were received. The comments have been incorporated into this Final Report, and are affixed as an exhibit.

III. FINDINGS

Finding 1: LASMT’s automated case management system (“ACMS”) is sufficient to ensure that information necessary for the effective management of cases is accurately and timely recorded.

Recipients are required to utilize ACMS 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.

Based on a comparison of the information yielded by the ACMS to information contained in the case files sampled, LASMT’s ACMS is sufficient to ensure that information necessary for the effective management of cases is accurately and timely recorded.

In response to the DR, LASMT offered no comment to this Finding.

Finding 2: LASMT’s intake procedures and case management system support the program’s compliance related requirements. The intake screening procedures observed in program offices demonstrate compliance in obtaining written citizenship attestations, performing conflict and duplicate checks at the start of the intake process, and considering all authorized exceptions and factors when screening an applicant for income eligibility. However, additional training is needed in the Clarksville, Gallatin and Tullahoma offices regarding screening for reasonable income prospects. Also further training is needed in the Clarksville and Tullahoma offices regarding the specific requirements of the Violence Against Women Act of 2006 as it relates to citizenship screening.

LASMT’s intake procedures and its ACMS were reviewed in all offices during the on-site visit.

Nashville

LASMT’s income and asset eligibility policy is in compliance with LSC regulations. The current policy was adopted by the Board of Directors in February 2011 and states that LASMT determines financial eligibility for legal assistance by following the regulations of the Legal Services Corporation, 45 CFR Part 1611.

The office conducts most intakes by telephone although walk-ins applicants are accepted. Telephone calls to the office are taken by the receptionist at the front desk. The receptionist asks the caller what legal issue they are calling about and if the issue is within program priorities, the caller’s name is added to a call back list. Each LASMT specialized law unit (family, consumer, housing) has a call back list. Staff from the specialized law units gets the names of people on their list and call them back. This is how the intake process is initiated. The screeners ask

applicants questions to determine their financial eligibility (income, assets) and citizenship in addition to conducting conflict checks.

All information provided by the applicant is entered directly into the ACMS by the intake screeners. LASMT utilizes File Make Pro (“FMP”) as its ACMS. An electronic file is created in FMP when intake screeners enter an applicant’s information into the ACMS. The intake screeners print the intake sheet and the printed sheet becomes part of the client’s case file. Questions regarding prospective income are asked by intake staff during screening. No defaults were observed in the ACMS. The FMP ACMS is linked program wide. LASMT has adopted the public benefits exception for applicants who fit into this category.

Case acceptance meetings are held weekly by each specialized law unit for non-emergency cases. These meetings are attended by all staff from the specialized units. Clients are notified by letter or telephone that their case has been accepted and an appointment is set for them to come in to the office. Applicants are notified by letter if the program has decided they cannot accept their case. Casehandlers close their own cases and assign the appropriate case closing code.

Gallatin

All the Gallatin office cases come from its own intake process, which is conducted both for walk-in and telephone applicants. The office conducts intake from Monday to Friday, 8:00 AM to 4:30 PM.

According to LASMT’s program priorities, they mostly accept power of attorney cases, wills, living wills, divorce, domestic violence, housing issues, evictions, unemployment compensation claims, public benefits, social security disability claims (if previously they have been turned down by two attorneys), petitions for order of protection, collection, and bankruptcy cases.

The intake for walk-in and telephone applicants is similar and is conducted as follows:

Conflict and Duplicate Check:

First the names, birthdays, social security numbers, and county of residence of the applicant and all of the applicant’s household members are entered into the ACMS. Then the same information is entered with respect to the opposing party. If there is a conflict, then the applicant will be notified that LASMT cannot accept their case, without revealing the conflict, and the intake is discontinued. If there is no conflict, a check for duplicate cases is conducted. Any issues identified are referred to the Managing Attorney.

1626 Eligibility Screening:

If the intake is in person, the applicant is required to sign a citizen attestation form. If the applicant is not a citizen, the case goes to the Managing Attorney to determine what to do. Once the applicant’s immigration status is established, that information is submitted to the Nashville office, for a determination as to whether the applicant is eligible or not. For example, if the applicant is a permanent resident alien, the Gallatin office sends a copy of the applicant’s green

card to the Nashville office. But, if the applicant is a victim of domestic violence or human trafficking, the intake will continue without any notification to the program's main office in Nashville.

Income Screening:

The applicant is asked about income and assets for all members of the household. No government benefits exemption is used. If the household income is over the 125% of the Federal Poverty Guidelines ("FPG") but below the 200% of the FPG, the intake screener inquires about expenses the applicant may have that qualify as authorized exemptions. Then a spend-down system is utilized to mathematically reduce the applicant's income to or below 125% of the FPG.

Interviews revealed that intake staff in the Gallatin office does not inquire into the reasonable income prospects of applicants as required by 45 CFR § 1611.7(a)(1). The applicant is not asked about prospective income or assets for the household but when no income is reported, the applicant is asked how their bills and living expenses household are paid.

Case Notes:

When the intake interview is completed, the intake screener enters information such as the status and nature of the applicant legal problem, important dates or applicable terms for the applicant's case, cause of action, and court or agency docket numbers into the case notes section of the ACMS;. After case notes are completed, the case goes to the Managing Attorney for disposition.

Case Management:

After the intake application is completed, the Managing Attorney asks the applicant follow-up questions. The Managing Attorney makes the decision as to whether or not the case will be accepted. The applicant is notified almost the same date about the case acceptance. The applicant is notified by letter if their case is not accepted.

Outreach:

Every two (2) months, one of the office's paralegals visits different courthouses, churches, schools, or agencies to distribute program's brochures with legal orientation and information about the office's services. Also, every month the paralegal organizes walk-in clinics in all the counties that the office serves and distributes pamphlets. No legal advice is provided, but the paralegal collects the necessary information from anyone interested program services. This information is entered in the office's data base for conflict check purposes. If there is no conflict, the person will be called back to make an application for services.

Overview of Clarksville, Tullahoma, and Murfreesboro

Intake policy and procedures in the Clarksville, Tullahoma, and Murfreesboro offices shared many of the same characteristics and, as such, the findings from these offices are discussed together. Intake procedures specific to any of these offices are discussed below.

Intake staff (receptionist/legal assistant, office manager, and the Managing Attorney) were interviewed regarding compliance with LSC regulations and the CSR Handbook. The interviews revealed that the screening performed by intake staff support the program's compliance related requirements with respect to obtaining written citizenship attestations, performing conflict and duplicate checks at the start of the intake process, and considering all authorized exceptions and factors when screening an applicant for income eligibility. However, the Clarksville and Tullahoma offices do not comply with 45 CFR § 1611.7(a) as they fail to, as part of financial eligibility screening, make reasonable inquiry into the income prospects of each applicant for LSC funded legal assistance. Also, there appeared to be some confusion as to the specific requirements of the Violence Against Women Act of 2006 as it relates to citizenship screening.⁴

Overview of Intake Process:

Once intake staff decides the applicant's legal issue falls within LASMT's list of priorities, a determination is made as to whether the legal issue is an emergency. If the legal issue is an emergency, then intake screening occurs immediately, usually that same day. However, if the legal issue is not an emergency, then the applicant is given an appointment for intake screening. The appointment can be in person or a telephone call. Regardless of what type of appointment is given, intake staff indicated that walk-in applicants sign a citizenship attestation form – even if their eventual intake appointment is by telephone.

In-person intake screening is conducted in which an applicant provides his or her background information and opposing party information on an office form. A citizenship attestation is also a part this form. If there is no conflict, then the applicant is told that he/she will be contacted by a staff attorney.

Duplicates and conflicts are verified at the very beginning of the intake process by entering the information from the conflicts form into the ACMS. If there appears to be a conflict, an attorney verifies the conflict and the applicant is told LASMT is unable to provide legal services. If there is no conflict, the applicant is provided a more detailed application. Intake staff also indicated that additional forms may be provided based on the nature of the applicant's legal issue. After duplicates are checked, citizenship is verified, and the applicant is screened for financial eligibility. Once intake is completed and the applicant is deemed eligible for legal services, the case and all relevant information is presented during case review. If the case is not accepted, the applicant is sent a denial letter.

Reasonable Income Prospects Screening:

The on-site observation revealed that the intake staff in Clarksville and Tullahoma does not inquire into the reasonable income prospects of applicants. There is not a specific question for reasonable income prospects screening in the ACMS or on the intake application; nor is the question asked and the applicant's response recorded in the ACMS or the applicant's file. On-

⁴ A brief explanation of the Violence Against Women Act of 2006 was provided and a copy of Program Letter 06-2 explaining the Act in detail was provided to staff.

site observation of intake staff in the Murfreesboro office evidenced that their staff does inquire into the reasonable income prospects of applicants.

As such, the Clarksville and Tullahoma offices are not in compliance with 45 CFR § 1611.7(a) (1), which mandates that LASMT inquire into every applicant's reasonable income prospects during intake.

Citizenship and Eligible Alien Status Screening:

Intake staff demonstrated familiarity with the alien eligibility requirements of 45 CFR Part 1626. Intake staff reported that they verify citizenship status during intake screening and when necessary, request documentation of eligible alien status before completing the intake process. In cases where the applicant is not citizen of the United States, copies of required documentation are sent to the Nashville office, via facsimile, so that a determination can be made as to whether the applicant is eligible for legal services. The ACMS includes a section titled "Immigration Status" that requires intake staff to verify that documentation demonstrating alien eligibility has been submitted and approved by the ED.

Those interviewed reported that written citizenship attestations are obtained for those applicants who walk into the office. This is in compliance with 45 CFR § 1626.6(a) and CSR Handbook (2008 Ed., as amended 2011), § 5.5, which requires Recipients to obtain written citizenship attestations whenever a program staff has in-person contact with the applicant.

The Clarksville and Tullahoma office procedures are compliant with 45 CFR Part 1626 (Restrictions on legal assistance to aliens), however staff need additional training regarding the applicability of 45 CFR § 1626.4 and Program Letter 06-2, Violence Against Women Act 2006 Amendments. Specifically, staff must be trained that they do not have to get a citizenship attestation or alien eligibility documentation from an otherwise ineligible alien in cases involving domestic violence.

Intake staff in Murfreesboro correctly articulated the Violence Against Women Act of 2006 amendment and explained its applicability.

Income Screening:

The intake staff in all three (3) offices expressed understanding that an applicant will be considered eligible if the applicant's income is at or under 125% of the FPG.

If the applicant's income is between 125%-200% of the FPG, staff then proceeds to a screen in the ACMS labeled "Monthly Expenses." The allowable monthly expenses include, but are not limited to:

- Insurance Premiums;
- Nursing Home expenses;
- Support payments;
- Child care expenses;

- Tax liability.

Intake staff stated, if the applicant has any of the listed expenses present, the ACMS deducts the total numerical value of monthly expenses from their income. Staff indicated that the system records the applicant's yearly income before and after expenses. The ACMS then computes whether the applicant is financially eligible for LSC funded legal assistance. This practice is characterized as a "spend-down" which conforms to LASMT's financial eligibility income policy.

Asset Screenings:

Interviews revealed that intake staff is familiar with the categories of assets that could be excluded by LASMT, as well as the asset ceiling amounts.

Case Management:

Case acceptance meetings are held every two to three weeks. After assistance has been rendered, each attorney is responsible for determining the correct closing code and ensuring the case is closed in the ACMS. The Managing Attorneys in each of the offices review open cases in order to ensure that cases stay active. In addition, every year, each office's files are reviewed by two (2) attorneys from another LASMT field office.⁵

Outreach:

The Clarksville office conducts outreach; however the Managing Attorney indicated that only legal information is provided to participants. If an individual needs legal advice, then he or she is advised to call the office and go through the regular intake process.

The Tullahoma office conducts outreach where staff attorneys provide legal advice on-site. The Managing Attorney explained laptop computers are taken to the locations so that conflicts and duplicates are verified onsite. If the location does not have internet access, the Managing Attorney indicated, the staff attorney calls back to the office and duplicates and conflicts are checked via telephone. In addition, participants are provided an intake application to complete on-site. The intake application includes questions regarding the applicant's monthly income, assets and citizenship status.

The Murfreesboro office conducts outreach where staff attorneys provide advice on-site. The managing attorney explained laptop computers are taken to the locations so that conflicts and duplicates are verified on-site. If the location does not have internet access, the staff attorneys call back to the office to check duplicates and conflicts via telephone. In addition, participants are provided an intake application to complete on-site. The intake application includes questions regarding the applicant's monthly income, assets, and citizenship status.

⁵ Interviews indicate this is a program-wide practice.

Group Eligibility:

Occasionally, the Tullahoma office represents groups seeking legal assistance. The office utilizes a worksheet in order to determine the group's eligibility. In compliance with 45 CFR § 1611.6 the worksheet requires the group to provide financial documentation that it lacks and has no practical means of obtaining funds to retain private counsel. Once that has been verified, group eligibility can be satisfied by a determination that the group is composed primarily of individuals who would be financially eligible for LSC-funded legal assistance or the group's principal activity is the delivery of services to individuals who would be financially eligible for LSC-funded legal assistance and the required legal assistance relates to such activity. Once fully completed, the worksheet is forwarded to LASMT's General Counsel or ED for approval.

Overview of Columbia, Cookeville, and Oak Ridge

In each of the offices reviewed intake was handled differently; accordingly, each office will be discussed individually. The components of each intake process – eligibility screening (including conflicts, income, assets, citizenship/eligible alien status), legal problem and case specifics, and then case acceptance – was handled slightly differently. In each office reviewed, the intake worker performs a preliminary screening on applicants to ensure the case type is the type of case that LASMT handles (i.e., not a criminal case) and that the applicant lives in a county served by the office; after this point, the practices diverge.

Case management and case closing in all offices reviewed follows the same basic procedures. Files are maintained in accord with a simple and concise policy. In each office, files are periodically reviewed to ensure consistency, timeliness, organization, compliance and high quality advocacy. The review period and scope of the review generally varies given the experience level of the advocate, as well as past performance. Again, LASMT has a simple, yet well thought out and thorough set of policies which guide these file reviews.⁶ In addition to the file reviews, the managing attorney of each office periodically reviews the open case list on the FMP ACMS for their office to ensure timeliness of the cases. In addition, there are functions in FMP which allow case handlers to easily review their cases to ensure timeliness of case work.

When files are closed, the attorney prepares a closing memorandum or notation depending on the level of service provided in each file. Generally there is a closing letter in the file to the client explaining the outcome and whatever actions the client should take in the future, depending on the case. The attorney determines the CSR case closing code and files are submitted to the managing attorney in each office to approve for closure. Finally, when the files are approved for closure, the file is closed out in FMP.

Columbia

Intake in the Columbia office takes place during normal office hours, which are 9:00 AM to 4:00 PM, Monday through Friday, exclusive of holidays. In Columbia, the intake worker, who is the receptionist, screens for all basic eligibility information and also records the basic legal concern;

⁶ Standards for Conducting file Reviews (March 2009); Twenty-one Questions (We Must Answer in Each File Review Memo) (May 15, 2010).

all information is recorded directly into the ACMS. On Thursdays, she presents this to the staff at a case acceptance meeting and the advocates make the decision at that time whether to handle each application or to reject it. In some instances, the attorney may just provide counsel and advice or brief service, in others extended services.

As discussed previously, LASMT utilizes a “spend-down” calculation to determine income eligibility. To reiterate, for persons whose household income is between 125%-200 % of the FPG, the program collects information on the 45 CFR § 1611.5 factors and the uses these factors as a basis for deductions to lower the applicant’s income to or under the 125% threshold. In the Columbia office, while the ACMS records both the applicant’s total household income and the 1611.5 factors and makes the calculation to determine the applicant’s adjusted income, it is the attorneys who make the decision on whether to accept the case based on these factors.

The Columbia office, which is located in Maury County, provides legal assistance in eight (8) counties. Outreach is performed in the seven outlying counties on a monthly basis. A paralegal conducts outreach screening in two (2) counties, Marshall and Wayne, and a paralegal conducts intake screening in the remaining five (5) counties (Hickman, Lawrence, Giles, Perry, and Lewis). Applicants are either pre-screened for conflicts or are checked by telephone when they seek assistance. For persons who go through intake screening in the Columbia office, the receptionist screens for conflicts prior to obtaining information on income, assets, and case specifics.

Cookeville

Intake in the Cookeville office is a staggered two-part process. In the first portion, the applicant gets screened by the receptionist to ensure the general type of case is broadly within the program priorities and also to do conflict checking. After screening for conflict and case type, the applicant’s name is then placed on a call-back list for call-back by an intake worker. In Cookeville, the call-back period is about 2 to 3 weeks although applicants are advised to call back if they are served with a notice or there is any change in deadlines. The intake worker then calls them back on Mondays and Tuesdays and screens for income, assets, eligibility, and citizenship or alien eligibility. This is the basic intake screening discussed above. After this, the intake worker records the details of the applicant’s concerns. Following this, the applicant is advised that their case will be presented at the case acceptance meeting and a decision will be made and communicated to them.

While most intake screenings follow this call back process, emergency intakes will be taken at the time of calling (or walk-in), as necessary.

As noted above, walk-in applicants are processed the same as telephone callers in that the intake screening is done at a later time. One concern noted is that the intake screener acknowledged that she doesn’t always obtain the citizenship attestation from the applicant at the time of the initial appearance in the office. The LSC regulations require an attestation be completed for all clients who are seen by program staff. *See* 45 CFR § 1626.6(a) and CSR Handbook (2008 Ed., as amended 2011), § 5.5.

As noted above, for those applicants who are over the 125% FPG threshold, LASMT utilizes the 45 CFR § 1611.5 factors as a “spend-down” to qualify applicants for legal assistance. The Cookeville intake worker indicated that assistance may be provided to those who are not “spent-down” below the 125% FPG threshold if they get a waiver from the ED.

Following the complete intake screening by the receptionist/intake worker this information is provided to the attorneys, who will then follow-up in one (1) to two (2) days, by telephone to the applicants. During this call the attorneys may decide that the applicant’s problems can best be addressed by providing either counsel and advice or brief services and can address those at that time. Otherwise, the case will be taken to the weekly case acceptance meeting which is held every Wednesday. At that point, the advocates will review their case loads and schedules and the merits of the cases to determine whether to accept or reject each application. The applicant is notified by letter of the decision.

There is some outreach intake done at the domestic violence centers. The centers have been given an application for legal assistance which is completed and faxed to the Cookeville office which does the basic conflict checking and eligibility screening. After qualification, the advocate will then screen the applicant to ensure the LASMT standards are met and will determine whether to provide legal assistance.

In brief, while the intake process is well-functioning at the Cookeville offices, concerns were noted regarding the possibility of failing to get attestations from walk-in applicants and the apparent lengthy period for call backs.

Oak Ridge

In Oak Ridge, the intake worker screens each applicant through the basic eligibility information, recording this information on a paper form and then, later, entering this information into the ACMS (this creates a separate problem with conflicts, discussed below). After this basic intake screening, the applicant is referred to an attorney for an interview. During the interview, the attorney may provide brief service or counsel and advice and close the case. Alternatively, the attorney may take the information to the case review meeting for acceptance for extended services.

The problem with conflict checking in the Oak Ridge office is that all information is obtained on a paper intake form and then, at a later date, the conflict check is done. The problem is that this process includes the recordation of the applicant’s income, which, according to the LASMT General Counsel, is considered to be a confidence in the state of Tennessee. If the applicant is rejected due to a conflict, the paper intake form is destroyed and not communicated to the case handlers. The LASMT General Counsel recognized this as a problem and indicated that the program may revise this practice so the ACMS screening for conflicts is done before income information is recorded.

In summary, the following recommendations and corrective actions are suggested or required:

1. Ensure that citizenship attestations are obtained, or alien eligibility documentation reviewed, for all walk-in applicants;
2. Train staff regarding the applicability of 45 CFR § 1626.4 and Program Letter 06-2, Violence Against Women Act 2006 Amendments;
3. Ensure that, pursuant to 45 CFR § 1611(a)(1), all applicants are screened for reasonable income prospects;
4. All income forms and the ACMS should be updated to include questions regarding reasonable income prospects and staff should receive appropriate training; and
5. Conflict screening should be completed prior to obtaining income information from applicants.

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. LASMT also stated in its comments that at the all-staff meeting, LAS management reminded all staff of their obligation to check conflicts before they receive confidences, such as income and assets. LASMT also stated in its comments that LAS management will review each office's intake policy to ensure that appropriate systems are in place to make timely checks of conflicts.

LASMT stated it has made modifications to its database system that include a question regarding the applicant's reasonable income prospects and a field in which to enter the amount, if any. LASMT also stated they provided training and back-up materials to the entire staff at its all-staff meeting held on June 28, 2012.

Finding 3: LASMT 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.

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.⁷ *See* 45 CFR § 1611.3(c)(1), 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.

⁷ A numerical amount must be recorded, even if it is zero. *See* 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.

All case files contained income eligibility documentation required by 45 CFR § 1611.4, CSR Handbook (2008 Ed.), § 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% threshold, LASMT properly documented its review of the factors and, in accord with its policy, used the factors to “spend-down” the applicant’s income below the 125% threshold. In interviews in the Cookeville office, intake staff explained that LASMT could provide representation to applicants whose income could not be spent down below the 125% threshold if the ED granted a waiver. This is not consistent with the actual LASMT policy in that it is only when “the applicant's household income is primarily committed to medical or nursing home expenses” that the waiver provisions apply.⁸ *See* open Case No. a445847.

It is possible that there was a prior policy which allowed the representation of an applicant whose income was over the 125% threshold even after a spend-down. This would account for the mistaken belief that an applicant could be represented pursuant to a waiver. In addition, it was noted that the LASMT’s Standards of File Maintenance contained a section which referenced a waiver, which could be a holdover from a prior policy. Specifically in the section indicating how documentation reflecting compliance should be maintained, it states:

Compliance Documents. Place eligibility and compliance documents together in one place in the file. Some advocates find it convenient to put the material at the bottom of the right hand file folder; others use the bottom of the left side. The important thing is to have formal compliance documents together in one place. Such documents should include (when applicable) a copy of the eligibility work sheet, retainer, client statement, an indication of the director's approval of a waiver of asset standards, **director's approval of acceptance of a client whose eligibility falls between 125 and 150% of poverty**, director's approval of alien representation, approval of group representation, permission to appeal, and other documents required by LSC regulations or LAS policy. Similarly, documents required by special grants, such as HUD Housing Counseling or LAV, should be together and easily found with other compliance documents.⁹

It is recommended that LASMT review its internal policies to ensure consistency on this issue.

⁸ There was one file reviewed in the Cookeville office which appeared to fall into the category in which assistance was provided to a person whose income was not fully spent down. However, it was subsequently determined that the case was not LSC funded.

⁹ Standards for Conducting file Reviews (March 2009).

Finally, it should be noted that LASMT has the flexibility under the LSC regulations to either: (1) use the factors as a spend-down and then to provide representation only to those income is spent down to or below 125% of the FPG; or (2) to apply the factors as a spend-down and to then provide representation to those who can't be spent down below 125% with the approval of a senior manager, General Counsel, or ED; or (3) to consider the factors (but not use as a spend-down) and to provide representation to those under 200% as determined by the staff and management of the program.¹⁰ Of course, the key is that the policy used must be established by the LASMT Board and followed consistently throughout the program.

In response to the DR, LASMT offered no comment to this Finding.

Finding 4: LASMT maintains asset eligibility documentation as required by 45 CFR §§ 1611.3(c) and (d), and CSR Handbook (2008 Ed., as amended 2011), § 5.4.

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-adopted asset eligibility policies.¹¹ *See* CSR Handbook (2008 Ed., 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 ED. The revised version allows the ED 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.

Sampled case files reviewed evidenced that LASMT maintains asset eligibility documentation as was required by the former 45 CFR § 1611.6 and as is required by the revised 45 CFR § 1611.3(c) and (d), and CSR Handbook (2008 Ed., as amended 2011), § 5.4.

In response to the DR, LASMT offered no comment to this Finding.

¹⁰ There are other permutations of these three (3) proposals which may also be employed.

¹¹ 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.

Finding 5: LASMT is not in compliance with the documentation requirements of 45 CFR Part 1626 and CSR Handbook (2008 Ed., as amended 2011), § 5.5. A number of case files reviewed lacked the citizenship/alien eligibility documentation as required by LSC regulations and the CSR Handbook (2008 Ed., as amended 2011), § 5.5.

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.¹² 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.

LASMT is not in compliance with the documentation requirements of 45 CFR § 1626.6 as there were 17 sampled files that lacked the citizenship/alien eligibility documentation as required by LSC regulations and the CSR Handbook (2008 Ed., as amended 2011). *See* open Case No. a403860, closed 2010 Case Nos. a390245 and a375066, a339454, and a301242; closed 2011 Case Nos. a432531, a362884, a382033, a340876, a389477, a410674, and a382033; and open PAI Case Nos. a415929, a314982, a447800, and a448502. It was explained to LASMT that absent the requisite citizenship/alien eligibility documentation, none of these files are CSR reportable and that they cannot be supported with LSC funds.

The Gallatin and Murfreesboro offices explained that they were under the impression that the citizenship/alien eligibility documentation was not necessary in these cases because LASMT never saw the clients. Rather, intake was conducted by telephone and the client was referred to a private attorney. Each of the files contained a notation reflecting the client's oral response to LASMT's inquiry regarding citizenship/alien eligibility; however, upon inquiry, with two (2)

¹² *See* Kennedy Amendment at 45 CFR § 1626.4.

exceptions, each of the clients met with the private attorney, therefore a citizenship attestation was required.

During the on-site review, the team explained that citizenship/alien eligibility documentation is required in all cases. The only exception is when the assistance provided is limited to counsel and advice or limited action provided exclusively by telephone. It was suggested that LASMT obtain the citizenship/alien eligibility documentation as a condition of the referral to the private attorney.

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, with an emphasis on documenting eligibility of walk-ins and other applicants with whom they have personal contact. LASMT also stated that cases that are not reportable will not be included as an LSC case in CSR reports.

Finding 6: LASMT is in compliance with the retainer requirements of 45 CFR § 1611.9.

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.¹³ Cases without a retainer, if otherwise eligible and properly documented, should be reported to LSC.

Case files reviewed evidenced that LASMT is in compliance with the requirements of 45 CFR § 1611.9.

In response to the DR, LASMT offered no comment to this Finding.

Finding 7: LASMT 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).

¹³ 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.

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).

Case files reviewed evidenced that LASMT is in compliance with the requirements of 45 CFR Part 1636.

In response to the DR, LASMT offered no comment to this Finding.

Finding 8: Sampled cases evidenced compliance with the requirements of 45 CFR § 1620.4 and § 1620.6(c) (Priorities in use of resources).

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 visit, LASMT provided LSC with a list of its priorities. The priorities are stated as “supporting families, preserving the home, promoting economic stability, achieving safety, stability and health and serving populations with special vulnerabilities.”

LASMT is in compliance with 45 CFR Part 1620. None of the sampled files reviewed evidenced cases that were outside of LASMT’s priorities.

In response to the DR, LASMT offered no comment to this Finding.

Finding 9: LASMT is not in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6 (Description of legal assistance provided). There was a number of case files which contained no 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 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 alias*, the level of service provided. *See* CSR Handbook (2008 Ed., as amended 2011), §§ 5.1(c) and 5.6.

LASMT is not in compliance with CSR Handbook (2008 Ed., as amended 2011), § 5.6. A number of reviewed lacked the legal assistance documentation required by CSR Handbook (2008 Ed., as amended 2011), § 5.6. *See* closed 2011 Case No. a393680 (closed as “other,” but file disclosed that client died before legal assistance was provided); closed 2010 Case Nos. a375066, a338121, a388297, and A381007 (closed as “limited action,” but each file indicated that client failed to respond to the referral); closed 2010 Case No. a367609 (closed as “limited action,” but file indicated that only service was referral to private attorney); closed 2010 PAI Case Nos. a375924 (closed as “limited action,” but file indicated private attorney drafted petition, however client did not return to sign it); a301242 (closed as “counsel and advice,” but file indicated client did not return to complete process), and a363873 (client was merely referred to a private attorney in Georgia, without any advice or evidence of legal assistance being provided to the client).

It was explained to LASMT that absent a description of some level of legal assistance provided to the client, these files are cannot be reported. Further, it was also explained that LASMT may not report the referral of an eligible applicant as a case when the referral is the only form of assistance provided. *See* CSR Handbook (2008 Ed., as amended 2011), § 7.2. On a positive note, intake workers in all offices reviewed were adamant that they do not provide any legal advice or assistance prior to case acceptance. Intake workers indicated the provision of general information and the sending out of pamphlets was considered to be a matter, not a CSR case.

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, on the need to document the level of legal assistance provided.

LASMT also stated that, by September 1, 2012, the General Counsel will revise LASMT’s standards for file maintenance and will give all advocates a written reminder and a copy of Sec. 5.6 of the CSR Handbook, with an emphasis on the obligation to include in case notes a statement of the actual assistance rendered that is sufficient to justify the level of service provided. In addition, reviewing the sufficiency of legal assistance provided will be added to the protocol for file review by peers and supervisors.

LASMT further stated that in those cases in which the description of services rendered was inadequate the level of legal assistance provided, case notes will be expanded upon to describe the service rendered or the cases will be not included in CSR reports.

Finding 10: LASMT’s application of the CSR case closure categories is consistent with Section VIII, (2008 Ed., as amended 2011). However, a number of case files reviewed were noted for having CSR case closing code errors.

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 files reviewed demonstrated that LASMT’s application of the CSR case closing categories is consistent with Section VIII, CSR Handbook (2008 Ed., as amended 2011). However, several staff and PAI case files reviewed were noted for having CSR case closing code errors.

See closed 2010 PAI Case Nos. a390245 (file was closed as “B,” limited action. The private attorney represented the client at a bankruptcy proceeding; therefore, the level of assistance is more consistent with a court action); a331367 (client was represented in a divorce proceeding and a divorce decree was granted. The file indicated the case was closed as “B”; should have been closed as either “Ia” or “Ib”); a334482 (client was represented prior to the divorce, in an order of protection hearing, in which an order was issued, file indicated case was closed as “B” but should have been closed as “Ia” or “Ib”); a324960, a328890, a399150 (files indicated the cases were closed as “Ia” but should have been closed as “G” because the parties submitted a Marital Dissolution Agreement, that was approved by the court); closed 2011 PAI Case Nos. a421248 (a will was drafted but was not completed; file closed as “B” but should be closed as “A”); a391249, (client was provided advice on a divorce matter, the case should be closed as “A,” instead as “B”); a394668 (This case was closed as “Ia,” but correct closing code should be “G,” because the parties agreed to the dismissal of the petition and that a mutual restraining order should be entered); closed 2011 Case Nos. a404901 (case was opened July 10, 2009 and closed March 29, 2010 utilizing closing code “Ia” uncontested court decision. The case notes indicated that the divorce complaint was filed on or about September 8, 2009 and that the client became incarcerated on or about December 9, 2009. Thereafter, the staff attorney filed a request to withdraw as counsel of record. On or about February 12, 2010, the request to withdraw as Counsel was granted by court. Therefore, the more appropriate closing code is “L,” extensive service because the case notes indicated there was an order of withdrawal issued by the court); a404901 (This case was opened December 1, 2010 and closed March 31, 2011 utilizing closing code “F,” negotiated settlement without litigation. The case notes indicate that on or about January 27, 2011, the parties agreed to dismiss an Order of Protection and this agreement was filed with the Court. Therefore, the more appropriate closing code is “G,” negotiated settlement with litigation as the case notes indicated that the court had issued an order memorializing the agreement of the parties); and a407744, (case was opened January 12, 2011 and closed May 31, 2011 utilizing closing code “L,” extensive service. According to the case notes, the client alleged that her power of attorney was wrongfully converting her personal property. The staff attorney conducted an investigation in order to address the client’s concerns. The case was closed as “L” extensive service, however, the more appropriate closing code is “B” limited action, as the legal service described in the case file was not so complex as to rise to the level of “L.”)

In response to the DR, LASMT offered no comment to this Finding.

Finding 11: LASMT is in general compliance regarding the requirements of CSR Handbook (2008 Ed., as amended 2011), § 3.3. However, numerous case files reviewed were found to be dormant or untimely closed.

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, brief service, or a referral after legal assessment (CSR Categories, A, B, and C), should be reported as having been closed in the year in which the counsel and advice, brief service, or referral was provided. *See* CSR Handbook (2008 Ed., as amended 2011), § 3.3(a).¹⁴ There is, however, an exception for 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 D through K and F through L, 2008 CSR Handbook Ed., as amended 2011) should be reported as having been closed in the 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).

LASMT is in general compliance regarding the requirements of the CSR Handbook (2008 Ed., as amended 2011), § 3.3. However, numerous case files reviewed were found to be dormant or untimely closed.

See 2011 closed Case No. a318467 (This case was opened September 29, 2009 and closed January 7, 2011 utilizing closing code “H,” administrative agency decision. According to the case notes, on or about November 4, 2009, the Department of Labor issued its final decision and a closing letter was sent to the client on or about December 2009. The intermediary indicated that this case should have been closed late 2009 or early 2010 as no further legal activity took place after the December 2009 closing letter was sent to the client); open PAI Case Nos. a363789 (a divorce case finalized September 24, 2010. At the time of the on-site review, the case was still open in the ACMS system, but it should have been closed no later than during the grant year 2011); a313412 (divorce was granted sometime during 2010. At the time on the on-site review, the case is was open in the ACMS, but it should have been closed no later than 2011); a312436 (client was represented in a Petition for Order of Protection, which was not granted and the assistance ended on June 8, 2009. At the time of the on-site review, the case was still open in the ACMS system, and it should have been closed no later than 2010); a268010 (client was assisted in obtaining a VAWA Petition for Permanent Resident Status that was granted on June 2010. At the time of the review this case was open in the ACMS system, and it should have been closed no later than 2011); and 2012 Closed Case Nos. a279583 (untimely closed as the case was opened on August 24, 2008, no activity noted in the file, and was not closed until March 14,

¹⁴ 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).

2012); and a286318 (untimely closed as the case was opened on October 17, 2008, no activity noted in the file, and was not closed until March 24, 2012).

The following files were listed on the open case lists, but there was no response from the pro bono attorney to any of the status letters sent. *See* open Case Nos. a318447 (opened September 3, 2009), a394490 (opened October 22, 2010), and a320521 (opened June 11, 2009). *See* also open Case Nos. a314982 (opened 10/27/09, no activity in the file) and a447800 (case opened 8/30/11, no activity in the file). In both instances, LASMT stated that the client did not make keep the appointment with the pro bono attorney. All of these files, and others like them, should be closed in a manner which precludes them from being included in CSR data.

In response to the DR, LASMT offered no comment to this Finding.

Finding 12: Sample cases evidenced 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.

When a recipient provides more than one 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), § 3.2.

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.

Case lists were reviewed in advance and potential duplicate files were identified for review. No duplicate files were identified among the sampled files.

In response to the DR, LASMT offered no comment to this Finding.

Finding 13: Review of LASMT's policies and the list of attorneys, who have engaged in the outside practice of law, revealed that LASMT is in compliance with the requirement 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 this part, 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.

Based on interviews with program staff and the review of the recipient's policies and the list of attorneys who have engaged in the outside practice of law, LASMT is in compliance with the requirements of 45 CFR Part 1604.

In response to the DR, LASMT offered no comment to this Finding.

Finding 14: Sampled cases 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.

As described under "Staff Training" in Finding 31, LASMT's General Counsel prepared a document entitled Summary of Prohibited and Restricted Activities Affecting Staff of LSC-Funded Programs. The document, dated February 8, 2011, is provided to the program staff and includes prohibitions including 45 CFR Part 1608 (Prohibited political activities) including Political Campaigning, Political Candidacy, and Voter Registration. This information helps to ensure that its employees are aware of and comply with LSC requirements and restrictions regarding political activities.

A limited review of fiscal records provided no indication that the program was involved in any prohibited political activity during the review period. In discussions with the Accountant, she also confirmed that neither LASMT nor its staff was involved in any restricted political activities.

In response to the DR, LASMT offered no comment to this Finding.

Finding 15: From a limited review of documents and interviews with staff it was determined that LASMT is in compliance with 45 CFR Part 1609 (Fee-generating cases), because: (1) it was determined the fee generating cases they accepted likely had no substantial attorney fees, (2) attempts to refer similar cases in the past generally had been futile, and (3) they assisted eligible clients to obtain effective legal assistance. However, the program is in violation of Section 1609.4 of the regulation because it failed to allocate a portion of attorney fees to the LSC fund.

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 private attorneys; neither the referral service nor two 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 that private attorneys in the area ordinarily do not accept, or do not accept without pre-payment of a fee; the ED 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).

Part 1609 is designed: (a) To ensure that recipients do not use scarce legal services resources when private attorneys are available to provide effective representation, and (b) To assist eligible clients to obtain appropriate and effective legal assistance.

Review was undertaken of 12 fee-generating cases identified where there was a reasonable expectation that the case could result in a fee for legal services. Ten (10) of the 12 cases reviewed were from 2009, one (1) from 2010, and one (1) from 2011. Based on the program's records, nine (9) of the 10 cases in 2009 were brought on behalf of homeowners, and the principal objective of each case was to save the home; two (2) cases involved documented past attempts to refer similar cases that in the past generally had been futile, and one (1) case involved both. None of these cases resulted in, or would be likely to result in, substantial attorneys' fees, and attempts to refer similar cases in the past had been futile. In all cases the program assisted eligible clients to obtain effective legal assistance.

A review of the cash receipts journal, bank statements, general ledger, financial statements, and interviews with staff revealed that from January 1, 2010 through December 31, 2011, the program collected \$154,134.13 in attorneys' fees for providing legal representation to five (5) eligible clients. In 2010 and 2011, attorneys' fees collected totaled \$2,634.13 and \$151,500 respectively. The program failed to allocate a portion of these attorneys' fees to the LSC fund in accordance with Section 1609.4 of the regulation which states that attorneys' fees received by a recipient for representation supported in whole or in part with funds provided by LSC shall be allocated to the fund in which the recipient's LSC grant is recorded in the same proportion that the amount of LSC funds expended bears to the total amount expended by the recipient to support the representation. LASMT was advised to allocate \$154,134.13 in attorneys' fees to the LSC fund in the same proportion to the amount of LSC funds expended in providing legal representation to these five (5) clients (*see* Finding 35 regarding derivative income).

Finding 16: A limited review of LASMT's financial records and observation of the physical location at its main and branch offices indicates compliance with 45 CFR Part 1610 (Program integrity of recipient) in that the program does not appear to engage in restricted activities. Also, the program provides written notification to its non-LSC funding sources of \$250 and over of the prohibitions and conditions which apply to the funds received from sources other than LSC.

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 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 as described under 45 CFR § 1610.2. They include lobbying, participation in LASMTs 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 as further described under 45 CFR § 1610.8(a).

Also, recipients are requested to exercise caution in sharing space, equipment and facilities with organizations that engage in restricted activities. Organizational names, building signs, telephone numbers, and other forms of identification should clearly distinguish the recipient from any organization that engages in restricted activities. Recipients are further 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).

Based on a limited review of the chart of accounts as well as from observations of the physical location at its Nashville Office and from interviews with LASMT staff the program does not appear to be engaged in any restricted activities which would present 45 CFR Part 1610 compliance issues.

LSC regulation 45 CFR § 1610.5 Notification states:

- (a) Except as provided in paragraph (b) of this section, no recipient may accept funds from any source other than the Corporation, unless the recipient provides to the source of the funds written notification of the prohibitions and conditions which apply to the funds.
- (b) A recipient is not required to provide such notification for receipt of contributions of less than \$250.

Further clarification is provided in the Final Rule covering 45 CFR Part 1610, Use of Non-LSC Funds, Transfers of LSC Funds, Program Integrity published in 27696 Federal Register, Vol. 62,

No. 98, Wednesday, May 21, 1997. The Final Rule states, in part, “Generally, notification should be provided before the recipient accepts the funds. Thus, notice should be given during the course of soliciting funds or applying for a grant or contract. However, for unsolicited donations where advance notice is not feasible, notice should be given in the recipient’s letter acknowledging the contribution. For contracts and grants awarded prior to the enactment of the restriction, notice should be given prior to acceptance by the recipient of any additional payments. The notice requirement applies to funds received by recipients as grants, contracts or charitable donations from funders other than the Corporation, which are intended to fund the nonprofit work of the recipient. It does not include funds received from sources such as court payment to attorneys for their work under court appointments; nor does it include payments to the recipient for rent, bank interest, or sale of goods, such as manuals.”

The program has established a process to provide the stipulated written notification to its individual contributors of \$250 and over. A limited review was conducted of nine (9) donor (“thank you”) letters for individual contributions consisting of three (3) donor letters for each year from 2009 through 2011. These thank you letters were sent by LASMT subsequent to receiving a donation and they comply with the notification requirements of 45 CFR § 1610.5. Additionally, the program provides a similar notification to its non-LSC funding sources. However, the commentary to the 1997 Final Rule, as described above, states that notification to these funding sources should be made during the application process. Through discussion with the ED and Director of Development it was determined that the program was not aware of this guidance, as it is not contained in the regulation itself. The ED advised that in the future, notification will occur during the application process.

In response to the DR, LASMT offered no comment to this Finding.

Finding 17: LASMT 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. In addition, LASMT is in compliance with 45 CFR § 1614.3(d) (3) which requires oversight and follow-up of the PAI cases.

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.

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.

The accounting requirements of 45 CFR Part 1614 require the recipient to utilize a financial management system and procedures that maintain supporting documentation to document PAI cost allocations, identify and account for separately direct and indirect costs related to its PAI effort and report the support and expenses relating to the PAI effort separately in the recipient's year-end audit

The review of the PAI schedule disclosed in the Audited Financial Statements for Fiscal Year Ending December 31, 2010 determined that LASMT is in compliance with 45 CFR Part 1614.

The review of PAI invoices disclosed that such invoices were itemized and detailed and included support that the legal work was performed. 45 CFR § 1614.3(d)(3) requires that documentation must be included to support that the legal work was performed.

Overview of Private Attorney Involvement

LASMT has developed a plan and budget to meet the requirements of Part 1614. The activities undertaken by LASMT's offices to involve private attorneys in the delivery of legal assistance to eligible clients consist mainly of pro bono referrals. The pro bono programs are joint efforts between LASMT, private attorneys and the local bar associations. LASMT's PAI program also utilizes private attorneys in its Contract Attorney Program.

The practices in each of the offices are essentially the same. Interviews with LASMT staff revealed that all of the persons that are referred are screened for eligibility through LASMT's established intake procedures and that case acceptance is consistent with LASMT's established priorities. Cases are referred to participating attorneys according to the attorney's interest, skill, expertise, and substantive experience.

Once eligibility is determined and the case is accepted, the Pro Bono Coordinators in the respective offices contact the participating attorneys, either by telephone or e-mail, in an attempt to place the case. Once a participating attorney agrees to accept the referral, a letter is sent to the client advising him/her of the referral and a letter is sent to the participating attorney with all of the pertinent information. Oversight and follow-up consists of periodic letters to the participating attorney regarding the status of the case. The frequency of oversight and follow-up depends upon the nature of the case. In most instances, the Pro Bono Coordinators will also contact the client to determine the progress of the case.

Referrals are made based on the requirements of the case. As a result, cases requiring a greater - or lesser - degree of time and effort are referred depending on the case loads of the staff attorneys. This was evident from the PAI cases that were reviewed during the visit which included a variety of legal issues.

When a case is closed, the Pro Bono Coordinators receive a closing letter from the participating attorney describing the assistance that was provided to the client and/or the closing documents, *i.e.*, court orders, agency decisions, etc. Based on this information, they apply the appropriate closing code and close the case.

PAI activities in the individual LASMT offices are as follows:

Nashville

PAI activities in the Nashville office are administered by the Nashville Pro Bono Program (“NPBP”). The NPBP is administered by the Director, a fulltime LASMT staff attorney with significant program experience. The Director is responsible for case review, management and recruitment as well as referrals and oversight of PAI files. The NPBP staff consists of a clinic coordinator, administrative assistant as well as volunteer law students.

The NPBP utilizes private attorneys for cases that private attorneys normally accept. LASMT’s PAI attorneys accept cases in the areas of social security, TennCare, consumer, IRS, adoption, domestic violence, tort defense and bankruptcy.

The intake process for pro bono cases is the same as the intake process for staff cases. Applicants contact the program and if their legal issue is deemed appropriate for the pro bono representation, their name is added to the pro bono call back list. The applicant receives a call back from a pro bono intake staff member who asks the applicant questions to determine their eligibility. The Director makes the final determination regarding an applicant’s eligibility.

When the program finds an attorney who will take the case, a letter is sent to them with information about the client along with the client’s intake forms, retainer agreements, and other documents relevant to the case. The letter says the client has been instructed to contact the attorney to set up an appointment to meet with them. The Director also sends a letter to the client with contact information about the pro bono attorney.

NPBP Oversight Procedures:

NPBP is in compliance with 45 CFR § 1614.3(d)(3) which requires oversight of the PAI cases. The program utilizes a Case Update Form (“CUF”) as part of its oversight procedure. The CUF is sent to pro bono attorneys, asking them to provide updated information about the status of their case. A CUF is sent to the pro bono attorney 30 days after the case is opened. PAI attorneys are contacted by telephone and email if the program does not receive a CUF.

NPBP Case Closing Procedures:

At the completion of the case, the Director sends a letter with the case completion form and closing letter to the private attorney. The case completion form allows the attorney to indicate the reason the case was closed, outcome of the case, and number of hours spent on the case. The Director selects the case closing code for all PAI cases and closes them in the ACMS.

The Nashville office operates several walk-in clinics each month. The clinics are staffed by pro bono attorneys and most of the assistance provided is counsel and advice but some can be extended representation cases. Applicants who attend the clinics are given a paper intake form and modified retainer agreement to complete. The paper intake form includes questions necessary to determine the applicant's eligibility i.e., household income, assets, citizenship.

Clarksville

PAI in the Clarksville office consists of referrals made to pro bono attorneys. The pro bono attorneys in Clarksville have agreed to accept referrals in the areas of wills, guardianship, divorce, and small estates issues. The Managing Attorney and Office Manager have referral and oversight responsibilities of PAI cases. The pro bono attorney is initially contacted by telephone or letter for case referral. If the referral is accepted, a letter with an intake summary is sent to the attorney. For case follow up and oversight, the office sends a status letter to the pro bono attorney to find out what is going on with the case. Such oversight is scheduled to be performed at least quarterly or every three (3) months for each case.

Cookeville

PAI in the Cookeville office consists of Contract Attorney Program ("CAP") cases. The Cookeville office contracts with private attorneys for divorce cases with custody or property issues. The Managing Attorney, as well as the staff attorneys, is assigned oversight of CAP cases; such case assignments are made on a rotating basis. The Managing Attorney approves all bills submitted by CAP attorneys. Under CAP operating procedures, a case is considered dormant if the office has not received a bill from the CAP attorney in more than six (6) months. At the completing representation of a client, the CAP attorney informs the program about the services he/she has provided to the client. The Managing Attorney or the assigned staff attorneys determine the appropriate closing code that will be utilized when the case is ready to be closed.

Columbia

The PAI program in the Columbia office is in its infancy, therefore an accurate determination of its compliance with 45 CFR § 1614.3(d)(3) which requires oversight and follow-up of the PAI cases, could not be determined. However, the oversight and follow-up procedures articulated by the PAI coordinator seemed adequate.

a. Pro Bono PAI

Intake Process: The intake process for a PAI case in the Columbia office is no different than the intake process for an "in-house case."

Referrals: Cases are referred from the case acceptance meetings. When a case has been referred, the PAI coordinator, who is also an attorney, contacts the applicant in order to learn more details concerning the applicant's legal issue. After additional details have been gathered, an authorization agreement is sent to the client for his or her signature. The agreement authorizes the pro bono program to find a pro bono attorney for the client. Once the authorization agreement

is returned signed, the coordinator then matches legal issue to an available attorney. After she receives confirmation that the attorney is available, a letter instructing the applicant how and when to contact the attorney is sent via mail. Finally, a confirmation letter is sent to the attorney along with any additional forms.

Oversight: The PAI program is in its infancy. The Pro Bono Coordinator indicated that the PAI program started January 2012 and to date four (4) cases have been placed with private attorneys. As a result, the effectiveness of any oversight could not be accurately determined. However, the Pro Bono Coordinator indicated that oversight and follow-up measures would be conducted quarterly.

Case closure: The attorney sends the required documentation showing that legal services have been completed. The Managing Attorney assigns closing codes.

b. Reduced Fee PAI

The Columbia office refers to reduced fee cases as the “Contact Attorney Program” or “CAP.” The staff attorney interviewed reported that reduced fee cases rarely occur in the Columbia office. It was estimated that in 2.5 years, there have been four (4) CAP cases. All necessary documentation is submitted to central office for payment. Upon completion of the case, the attorney completes a CAP closing memorandum summarizing the case and assigning a closing code.

Oak Ridge

Interviews with the Pro Bono Coordinator in the Oak Ridge office demonstrated that she recruits participating attorneys, places and monitors, and closes all cases referred to the participating pro bono attorneys. Interviews also revealed that the Pro Bono Coordinator is actively involved with the local bar associations in the seven counties served by the Oak Ridge office. She is also involved with a number of county boards and commission, law school alumni associations, and networks with private attorneys in the seven county areas. Consequently, she is familiar with the areas of expertise of the bar membership in the counties served.

As noted previously, she advised that persons referred are screened for eligibility through LASMT’s established intake procedures and that all necessary documentation, *e.g.*, citizenship/alien eligibility, is obtained prior to the referral.

The Pro Bono Coordinator in Oak Ridge stated that LASMT is usually working with the participating attorney on companion issues, so the Oak Ridge office is always in touch with the participating attorneys.

The Pro Bono Coordinator also stated that the Oak Ridge office also conducts a free advice clinic on the third Tuesday of every month. Private attorneys volunteer to assist at the clinic and law students also attend to provide support for the private attorneys and Oak Ridge staff attorneys. The law students do not provide advice, but screen issues, take notes, make copies, etc. Attendees are screened for eligibility using a form that captures financial eligibility. It was noted

that retainer agreement utilized is not sufficient to document alien eligibility because it does not have a place indicating that alien documentation was reviewed.

Tullahoma

The Pro Bono Coordinator in the Tullahoma office is retired from full-time practice and now works part-time. He stated that PAI in the seven counties are served by the Tullahoma office is basically all pro bono. He stated that there has been one (1) contract attorney program case in the last 3 – 4 years.

He stated that he regularly attends bar meeting and uses the acquaintances he has made during his years in active practice to recruit participating attorneys. Participating attorneys complete a form identifying the types of cases that they are interested in. The areas of law specified on the form include family law, housing, income maintenance and consumer finance. The Pro Bono Coordinator maintains these forms and makes referrals according to the interests expressed by the participating attorneys.

In the Tullahoma office, the referral process and procedures are stated in written documents. During the interview, the Pro Bono Coordinator in Tullahoma confirmed that applicants are screened for eligibility and case type in accordance with LASMT's established procedures. All necessary documentation is obtained prior to the referral. After the client is deemed eligible for assistance and their case has been accepted by LASMT, the case is placed with one of the participating attorneys. The Pro Bono Coordinator stated that there are 204 active participating attorneys in the counties served by the Tullahoma office.

In Tullahoma, participating attorneys are requested to complete and return a "Volunteer's Report of Case Acceptance/Rejection" form after meeting with the client. This form confirms the participating attorney's acceptance of the case, or notifies the Tullahoma office of the reason(s) why the participating attorney could not take the case.

In lieu of a case closing letter, the Tullahoma office requests that participating attorneys complete and return a "Time and Expense Statement and Case Closure Form." This form is returned to the Tullahoma office at the conclusion of the case, along with any closing documents. The form documents the legal assistance provided and is used to reimburse the private attorney for out-of-pocket expenses.

The Pro Bono Coordinator stated that there are no current clinics and that the last clinic that was conducted out of the Tullahoma office was a year ago.

Gallatin

The Pro Bono Coordinator in the Gallatin office is also the Managing Attorney and is the only attorney in the Gallatin office. He stated that the five (5) counties served by the Gallatin office are mostly rural and, as such, pro bono recruitment is best effective by developing relationships with the bar membership. He stated that such relationships are cultivated by bar presentations,

mass e-mails promoting the pro bono program, but more effectively by engaging the attorneys that he see in court and at bar functions.

The Pro Bono Coordinator stated that participating attorneys accept all types of referrals, but referrals from the Gallatin office are primarily in the areas of divorce and domestic violence. He stated that he is able to place an occasional bankruptcy and is working to build up a contingent of participating attorneys who will accept probate cases.

Consistent with the information above, the Pro Bono Coordinator described the intake and case acceptance procedures employed by the Gallatin office. However, he stated that most of the intake is by telephone and referrals are often made without first obtaining citizenship/alien eligibility documentation. As discussed in Finding 5, he stated that the Gallatin office was under the impression that since they did not have in-person contact with the client, such documentation was unnecessary.

The Pro Bono Coordinator also stated that the Gallatin office tried holding a few clinics, but they weren't very successful.

Murfreesboro

The Pro Bono Coordinator in the Murfreesboro office is the legal secretary. She stated that PAI recruitment is the responsibility of the managing attorney and that all staff makes referrals. She stated that her primary responsibility is to manage the pro bono files. She also stated that the Murfreesboro office has a few CAP cases that are managed by the Office Manager.

As noted above, all cases are screened through LASMT's established procedure. Again, as noted in Finding 5, the Murfreesboro office does not obtain the necessary citizenship/alien eligibility documentation required by 45 CFR Part 1626 prior to the referral. Once the case is placed with a participating attorney, a letter is sent to the client and a letter, along with all pertinent information, is sent the attorney. Oversight and follow-up is accomplished by letter every six (6) months.

The Pro Bono Coordinator stated that the referrals are primarily bankruptcies and conservatorships, or cases that the Murfreesboro staff will not handle. Occasionally, the private bar will bring a case to the Murfreesboro office for placement.

The Murfreesboro office operates a Thursday and third Saturday of the month clinic. Attendees are screened for eligibility and case type, and the assistance provided is reported to LSC.

The Office Manager stated that Murfreesboro no longer has a CAP, although a few cases remain from when the office did administer such a program. She stated that the office has one CAP attorney, the former managing attorney for the Murfreesboro office. The former Managing Attorney left LASMT employment in January 2011 and when she did, she took several Social Security and Supplemental Security Income cases with her.

According to the contract between the CAP Attorney and LASMT, she will continue working on a “selected number” of *Grier* and human services cases that she was handling while employed by LASMT and will accept referrals from LASMT. She bills LASMT monthly at the rate of \$50.00 per hour.

LSC regulations provide that no PAI funds shall be committed to direct payment to any attorney who for any portion of the previous two (2) years has been a staff attorney. *See* 45 CFR § 1614.1(e). Although it is unclear whether the CAP attorney was a staff attorney, as that term is defined by LSC regulations, it is doubtful that LASMT’s payments to the CAP attorney are allocable to LASMT’s 12½% requirement.

Review of the PAI contracts revealed that a former staff attorney, now a contract attorney, worked on PAI cases within two (2) years of her separation from the program (in 2011), and that the program used LSC and non-LSC PAI funds during this same period to cover the direct payments made to this former staff attorney. As a result of the change in employment status (within the two year period), several direct payments were charged to the PAI fund resulting in a violation of 45 CFR § 1614.1(e).

See Finding 33. With its comments to the Draft Report, LASMT was directed to provide evidence regarding the former attorney’s status during her employment at LASMT so that a determination could be made as to whether or not she was a staff attorney as defined by the regulations.

In response to the DR, LASMT indicated that they had determined the attorney in question to be a staff attorney. They also reported they had re-calculated the direct and indirect PAI costs in 2011 using the allocation method in their 2011 PAI Plan and noted that an IPA review of the allocation method and calculation is being implemented. LASMT provided LSC with a worksheet supporting the re-calculation of PAI expenditures for LSC and non-LSC funds.

Finally, LASMT also provided evidence that they re-classified direct payments made in 2011 to the contract attorney.

Finding 18: LASMT is in compliance with 45 CFR § 1627.4(a) which prohibits programs from utilizing LSC funds to pay for membership fees or dues to any private or nonprofit organization.

45 CFR § 1627.4(a) requires that:

- a) LSC funds may not be used to pay membership fees or dues to any private or nonprofit organization, whether on behalf of a recipient or an individual.
- b) Paragraph (a) of this section does not apply to the payment of membership fees or dues mandated by a government organization to engage in a profession, or to the payment of membership fees or dues from non-LSC funds.

From a limited review of the chart of accounts, invoices, cash disbursement journals, and journal entries, it was determined that from January 1, 2009 through December 31, 2011, LASMT was in compliance with the regulation because there were no LSC sub-grants, and no LSC funds were used to pay for non-mandatory membership fees or dues. An examination of the general ledger accounts for this period revealed that the program also does not use LSC funds to pay for mandatory membership fees or dues

In response to the DR, LASMT offered no comment to this Finding.

Finding 19: LASMT is in compliance with 45 CFR Part 1635 (Timekeeping requirements).

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.

As previously mentioned, LASMT's attorneys and paralegals utilize the FMP timekeeping system to enter their time worked, broken down by activities in as little as five (5) minute increments. A review was conducted of the case management/time records for eight (8) advocates from the pay period June 16, 2010 through June 30, 2010 and also for the pay period from December 1, 2011 through December 15, 2011. This review included the time records for five (5) staff attorneys and three (3) paralegals. This review revealed that the time records are electronically and contemporaneously maintained. The time spent on each case, matter or supporting activity is recorded in substantial compliance with 45 CFR §§ 1635.3(b) and

1635.3(c). Additionally, in all of the records sampled the employee had worked the required number of hours over the reporting month based on the schedule supplied by the Human Resources Administrator.

As outlined in LASMT's Administrative Policy Manual, the requires its attorneys, paralegals, and advocates who work part-time for the program to submit a form 1635 Quarterly Certification for Part-time Case Handlers on a quarterly basis. A review of these certifications from 2011 revealed no exceptions. Interview with the Director of Operations confirmed that there are no part-time case handlers working for an organization that engages in restricted activities in compliance with 45 CFR § 1635.3(d).

In response to the DR, LASMT offered no comment to this Finding.

Finding 20: Sampled cases 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 collect and retain attorneys' fees in any case undertaken on behalf of a client of the recipient. *See* 45 CFR § 1642.3.¹⁵ However, with the enactment of LSC's FY 2010 consolidated appropriation, the statutory restriction on claiming, collecting or retaining attorneys' fees was lifted. Thereafter, 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.¹⁶

None of the sampled cases reviewed contained a prayer for attorneys' fees.

From a limited review of the cash receipts log, chart of accounts, general ledger, financial statements, and interviews with staff, it was determined that from January 1, 2009 through December 31, 2009, LASMT was in compliance with 45 CFR Part 1642 (Attorneys' fees), in that the program did not request nor collect attorneys' fees on cases that were open prior to December 16, 2009.

In response to the DR, LASMT offered no comment to this Finding.

¹⁵ The regulations define "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).

¹⁶ 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 Letter 10-1 (February 18, 2010).

Finding 21: Sampled cases reviewed and documents reviewed evidenced compliance with the requirements of 45 CFR Part 1612 (Restrictions on lobbying and certain other activities).

The purpose of this part 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.

LASMT has two (2) written Board policies which incorporate legislative and administrative related activities and the restrictions imposed by 45 CFR Part 1612. These policies are provided to all new employees as part of their orientation materials. Also, as previously described, the program's General Counsel has prepared a Summary of Prohibited and Restricted Activities Affecting Staff of LSC-Funded Programs. This material, which is dated February 8, 2011, is provided to the program's staff and describes regulatory prohibitions including 45 CFR Part 1612 (Restrictions on Lobbying and Certain Other Activities). This information further ensures that LASMT's staff are made aware of LSC requirements regarding lobbying and other restricted activities as set forth in 45 CFR Part 1612.

A limited review of LASMT's fiscal records did not reveal any inconsistencies and in discussions with the Director of Operations she confirmed that the program and its staff were not involved in prohibited public rulemaking or lobbying.

In response to the DR, LASMT offered no comment to this Finding.

Finding 22: Sampled cases evidenced 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.

None of the sampled files reviewed involved legal assistance with respect to a criminal proceeding, or a collateral attack in a criminal conviction. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

In response to the DR, LASMT offered no comment to this Finding.

Finding 23: Sampled cases evidenced 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).¹⁷

None of the sampled files reviewed involved initiation or participation in a class action. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

In response to the DR, LASMT offered no comment to this Finding.

Finding 24: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1632 (Redistricting).

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.

None of the sampled files reviewed revealed participation in litigation related to redistricting. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

In response to the DR, LASMT offered no comment to this Finding.

Finding 25: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1633 (Restriction on representation in certain eviction proceedings).

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 of other resident tenants, or employees of the public housing agency. *See* 45 CFR § 1633.3.

None of the sampled files reviewed involved defense of any such eviction proceeding. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

¹⁷ 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).

In response to the DR, LASMT offered no comment to this Finding.

Finding 26: Sampled cases evidenced 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.

None of the sampled files reviewed involved participation in civil litigation, or administrative proceedings, on behalf of an incarcerated person. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

In response to the DR, LASMT offered no comment to this Finding.

Finding 27: Sampled cases evidenced compliance with the requirements of 45 CFR Part 1638 (Restriction on solicitation).

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.¹⁸ This restriction has been contained in all subsequent appropriations acts.¹⁹ This new 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: "This part is designed to ensure that recipients and their employees do not solicit clients."

None of the sampled files, including documentation, such as community education materials and program literature that were reviewed, indicated program involvement in such activity. Discussions with the ED also confirmed that LASMT is not involved in this prohibited activity.

In response to the DR, LASMT offered no comment to this Finding.

Finding 28: Sampled cases evidenced 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,

¹⁸ *See* Section 504(a) (18).

¹⁹ *See* Pub. L. 108-7, 117 Stat. 11 (2003) (FY 2003), Pub. L. 108-199, 118 Stat. 3 (2004) (FY 2004), Pub. L. 108-447, 118 Stat. 2809 (2005) (FY 2005), and Pub. L. 109-108, 119 Stat. 2290 (2006) (FY 2006).

or mercy killing of any individual. No 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.

None of the sampled files reviewed involved such activity. Discussions with the ED also confirmed that LASMT is not involved in these prohibited activities.

In response to the DR, LASMT offered no comment to this Finding.

Finding 29: Sampled cases evidenced 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 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.

All of the sampled files reviewed demonstrated compliance with the above LSC statutory prohibitions. Interviews with the ED further evidenced and confirmed that LASMT was not engaged in any litigation which would be in violation of Section 1007(b) (8) of the LSC Act, Section 1007(b) (9) of the LSC Act, or Section 1007(b) (10) of the LSC Act.

In response to the DR, LASMT offered no comment to this Finding.

Finding 30: From a limited review of LASMT’s internal controls over bank reconciliations, it was determined that several outstanding checks are listed as over 180 days old.

A review of LASMT’s Operating Account bank reconciliation as of December 31, 2011, showed a total of 24 checks totaling \$2,881.78 that were over 180 days old. LASMT’s written policy dictates that checks over six (6) months old which have not cleared the bank are to be reviewed for disposition. This periodic review should determine the status of the outstanding checks. The policy also states, that it may be necessary to void the check recorded in the cash disbursement journal. If a replacement check is written the new check should be reissued and a general journal entry should be made to record the new check in the accounting records. The outstanding check list should be updated. If a replacement check is not issued, an entry in the general journal must be made for the amount of the original check to restore the amount of the check to the Operating Account cash balance. LASMT should review its outstanding check list for all checks that are six (6) months and older, and assess if it is necessary to void the outstanding checks and reissue with replacement checks. The program should follow its outstanding checks policy.

In response to the DR, LASMT stated that its outstanding checks policy has been implemented.

Finding 31: Based upon a limited review of LASMT’s policies and procedures, fiscal/accounting records and interviews with its fiscal staff and management it was determined that the program has evidenced generally sound internal controls. However, the program should further strengthen its internal controls by: 1) adopting the Record Retention guidelines contained in the 2010 edition of the Accounting Guide for LSC Recipients (“AGLR”); 2) updating its Credit Card and Charge Card Policy and Procedure to reflect current account information; and 3) taking steps to better inform its clients of LASMT’s policy for cash received.

Developing and Updating its Accounting Policies and Procedures Manual:

The 2010 Edition of the AGLR sets forth financial accounting and reporting standards for recipients of LSC funds, and describes the accounting policies, records, and internal control procedures to be maintained by recipients to ensure the integrity of accounting, reporting and financial systems. In addition, it includes illustrative appendices which describe accounting practices and procedures acceptable to LSC. *See* AGLR (2010 Edition), Appendix VII - Accounting Procedures & Internal Control which provides a document review checklist for completion of an update of a program’s Accounting Manual.

LASMT has developed a comprehensive Accounting Policies and Procedures Manual. The content is program-wide, incorporating the program’s fiscal duties and responsibilities for its Board of Directors and staff. Content includes: a Directory with Individual Duties and Responsibilities; Organization and Standards which includes Financial Policy, Accounting Structure, Accountant Responsibilities, Personnel Administrator Responsibilities, Audit and Finance Committee Responsibilities, and Internal Control Standards; General and Administrative; Cash Management; Payroll/Personnel Employee Benefits; Financial Reporting; Private Attorney Involvement; Client Trust Funds; Property Control/Inventory; and LSC –

Reference Material from LSC – Accounting Guide for LSC Recipients which includes AGLR (2010 Edition) Appendix VII, Accounting Procedures and Internal Control Checklist, Section 3-4, Internal Control Structure, and Section 3-5, Fundamental Criteria.

The program also maintains its Administrative Policy Manual which incorporates several sections impacting fiscal procedures. These sections include Payroll Procedures, Time and Attendance, Travel, Clients' Trust Funds, and Petty Cash Fund. In addition, LASMT maintains its Policies of the Board of Directors which include several regulations with a fiscal component. These include: 45 CFR 1609, Fee Generating Cases; 45 CFR Part 1612, Legislative and Administrative Related Activities, and Certain Other Activities Prohibited by 45 CFR Part 1612; 45 CFR Part 1627, Dues; 45 CFR Part 1642, Retention Times (Document Destruction Policy); Credit Card and Charge Card Policy and Procedures; and Credit and Charge Card Addendum.

Financial Oversight Committee:

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.

The AGLR 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. The AGLR provides that in establishing an adequate internal control structure, the following items must be considered: Competent Personnel; Definition of Duties and Responsibilities; Segregation of Duties; Establishment of Independent Checks and Proofs; Establishment of an Accounting Manual; and Committee of Sponsoring Organizations ("COSO") Considerations such as Risk Assessment. *See* AGLR (2010 Edition), Appendix VII – Accounting Procedures and Internal Control Checklist and LSC Program Letter 10-2, Appendix A - Embezzlement, Fraud, and the Critical Importance of Effective Internal Control.

In the 2010 Edition of the AGLR, Part 1-7 - Responsibilities of the Financial Oversight Committee or Committees, defines a recipient's governing body's fiduciary responsibility to the program including the establishment of a Finance Committees which should, at a minimum (subject to any requirements of state law): Review and revise budgets and make recommendations to the full board of directors; Review monthly financial management reports with the chief financial officer, controller, and/or CPA (IPA); Review accounting and control policies; Review the audited financial statements, management letter, and senior staff's response with staff and auditor; Regularly review and make recommendations about investment policies; Coordinate board training on financial matters; and Act as liaison between the full Board and staff on fiscal matters.

The AGLR also recommends that a program have an Audit Committee whose role (subject to any requirements of state law) includes: Hiring the auditor; Setting the compensation of the auditor; Overseeing the auditor's activities; Setting rules and processes for complaints concerning accounting practices and internal control practices; Reviewing the annual IRS Form 990 for completeness, accuracy, and on-time filing and providing assurances of compliance to the full board; and Ensuring the recipient's operations are conducted and managed in a manner that emphasizes ethical and honest behavior, compliance with applicable laws, regulations and policies, effective management of the recipient's resources and risks, and accountability of persons within the organization.

While it is recognized that some boards, due to their small size and other considerations, will decide not to have a separate audit committee, nevertheless it generally is considered a best practice for governing bodies to have both a finance committee and a separate audit committee. The critical point is that all of the finance and audit committee duties listed immediately above must be performed by a financial oversight committee(s). It is also critical, and considered a best practice, that the financial oversight committee(s) have at least one member who is a financial expert or for the board to have access to a financial expert. A financial expert has (1) an understanding of Generally Accepted Accounting Principles ("GAAP") and financial statements, (2) the capacity to apply GAAP in connection with preparing and auditing financial statements, (3) familiarity with developing and implementing internal financial controls and procedures, and (4) the capacity to understand the implications of different interpretations of accounting rules.

Through interviews with the Accountant, it was determined that LASMT performs the duties of a financial oversight committee, as described above, through the combined functions of its full Board of Directors, its Audit and Finance Committee, and the Executive Committee. The program's Accountant, ED, Director of Operations, and Director of Development also attend meetings of the Executive Committee. The Accountant is responsible for distribution of financial reports to members of the Board and its committees including an updated and approved budget (planned versus actual results); monthly and year-to-date financials, including a Profit and Loss ("P&L") and Balance Sheet with a Statement of Cash on Hand. The Accountant advised that the Board's Treasurer, who also serves on the program's Audit and Finance Committee, possesses financial expertise.

Staff Training:

As a part of their orientation, new employees sign an acknowledgement that they have received hard copies of LASMT's Administrative Policy, Personnel Policies and Procedures, Priorities Statement, and Policies of the Board of Directors. In addition they acknowledge receipt of a link to LASMT's Blue Book which contains the program's current Administrative Policy, Personnel Policies and Procedures, Charter, Bylaws, Priorities Statement, Policies of the Board of Directors, Eligibility Guidelines, Private Attorney Involvement ("PAI") Plan, the LSC Act and Regulations, LSC CSR Handbook, and Timekeeping Instructions.

Additionally, as noted previously, the program's General Counsel has prepared a Summary of Prohibited and Restricted Activities Affecting Staff of LSC-Funded Programs. This material, which is dated February 8, 2011, is provided to the program's staff and includes some

prohibitions associated with regulations with a fiscal component including 45 CFR Part 1608 (Prohibited Political Activities), 45 CFR Part 1612 (Restrictions on Lobbying and Certain Other Activities), and 45 CFR Part 1635 (Timekeeping Requirement).

Salary and Travel Advances:

The Accountant advised the review team that LASMT does not make salary advances and while travel advances may be offered on occasion, there were none extended during the review period. A limited review of the program's fiscal records found no evidence of salary or travel advances.

Purchases:

Based on a review of LASMT's purchases of both real property and personal property from 2010 and 2011, it was determined there were no transactions over \$10,000 which required the LSC's prior approval, as outlined in the LSC Property Acquisition and Management Manual ("PAMM"). It is noted that there was a single purchase over \$10,000 in 2010 for the purchase of computer equipment; however, the program did not use LSC funds for this purchase.

Records Retention:

LASMT has a written Files and Records Management policy contained in its Accounting Policies and Procedures Manual. Review of this policy revealed that it was last updated in 2004 and contained Retention Times for Nonprofit Records which were published in the AGLR (1997 Edition). A comparison was made of LASMT's record retention requirements to the current LSC guidelines on pages 69 through 71 of the AGLR (2010 edition). It was determined that LASMT's policy includes retention requirements are shorter than the current LSC guidelines for several types of records including billing for services, employee travel and expense reports, expense bills (source documents), employee pension and insurance records, and petty cash records. Additionally, the current LSC guidelines include retention requirements for some categories of records which are not contained in LASMT's policy. Examples include employment applications and minutes of Board of Directors meetings. LASMT must revise its Files and Records Management policy to ensure that the specified retention requirements meet at least the LSC's current guidelines as contained in the AGLR (2010 Edition), Appendix II, Description of Accounting Records – Retention Times for Nonprofit Records.

Credit Cards:

The program maintains three (3) credit cards and 11 charge cards. LASMT maintains its Credit Card and Charge Card Policy and Procedure, which is a Board policy. This policy was adopted August 23, 2005 and it does not appear that have been any subsequent revisions. A limited review determined that there have been some changes to the credit and/or charge cards maintained by LASMT since the time the program's policy was created. Changes include the two (2) AmSouth credit cards listed are now with Regions Bank and three (3) of the charge cards listed are no longer open including Lowe's, Office Max, and FedEx/Kinko's. Also, a former employee is listed as the authorized user for two (2) of the current charge cards. LASMT must update its policy to reflect its current credit and/or charge cards as well as the authorized users.

Limited testing of six (6) months credit card statements, from March through August 2011, found the program maintains receipts associated with all charges and the supporting documentation adequately identifies the purpose of the expenditure. The statements revealed that the program had paid off the balance in full each month and incurred no finance charges.

Cash Receipts from Clients:

LASMT will sometimes accept cash from a client to cover anticipated fees in connection with their legal representation (Client Trust Funds). The program has written procedures on this area which are contained in Section 8 of its Accounting Policies & Procedures Manual. The procedure states, in part, that receipt of client funds or property will be documented using a four-part Trust Fund Receipt with Part 1 provided to the Client, Part 2 to the Case Attorney, Part 3 to Accounting, and Part 4 to the Client Trust Account Custodian. LASMT's policy states that Client Trust Account Custodians must forward any Client Trust Fund activity to the Accountant on a monthly basis and that the Client Trust bank account is managed by the Accountant. Through interview with the Accountant it was determined that LASMT's casehandlers accept any cash payments received from their clients and the casehandler is responsible for completing the Trust Fund Receipts.

To strengthen a program's internal control with the goal of reducing opportunities for fraudulent activities to occur, LSC recommended that if a program chooses to accept cash from a client it should designate an employee(s) who is specifically authorized to receive the cash. Also, clients should be provided a notice about the program's cash receipts policy which states that the client is entitled to a receipt for cash provided and if a receipt is not provided that the client should see a supervisor. *See* AGLR, Appendix VII Section H-9 and H-15 and Program Letter 10-2. It is recommended that LASMT designate a person(s) at each office to handle cash received from clients and that the program place a sign in the lobby of each office regarding LASMT's cash policy. The program is encouraged to implement this recommendation as it provides a control to better inform its clients as deterrence to possible fraudulent activities. During the on-site OCE review, the Accountant advised that the program will implement this recommendation.

In response to the DR, LASMT stated they updated its Credit and Charge Card Policy to reflect its current credit and/or charge cards as well as the authorized users.

LASMT's response to the DR, also stated it updated its cash receipt policy with the names of any new employees responsible for these duties.

Finding 32: A limited review of LASMT's accounting records revealed that the program has not retained any unexpended funds from its closed Technology Initiative Grants ("TIG").

The program had one (1) TIG grant that was open during the review period as detailed below:

YEAR	TIG	AWARD AMOUNT	PURPOSE	GRANT STATUS
2003	03553	\$49,461	Secondary language template through expansion of Open Source	Closed

The program received the final payment of \$7,500 for this grant in November of 2009 and the TIG was closed. A limited review of LASMT's accounting records and interview with its Accountant revealed that there are not any unexpended funds from LASMT's closed TIG grant.

In response to the DR, LASMT offered no comment to this Finding.

Finding 33: From a limited review of documents and interviews with staff it was determined that LASMT is in non-compliance with 45 CFR § 1614.1(e), because a former staff attorney, (now a contract attorney), has been working on PAI cases within two years of her separation from the program and the program used LSC funds to cover the direct payments made to this former staff attorney.

This part of the requirement is to ensure that former staff attorneys are separated from the program for at least two years before they can become contract attorneys. 45 CFR Section 1614.1(e) states that after the effective date of this regulation (January 1, 1996), no PAI funds shall be committed for direct payment to any attorney who for any portion of the previous two years has been a staff attorney as defined in 45 CFR Section 1600.1 of these regulations. The term "private attorney" as used in this Part means an attorney who is not a staff attorney.

As noted in Finding 17, review of the PAI contracts revealed that a former staff attorney, now a contract attorney, worked on PAI cases within two (2) years of her separation from the program (in 2011), and that the program used LSC and non-LSC PAI funds during this same period to cover the direct payments made to this former staff attorney. As a result of the change in employment status (within the two year period), several direct payments were charged to the PAI fund resulting in a violation of 45 CFR § 1614.1(e).

The program should continually review their list of contract attorneys to determine if there are any other former attorneys working as contract attorneys within two (2) years of their separation from employment. In addition, the program should re-classify from its 2011 PAI fund to a non-PAI fund \$6,870.50, of which \$1,836.40 represents LSC's portion and \$5,034.10 represents the non-LSC's portion of direct payments made to this contract attorney. The program should also re-classify any direct payments made in 2012 that were charged to PAI for this contract attorney. The program should inform their Independent Public Accountants to make the appropriate adjusting entries for 2011 to re-classify these expenditures for all costs related to PAI for both LSC and non-LSC funds. The program was advised that if its 2011 annual audited financial statement was completed before they received the Draft Report, the program should re-classify the expenditure of \$6,870.50 by using the inter-fund transfer account.

In response to the DR, LASMT provided evidence that they re-classified direct payments made in 2011 to a former staff attorney.

Finding 34: From a limited review of documents and interviews with staff it was determined that LASMT is in non-compliance with 45 CFR Section 1614.3(e), because: (1) PAI funds devoted to the 12.5% requirement are overstated by contract attorney payments (2) all methods of allocating common costs are not clearly documented; (3) direct or indirect time spent working towards the PAI effort by attorneys and paralegals are not always based on time records for actual hours worked; and (4) time charged to “Bar Work” in some cases may have been PAI related, but have been excluded from the PAI calculation.

45 CFR Part 1614 is referred to as the “PAI” or “private attorney involvement” requirement. This part is designed to ensure that recipients of LSC funds involve private attorneys in the delivery of legal assistance to eligible clients by devoting an amount equal to at least twelve and one-half percent of its LSC annualized basic field award to this activity. 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. Furthermore, direct delivery systems must include intake and case acceptance procedures consistent with the recipient’s priorities, appropriate case assignments, oversight and follow-up, and access to recipient resources *See* 45 CFR § 1614.3(a), (b), (c), and (d).

Compliance is demonstrated by utilizing financial systems and procedures and maintaining supporting documentation to identify and account separately for costs related to PAI. Generally, such systems must accurately identify and account for: the recipient’s administrative and overhead, staff, and support costs related to PAI; payments to participating attorneys for support or direct client services rendered; and contractual payments to individuals or organizations that provide administrative, support, and/or direct client services on behalf of the recipient. *See* 45 CFR § 1614.3(e).

As described above, to meet its PAI requirement, LASMT operates a pro bono and a reduced fee model. The pro bono programs for bar associations are operated in several counties. These programs function basically the same. Applicants call the program’s offices and are screened for income, eligibility, type of case, priority, and merit. If the applicants are deemed eligible, they are matched up with an attorney who has agreed to accept cases without charging a fee. The Nashville Pro Bono Program is operated as a joint venture with the Nashville Bar Association. The Nashville Bar Foundation contributes towards the operation of the program. Six (6) members of the Board of Directors of the Nashville Bar Pro Bono Program are appointed by the Legal Aid Society.

The program's Contract Attorney Program is small, but it gives LASMT the flexibility in handling some cases. The program pays contract attorneys and paralegals an hourly rate of \$50 and \$20 respectively, which is substantially less than the market rate. The program receives funding from various funders to pay for medical consultants in Social Security and Supplemental Security Income disability cases handled by private attorneys for eligible clients. The program participates in training programs for pro bono attorneys such as poverty law training sponsored by the Tennessee Bar Association's Access to Justice Committee and the Tennessee Alliance for Legal Services. The program participates in the activities of the Access to Justice Commission that was created by the Tennessee Supreme Court in 2009. The program has co-counseled with private attorneys on cases for eligible clients and uses volunteer attorneys and law students who work at the program's office on a temporary part-time basis.

A review of LASMT's 2009 through 2010 audited financial statements, and the 2011 un-audited financial statement, revealed that the program reported meeting its 12.5% PAI requirement for each year. However, it was determined that the program's allocation of expenditures associated with the 12.5% PAI requirement in 2011 was overstated by direct payments made to a contract attorney in the amount of \$6,870.50. This amount represents LSC and non-LSC funds totaling \$1,836.40 and \$5,034.10 respectively. As previously mentioned in Finding 33, the program should re-classify these amounts from the PAI (LSC and non-LSC) fund to the non PAI fund using a journal entry, and report these changes in their 2011 annual audit. If the programs 2011 audit has been completed before receipt of this draft report, then an inter-fund transfer should be used to re-classify \$6,870.50, (which represents the LSC portion of \$1,836.40 and non-LSC portion of \$5,034.10) from PAI to non PAI.

An examination of administrative, overhead, staff, and support costs related to PAI activities showed no standard or consistent method or basis of how common costs had been allocated for indirect costs (non-attorneys, non-paralegals, and non-personnel). The program policy states that non personnel costs allocations are based on reasonable operating data but does not document how these common costs are to be allocated. LSC regulation 45 CFR § 1614.1(e) requires that all methods of allocating common costs are to be clearly documented. The program should use some standard or consistent method or basis on how common costs are allocated, and clearly document the allocation of these costs. It is recommended that the program use the same methodology in developing the costs allocation percentage it used in applying the actual overhead expenses used for staff members (PAI hours divided by total actual work hours). Also, the program should review 45 CFR § 1630.3, Standards governing allow-ability of costs under Corporation grants or contracts, in particular, 45 CFR § 1630.3(3)(e) regarding indirect costs.

According to the program, staff members keep time records in FMP and these records have PAI hours on them. At the end of the month the records are totaled and the amount of time spent on PAI is recorded. This time is charged to PAI at the hourly pay rate of the particular staff member. Overhead expenses are charged based on the total PAI hours for the month divided by the actual hours worked that month. This percentage is then applied to the actual overhead expenses for that staff member for the month and charged to PAI.

An examination of time records for 2011 revealed that direct or indirect time spent working towards the PAI effort by attorneys and paralegals are not always based on time records for

actual hours work, but instead in some cases are based on an estimated percentage of salaries. The program should ensure that direct or indirect time spent working towards the PAI effort by attorneys and paralegals are based on time records for actual hours worked. Also, a review of time records for 2010 and 2011, compared to hours reported on the excel spreadsheet (submitted to the Accountant by the Human Resources Administrator, showed inconsistencies in PAI hours reported for some staff attorneys. The program was directed to re-calculate their direct and indirect PAI costs for 2011 using the allocation method stated in their 2011 PAI Plan and have their IPA review the allocation method and calculation. Also, the program was directed to provide LSC with a worksheet supporting the re-calculation of PAI for LSC and non-LSC funds.

It is recommended that LASMT have its Human Resources Administrator provide the Accountant with a monthly schedule that captures the total direct costs for PAI (PAI hours times payroll rates plus direct overhead expenses) for each attorney and paralegal with PAI responsibilities. From observations and interviews with program staff, it was determined that at the end of the month, once the time records are totaled for each PAI attorney and paralegal, the Accountant using the payroll report, calculates the monthly payroll rate for each PAI attorney and paralegal and then applies that rate to the total PAI hours worked to determine the direct costs related to PAI. The current process is inefficient and time consuming because the Human Resources Administrator already has this information in the time management report and payroll data. Also, using the information the Human Resources Administrator already has in the time management report and payroll data would reduce any chance of applying the incorrect payroll rates when rate increases occur, because the Human Resources Administrator is responsible for updating the payroll system for rate changes.

Additionally, an examination of time records revealed that some attorneys charged time worked to a line item on the time sheet entitled "Bar Work." Interviews with staff revealed that time charged to this activity by certain attorneys involved time spent on attending meetings, conferences, etc. Also, it was revealed that in some cases these activities held by the various bar associations involved time spent by attorneys working towards the PAI effort. From this review of time records, and discussions with staff, it was determined that time charged to "Bar Work" may have been PAI related and incorrectly excluded from the PAI calculation. The program should ensure that time charged to "Bar Work" which is PAI related, is included and counted towards the PAI effort. The program should design their time management system so PAI and non PAI time associated with "Bar Work" can be identified and accounted separately for costs relating to the PAI effort.

In response to the DR, LASMT provided evidence that adjusting entries were made before the 2011 audit to re-classify the expenditures for all costs related to PAI for both LSC and non-LSC funds.

Finding 35: From a limited review of documents and interviews with staff it was determine that LASMT is in non-compliance with LSC’s Accounting Guide, because (1) the program failed to allocate a portion of investment income to the LSC fund as derivative income, and (2) the program failed to allocate a portion of attorney fees to the LSC fund as derivative income.

LSC’s AGLR (2010 edition) considers derivative income as any additional income derived from a LSC grant, such as interest income, rent or the like, or that portion of any reimbursement or recovery of direct payments to attorneys, proceeds from the sale of assets, or other compensation or income attributable to any LSC grant. All derivative income received resulting from activity supported in whole or in part with funds provided by LSC shall be allocated to the fund in which the recipient’s LSC grant is recorded in the same proportion that the amount of LSC funds expended bears to the total amount expended by the recipient to support the activity.

An examination of LASMT’s audited financial statement and sub-ledger schedule for 2009, 2010, and 2011, revealed that the program received derivative income. In 2009, 2010, and 2011, the program received investment income totaling \$42,371 (\$19,141, \$12,629, and \$10,601 respectively); a portion of this investment income included interest income and should be identified and allocated to the LSC fund. Also, in 2010 and 2011, the program received attorneys’ fees totaling \$154,134.13 (\$2,634.13 and \$151,500 respectively). LASMT was advised that it must allocate to the LSC fund in whole or in part an amount that is proportionate to the LSC funds expended for interest income and attorneys’ fees using an adjusting entry (depending on receipt of Draft Report) or inter-fund transfer.

In response to the DR, LASMT stated they have implemented an adjusting entry or inter-transfer to allocate to the LSC fund (in whole or in part) an amount in proportion to the LSC funds expended in interest income and attorneys’ fees.

Finding 36: From a limited review of LASMT’s internal controls over cash receipts it was determined that (1) cash receipts are properly recorded to the cash receipts log, and (2) deposits are made in a timely manner.

From a limited review of LASMT’s cash receipts logs, monthly deposits, cash receipts journal, bank statements, general ledger, 2011 donor list, and interviews with staff, it was determined that the program properly records it’s cash receipts to the cash receipts log for both regular deposits and donor contributions in a timely manner. However, review of the program’s cash receipt policy, under responsibilities, compared to the internal control worksheet (prepared by program staff) shows that the responsibilities by employees have changed because the segregation of duties for the (recording of checks to the cash receipts log, photocopying of checks and preparing deposit slips, and taking the deposits to the bank), are being performed by different employees. The program should update its cash receipts policy, under responsibility, with the name of the new employees who are now responsible for these duties.

It is recommended that the program in posting deposits to the accounting system briefly describe the nature of the cash receipt. Also, LASMT should consider posting all cash receipts (mail-in and electronic) to its cash receipts log.

In response to the DR, LASMT offered no comment to this Finding.

IV. RECOMMENDATIONS²⁰

Consistent with the findings of this report, it is recommended that LASMT:

1. Revise the retainer agreement on its “Legal Advice Clinic Information Form” to capture information necessary to document citizenship/alien eligibility, or develop a form for such purpose;

In response to the DR, LASMT stated the revision to the retainer agreement includes language to document alien eligibility has been done.

2. Periodically review its open case lists, office-wide, to ensure timely closure of completed case files;

In response to the DR, LASMT offered no comment to this recommendation.

3. Train staff regarding the applicability of 45 CFR § 1626.4 and Program Letter 06-2, Violence Against Women Act 2006 Amendments, with respect to not having to obtain a signed citizenship attestation or alien eligibility documentation from an otherwise ineligible alien;

In response to the DR, LASMT offered no comment to this recommendation.

4. Modify intake forms and ACMS to include specific questions regarding reasonable income prospects and train staff on this issue;

In response to the DR, LASMT stated it has made modifications to its database system to include a question regarding the applicant’s reasonable income prospects and a field in which to enter the amount, if any. LASMT also stated they provided training and back-up materials to the entire staff at its all-staff meeting held on June 28, 2012.

5. Train staff regarding proper usage of CSR case closing codes;

In response to the DR, LASMT offered no comment to this recommendation.

6. Review its outstanding check list for all checks that are six (6) months and older, and assess if it is necessary to void the outstanding checks and reissue with replacement checks;

In response to the DR, LASMT stated that its outstanding checks policy is being implemented.

²⁰ 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. Use the same methodology used in developing the costs allocation percentage used in applying the actual overhead expenses used for staff members (PAI hours divided by total actual work hours);

In response to the DR, LASMT offered no comment to this recommendation.

8. Review 45 CFR § 1630.3, Standards governing allowability of costs under Corporation grants or contracts; in particular, 45 CFR § 1630.3(3)(e) regarding indirect costs;

In response to the DR, LASMT offered no comment to this recommendation.

9. Consider having the Human Resources Administrator provide the Accountant with a monthly schedule that captures the total direct costs for PAI (PAI hours times payroll rates plus direct overhead expenses) for each attorney and paralegal with PAI responsibilities;

In response to the DR, LASMT offered no comment to this recommendation.

10. Designate a person(s) in each office to handle cash received from clients and that the program place a statement in the lobby of each office explaining LASMT's cash receipt policy;

In response to the DR, LASMT stated it has updated its cash receipt policy with the names of any new employees responsible for these duties.

11. Make staff aware that LSC funds can be used for the payment of mandatory fees or dues to government agencies (i.e. State Bar, and Secretary of State for non-profit status);

In response to the DR, LASMT offered no comment to this recommendation.

12. Should consider providing a brief description the nature of the cash receipt in posting deposits to the accounting system;

In response to the DR, LASMT offered no comment to this recommendation.

13. Should consider posting all cash receipts (mail in and electronic) to its cash receipts log; and

In response to the DR, LASMT offered no comment to this recommendation.

14. Design their time management system so that PAI and non PAI time associated with "Bar Work" can be identified and accounted separately for costs relating to the PAI effort.

In response to the DR, LASMT stated they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. LASMT also stated they will continue to emphasize with staff that certain bar work activities can be counted towards PAI and will document PAI engagement appropriately.

V. REQUIRED CORRECTIVE ACTIONS

Consistent with the findings of this report, LASMT is required to take the following corrective actions:

1. Ensure that it screens all applicants for conflicts prior to obtaining information which is considered to be a confidence or secret in the State of Tennessee;

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. LASMT also stated in its comments that at the all-staff meeting, LAS management reminded all staff of their obligation to check conflicts before they receive confidences, such as income and assets. LASMT also stated in its comments that LASMT management will review each office's intake policy to ensure that appropriate systems are in place to make timely checks of conflicts.

2. Ensure that, for each case reported to LSC, the level of assistance, limited or otherwise, is documented in the file;

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, on the need to document the level of legal assistance provided.

In their response LASMT also stated that by September 1, 2012, the General Counsel will revise LASMT standards for file maintenance and will give to all advocates a written reminder and a copy of Sec. 5.6 of the CSR Handbook, with an emphasis on the obligation to include in case notes a statement of the actual assistance rendered that is sufficient to justify the level of service provided. In addition, to review the sufficiency of legal assistance provided will be added to the protocol for file review by peers and supervisors. LASMT further stated that in those cases in which the description of services rendered was inadequate the level of legal assistance provided, case notes will be expanded upon to describe the service rendered or it will be not included in future CSR reports.

3. Ensure that citizenship attestations are obtained for all walk-in applicants, or alien eligibility documentation reviewed;

In response to the DR, LASMT stated that they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, with an emphasis on documenting eligibility of walk-ins and other applicants with whom they have personal contact. LASMT also stated that cases that are not reportable will not be included in future CSR reports.

4. Ensure that time charged to "Bar Work," which is PAI related, is included and counted towards the PAI effort;

In response to the DR, LASMT stated they provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. LASMT also stated they will continue to

emphasize with staff that certain bar work activities can be counted towards PAI and will document PAI engagement appropriately.

5. Ensure that, pursuant to 45 CFR § 1611.7(a)(1) intake screeners inquire about an applicant's reasonable income prospects as part of the intake screening process;

In response to the DR, LASMT stated it has made modifications to its database system to include a question regarding the applicant's reasonable income prospects and a field in which to enter the amount, if any. LASMT also stated they provided training and back-up materials to the entire staff at its all-staff meeting held on June 28, 2012.

6. Re-classify from its 2011 PAI fund \$6, 870.50 to a non PAI fund, of which \$1,836.40 represents LSC's portion and \$5,034.10 represents the non-LSC portion of direct payments made to a contract attorney;
 - a. Further, LASMT must inform their Independent Public Accountants to make the appropriate adjusting entries for 2011 to re-classify the expenditures for all costs related to PAI for both the LSC and non-LSC funds. If LASMT's 2011 audit has been completed before receipt of this Draft Report, then an inter-fund transfer should be used to re-classify \$6,870.50 (of which \$1,376.40 represents the LSC portion and \$5,034.10 represents the non-LSC portion) from PAI expenditures to non-PAI expenditures;
And
 - b. LASMT should provide evidence of these actions with its comments to the Draft Report;

In response to the DR, LASMT stated adjustments were made before their 2011 audit was completed.

In response to the DR, LASMT provided evidence that they re-classified direct payments made in 2011 to a former staff attorney from PAI to non PAI expenses.

7. Utilize a standard or consistent method or basis on how common costs are allocated, and clearly document the allocation of these costs;

In response to the DR, LASMT stated that this is being implemented.

8. Review their 2011 list of contract attorneys to determine if there are any former staff attorneys employed as contract attorneys within two years of their termination of employment;
 - a. If any such attorneys are discovered, LASMT must calculate and re-classify any payments made in accordance with the directions provided above;
 - b. LASMT should provide evidence of these actions with its comments to the Draft Report;

In response to the DR, LASMT stated that the re-classification has been done. No other former attorney has been employed as a contract attorney within two (2) years of employment termination.

9. Re-classify any direct payments made in 2012 that were charged to PAI for any former staff attorneys employed as contract attorneys within two years of their termination of employment;
 - a. LASMT should provide evidence of these actions with its comments to the Draft Report;

In response to the DR, LASMT stated reclassification was made to payments to a former attorney. LASMT provided evidence that the re-classification was made.

10. Ensure that direct or indirect time spent working towards the PAI effort by attorneys and paralegals with PAI responsibilities are based on time records for actual hours worked;

In response to the DR, LASMT stated this is being implemented and was addressed at the all staff meeting held on June 28, 2012.

11. Re-calculate their direct and indirect PAI costs for 2011 using the allocation method stated in their 2011 PAI Plan and ensure that their IPA reviews the allocation method and calculation;

In response to the DR, LASMT stated they re-calculated the direct and indirect PAI costs for 2011 using the allocation method in their 2011 PAI Plan and that an IPA review of the allocation method and calculation is being implemented.

12. Provide LSC with a worksheet supporting the re-calculation of PAI expenditures for LSC and non-LSC funds;

LASMT provided LSC with a worksheet supporting the re-calculation of PAI expenditures for LSC and non-LSC funds.

13. Follow its outstanding checks policy;

In response to the DR, LASMT stated that its outstanding checks policy has been implemented.

14. Update its cash receipts policy with the names of any new employees responsible for these duties;

In response to the DR, LASMT stated it has updated its cash receipt policy with the names of any new employees responsible for these duties.

15. Using an adjusting entry or inter-fund transfer, (depending on receipt of the Draft Report), to allocate to the LSC fund (in whole or in part), an amount in proportion to the LSC funds expended of the \$42,371 in interest income;

In response to the DR, LASMT stated they have implemented an adjusting entry or inter-transfer to allocate to the LSC fund (in whole or in part), an amount in proportion to the LSC funds expended of the \$42,371 in interest income and \$154,134 in attorneys' fees.

16. Update its Credit Card and Charge Card Policy and Procedure to reflect its current credit and/or charge cards as well as the authorized users;

In response to the DR, LASMT stated they have updated its Credit and Charge Card Policy to reflect its current credit and/or charge cards as well as the authorized users.

17. Revise its Files and Records Management Policy to ensure that the specified retention requirements meet the LSC's current guidelines as contained in the AGLR (2010 Edition);

In response to the DR, LASMT stated they have revised its Files and Records Management Policy to ensure that the specific retention requirements meet the LSC's current guidelines as contained in the AGLR.

Legal Aid Society

of Middle Tennessee and the Cumberland

Clarksville • Columbia • Cookeville • Gallatin • Murfreesboro • Oak Ridge • Tullahoma • Nashville

July 3, 2012

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Lora M. Rath
Acting Director
Office of Compliance and Enforcement
3333 K Street, NW 3rd Floor
Washington, DC 20007-3522

Dear Ms. Rath:

Thank you for the opportunity to comment on the findings your team reported after OCE's CSR/CMS review of the Legal Aid Society in February 2012. We especially appreciate the extension of time you allowed in light of my long-planned family trip in June.

We would like to begin by recognizing the attention, professionalism, and courtesy that characterized the team's visit. It was a pleasure to work with the team. More specifically, we appreciate the overall finding that no patterns of non-compliance were found.

As a general matter, we should explain that, in the fall of this year, LAS plans to convert from its FileMaker Pro Case Management System to Legal Files. This conversion will require the clarification and, in some instances the modification, of recordkeeping, timekeeping, and accounting policies related to staff time and activities. The new system will offer us the opportunity (and in some cases the need) for retraining staff on certain uses of our database and timekeeping system. The new system will offer us opportunities to make compliance more consistent. We do not make reference to the new case management in our response to each of LSC's findings. We do wish to emphasize that the new system will significantly change and should improve some of our recordkeeping and reporting.

We offer the attached specific responses to the required corrective actions on pages 54-55 of the report.

Please let us know if you have any further questions.

Sincerely,



Gary Housepian
Executive Director

Gary D. Housepian
Executive Director

cc: Anna Catlin
Pat Rulon
Valerie Hansen
Neil McBride

300 Deaderick Street • Nashville, TN 37201 • www.las.org • (615) 244-6610 • F (615) 244-6186 • 1-800-238-1443



We are funded in part by the Legal Services Corporation, Tennessee Civil Access to Justice Fund, Tennessee Bar Foundation, private donations and United Ways in Anderson, Campbell, Cannon, Davidson, Franklin, Houston, Humphreys, Macon, Maury, Montgomery, Morgan, Rutherford, Stewart, Sumner, Williamson and Wilson counties.



**Response of the
Legal Aid Society of Middle Tennessee and the Cumberland
Recipient No. 643040
To Required Corrective Actions
Draft Report of the Legal Services Corporation
Office of Compliance and Enforcement
May 8, 2012**

1. Ensure that it screens all applicants for conflicts prior to obtaining information which is considered to be a confidence or secret in the State of Tennessee.

LAS Response: Agree. LAS provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. At the all-staff meeting, LAS management reminded all staff of their obligation to check conflicts before they receive confidences, such as income and assets. LAS management will review each office's intake policy to ensure that appropriate systems are in place to make timely checks of conflicts.

2. Ensure that, for each case reported to LSC, the level of assistance, limited or otherwise is documented in the file.

LAS Response: Agree. LAS provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, on the need to document the level of legal assistance provided.

By September 1, 2012, the General Counsel will revise LAS standards for file maintenance and will give to all advocates a written reminder and a copy of Sec. 5.6 of the CSR Handbook, with an emphasis on the obligation to include in case notes a statement of the actual assistance rendered that is sufficient to justify the level of service provided. In addition, the obligation to review the sufficiency of legal assistance provided will be added to the protocol for file reviews by peers and supervisors.

In those cases in which the description of service rendered was inadequate to substantiate the level of legal assistance provided, case notes will either be expanded upon to describe the service rendered or it will not be counted as an LSC case in CSR reports.

3. Ensure that citizenship attestations are obtained for all walk-in applicants, or alien eligibility documentation reviewed.

LAS Response: Agree. LAS provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012, with an emphasis on documenting eligibility of walk-ins and other applicants with whom we have personal contact. Cases that are not reportable will not be counted as an LSC case in CSR reports. See attached revised form.

4. Ensure that time charged to "Bar Work," which is PAI related, is included and counted towards the PAI effort.

LAS Response: Agree. LAS provided training and back-up materials to the entire staff at its all-staff meeting on June 28, 2012. LAS will continue to emphasize with staff that certain bar work activities can be counted towards PAI and will document PAI engagement appropriately.

5. Ensure that, pursuant to 45 CFR § 1611.7(a)(1) intake screeners inquire about an applicant's reasonable income prospects as part of the intake screening process.

LAS Response: Agree. LAS has made modifications in its database system that includes a question regarding applicant's reasonable income prospects and a field in which to enter the amount, if any. LAS provided training and back-up materials on this issue to the entire staff at its all-staff meeting at the June 28, 2012.

6. Re-classify from its 2011 PAI fund \$6, 870.50 to a non PAI fund, of which \$1,836.40 represents LSC's portion and \$5,034.10 represents the non-LSC portion of direct payments made to this contract attorney.

a. Further, LASMT must inform their Independent Public Accountants to make the appropriate adjusting entries for 2011 to re-classify the expenditures for all costs related to PAI for both the LSC and non-LSC funds. If LASMT's 2011 audit has been completed before receipt of this Draft Report, then an inter-fund transfer should be used to re-classify \$6,870.50 (of which \$1,376.40 represents the LSC portion and \$5,034.10 represents the non-LSC portion) from PAI expenditures to non-PAI expenditures; and

b. LASMT should provide evidence of these actions with its comments to the Draft Report.

LAS Response: Agree. These adjustments were made before the 2011 audit was completed. See attached documentation.

7. Utilize a standard or consistent method or basis on how common costs are allocated, and clearly document the allocation of these costs.

LAS Response: Agree. This is being implemented.

8. Review their 2011 list of contract attorneys to determine if there are any former staff attorneys employed as contract attorneys within two years of their termination of employment.

a. If any such attorneys are discovered, LASMT must calculate and re-classify any payments made in accordance with the directions provided above;

b. LASMT should provide evidence of these actions with its comments to the Draft Report.

LAS Response: Agree. This has been done. No other former attorney has been employed as a contract attorney within two years of employment termination. See attached.

9. Re-classify any direct payments made in 2012 that were charged to PAI for any former staff attorneys employed as contract attorneys within two years of their termination of employment;

a. LASMT should provide evidence of these actions with its comments to the Draft Report.

LAS Response: Agree. This has been done. Reclassification made to Barbara Futter, Acct. 3-280-7010-300. See attached.

10. Ensure that direct or indirect time spent working towards the PAI effort by attorneys and paralegals with PAI responsibilities are based on time records for actual hours worked.

LAS Response: Agree. This is being implemented and was addressed at all staff meeting on June 28, 2012.

11. Re-calculate their direct and indirect PAI costs for 2011 using the allocation method stated in their 2011 PAI Plan and ensure that their IPA reviews the allocation method and calculation.

LAS Response: Agree. This has been done.

12. Provide LSC with a worksheet supporting the re-calculation of PAI expenditures for LSC and non-LSC funds.

LAS Response: Agree. This has been done. See attached.

13. Follow its outstanding checks policy.

LAS Response: Agree. This is being implemented.

14. Update its cash receipts policy with the names of any new employees responsible for these duties.

LAS Response: Agree. This has been done.

15. Using an adjusting entry or inter-fund transfer, (depending on receipt of the Draft Report), to allocate to the LSC fund (in whole or in part), an amount in proportion to the LSC funds expended of the \$42,371 in interest income.

LAS Response: Agree. This is being implemented.

16. Update its Credit Card and Charge Card Policy and Procedure to reflect its current credit and/or charge cards as well as the authorized users.

LAS Response: Agree. This has been done.

17. Revise its Files and Records Management Policy to ensure that the specified retention requirements meet the LSC's current guidelines as contained in the AGLR (2010 Edition).

LAS Response: Agree. This has been done.

18. Revise the retainer agreement used for the free advice clinic to include language to document alien eligibility.

LAS Response: Agree. This has been done.

Tab - 3

Legal Clinic Participation Agreement

This agreement is between you and the Nashville Pro Bono Program and the Legal Aid Society of Middle Tennessee and the Cumberlandds. You have come to this clinic to get free legal advice for a problem. By signing this agreement, you agree to the following:

1. The Legal Aid Society/the Nashville Pro Bono Program are not representing you in your legal matter.
2. You will talk with a volunteer lawyer today. The lawyer will provide legal advice to you based on the facts that you tell the lawyer. When the meeting ends, the lawyer's help to you is over.
3. The volunteer lawyer will not represent you further in any legal matter.
4. I understand that the information I give the staff the Legal Aid Society and my volunteer lawyer is confidential. They will not tell anybody else about my finances or the facts that I tell them without my permission.

I am a U.S. Citizen: _____ Signature: _____
Yes No

I agree to the above:

Print Name: _____

Sign Name: _____ Date: _____

TAB - 6

System: 3/14/2012 7:55:31 AM
 User Date: 3/14/2012

Ranges: From: 1/1/2011
 Date: 3/14/2012
 Account: -6000-300

HISTORICAL TRIAL BALANCE SUMMARY FOR 2011
 Legal Aid Society of Middle
 General Ledger

Page: 1
 User ID: ANNA

*Before Audit
 without adjustments*

Sorted By: Main
 Include: Posting

Inactive Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1-100-6002-310	ATTY SAL, CV, LSC, PRO BONO	\$0.00	\$251.40	\$0.00	\$251.40	\$251.40
2-100-6002-310	ATTY SAL, GL, LSC, PRO BONO	\$0.00	\$1,089.90	\$0.00	\$1,089.90	\$1,089.90
3-100-6002-300	ATTY SAL, MB, LSC, CAP	\$0.00	\$42.78	\$0.00	\$42.78	\$42.78
3-100-6002-310	ATTY SAL, MB, LSC, PRO BONO	\$0.00	\$526.55	\$0.00	\$526.55	\$526.55
3-100-6002-320	ATTY SAL, MB, LSC-BF, O-PAI	\$0.00	\$1,757.56	\$0.00	\$1,757.56	\$1,757.56
4-100-6002-310	Attorney Salary, P/B, LSC, Pro Bono	\$0.00	\$9,348.72	\$39.34	\$9,309.38	\$9,309.38
4-145-6002-310	ATTY SAL, MB, STATE FUND, P/B	\$0.00	\$2,835.00	\$0.00	\$2,835.00	\$2,835.00
4-150-6002-310	ATTY SAL, P/B, IOLTA, P/B	\$0.00	\$5,017.80	\$0.00	\$5,017.80	\$5,017.80
4-190-6002-310	Attorney Salary, P/B, Campaign, Pro Bono	\$0.00	\$59,821.54	\$0.00	\$59,821.54	\$59,821.54
4-251-6002-310	Attorney Salary, P/B, NBA, Pro Bono	\$0.00	\$15,242.88	\$0.00	\$15,242.88	\$15,242.88
4-300-6002-310	Att Salary, P/B-Metro-Comm Enhancement-Pro Bono	\$0.00	\$10,771.72	\$1,774.72	\$11,119.22	\$11,119.22
5-100-6002-310	ATTY SAL, CH, LSC, PRO BONO	\$0.00	\$5,278.36	\$0.00	\$5,278.36	\$5,278.36
5-100-6002-320	ATTY SAL, CH, LSC-BF, O-PAI	\$0.00	\$3,350.06	\$0.00	\$3,350.06	\$3,350.06
6-100-6002-310	ATTY SAL, FL, LSC, PRO BONO	\$0.00	\$3,926.11	\$0.00	\$3,926.11	\$3,926.11
6-100-6002-320	ATTY SAL, FL, LSC-BF, O-PAI	\$0.00	\$226.24	\$0.00	\$226.24	\$226.24
8-100-6002-310	ATTY SAL, H.B.S/S, LSC P/B	\$0.00	\$23.05	\$0.00	\$23.05	\$23.05
8-100-6002-310	ATTY SAL, H.B.S/S, LSC, O-PAI	\$0.00	\$634.48	\$0.00	\$634.48	\$634.48
8-100-6002-310	ATTY SAL, ADM, LSC, PRO BONO	\$0.00	\$2,811.85	\$0.00	\$2,811.85	\$2,811.85
8-100-6002-310	Atty Salary, Cook, LSC-CAP	\$0.00	\$369.92	\$0.00	\$369.92	\$369.92
8-100-6002-310	Atty Salary, Cookeville, LSC-PB	\$0.00	\$5,404.12	\$0.00	\$5,404.12	\$5,404.12
8-100-6002-320	Atty Salary, Cook, LSC-Other PAI	\$0.00	\$1,820.29	\$0.00	\$1,820.29	\$1,820.29
8-100-6002-320	Atty Salary - COLUMBIA-LSC	\$0.00	\$47.21	\$0.00	\$47.21	\$47.21
8-100-6002-320	Atty Salary, Columbia, LSC-PBono	\$0.00	\$329.83	\$0.00	\$329.83	\$329.83
8-100-6002-310	Atty Salary, Coli, LSC, Other PAI	\$0.00	\$961.97	\$0.00	\$961.97	\$961.97
8-100-6002-310	Atty Salary, Oak Ridge, LSC-PB	\$0.00	\$3,562.32	\$0.00	\$3,562.32	\$3,562.32
8-100-6002-320	Atty Salary, O/R, LSC-Other PAI	\$0.00	\$1,301.02	\$0.00	\$1,301.02	\$1,301.02
8-100-6002-310	Atty Salary, O/R, IOLTA-PB	\$0.00	\$2,897.13	\$0.00	\$2,897.13	\$2,897.13
8-100-6002-310	Atty Salary, Tullahoma, LSC, PB	\$0.00	\$8,106.57	\$0.00	\$8,106.57	\$8,106.57
8-100-6002-320	Atty Salary, Tull, LSC-Other PAI	\$0.00	\$262.65	\$0.00	\$262.65	\$262.65
8-100-6002-310	Atty Salary, Tull, IOLTA-PB	\$0.00	\$348.95	\$0.00	\$348.95	\$348.95
8-100-6002-310	CLER SAL, GL, LSC, PRO BONO	\$0.00	\$24.25	\$0.00	\$24.25	\$24.25
8-100-6002-310	CLER SAL, GAL, IOLTA, PRO BONO	\$0.00	\$773.80	\$0.00	\$773.80	\$773.80
8-100-6002-310	CLER SAL, MB, IOLTA, PRO BONO	\$0.00	\$802.06	\$0.00	\$802.06	\$802.06
8-100-6002-310	CLER SAL, P/B, LSC, PRO BONO	\$0.00	\$3,222.84	\$0.00	\$3,222.84	\$3,222.84
8-100-6002-310	Clerical Salary, P/B, State Fund, Pro Bono	\$0.00	\$2,802.00	\$0.00	\$2,802.00	\$2,802.00
8-100-6002-310	CLER SAL, P/B, IOLTA, PRO BONO	\$0.00	\$538.84	\$0.00	\$538.84	\$538.84
8-100-6002-310	CLER SAL, P/B, CAMP, PRO BONO	\$0.00	\$22,437.42	\$0.00	\$22,437.42	\$22,437.42
8-100-6002-310	Clerical Salary, P/B, NBA, Pro Bono	\$0.00	\$7,084.14	\$0.00	\$7,084.14	\$7,084.14
8-100-6002-310	CLER SAL, CH, LSC, PRO BONO	\$0.00	\$6,724.24	\$0.00	\$6,724.24	\$6,724.24
8-100-6002-310	CLER SAL, C/H, LSC-BF, O-PAI	\$0.00	\$31,664.93	\$0.00	\$31,664.93	\$31,664.93
8-100-6002-310	CLER SAL, FL, LSC, PRO BONO	\$0.00	\$1,747.82	\$0.00	\$1,747.82	\$1,747.82
8-100-6002-310	CLER SAL, FL, LSC-BF, O-PAI	\$0.00	\$3,351.87	\$0.00	\$3,351.87	\$3,351.87
8-100-6002-310	CLER SAL, HT, LSC, PRO BONO	\$0.00	\$220.08	\$0.00	\$220.08	\$220.08
8-100-6002-310	CLER SAL, ADM, LSC, PRO BONO	\$0.00	\$5,534.27	\$899.00	\$4,635.27	\$4,635.27
8-100-6002-310	Clerical Salary, Camp, Campaign/PAI	\$0.00	\$17,974.89	\$0.00	\$17,974.89	\$17,974.89
8-100-6002-310	Clerical Salary-COLUMBIA-LSC	\$0.00	\$14,895.85	\$0.00	\$14,895.85	\$14,895.85
8-100-6002-310	Cler. Salary, Tullahoma, LSC-PB	\$0.00	\$12.11	\$0.00	\$12.11	\$12.11
8-100-6002-310	Paralegal Salary, P/B, LSC, Pro Bono	\$0.00	\$224.19	\$0.00	\$224.19	\$224.19
8-100-6002-310	Paralegal Salary, P/B, State Funding, Pro Bono	\$0.00	\$4,134.64	\$0.00	\$4,134.64	\$4,134.64
8-100-6002-310	Paralegal Salaries, P/B, IOLTA, Pro Bono	\$0.00	\$2,069.64	\$0.00	\$2,069.64	\$2,069.64
8-100-6002-310	Paralegal Salaries, P/B, Campaign, Pro Bono	\$0.00	\$1,780.83	\$0.00	\$1,780.83	\$1,780.83
8-100-6002-310	Paralegal Salaries, P/B, NBA, Pro Bono	\$0.00	\$26,030.07	\$0.00	\$26,030.07	\$26,030.07
8-100-6002-310	Paralegal Salaries, P/B, Pro Bono	\$0.00	\$7,930.38	\$0.00	\$7,930.38	\$7,930.38

HISTORICAL TRIAL BALANCE SUMMARY FOR 2011
 Legal Aid Society of Middle

Inactive Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
4-125-6005-310	Temp Sal/PRO BONO -MISC. Inc.	\$0.00	\$200.00	\$0.00	\$200.00	\$200.00
4-100-6102-310	LIFE INS. P/B, LSC-BF	\$0.00	\$361.00	\$55.76	\$295.24	\$295.24
4-150-6102-310	LIFE INS. P/B, IOLTA (PROBONO)	\$0.00	\$8.00	\$0.00	\$8.00	\$8.00
4-190-6102-310	LIFE INS. P/B, NON LSC, NASH	\$0.00	\$4.06	\$3.40	\$0.66	\$0.66
4-300-6102-310	Life Insurance-Metro-Community --Pro Bono	\$0.00	\$24.16	\$4.06	\$20.10	\$20.10
4-100-6103-310	MED INS. P/B, LSC-BF	\$0.00	\$16,430.75	\$1,674.51	\$16,756.24	\$16,756.24
4-150-6103-310	MED INS. P/B, IOLTA, PRO BONO	\$0.00	\$717.00	\$0.00	\$717.00	\$717.00
4-300-6103-310	MED INS. P/B, NON LSC-CAMP	\$0.00	\$202.29	\$146.33	\$55.96	\$55.96
4-100-6103-310	Medical Insurance-PRO BONO -Metro-Communi--	\$0.00	\$1,103.84	\$220.77	\$883.07	\$883.07
5-100-6103-310	MED INS. C/H, LSC-BF, PRO BONO	\$0.00	\$992.00	\$0.00	\$992.00	\$992.00
6-100-6103-310	MED INS. F/L, LSC-BF, PRO BONO	\$0.00	\$272.00	\$0.00	\$272.00	\$272.00
B-100-6103-310	MED INS. ADM, LSC-BF, PRO BONO	\$0.00	\$525.00	\$0.00	\$525.00	\$525.00
4-100-6104-310	DEN INS. P/B, LSC-BF	\$0.00	\$1,284.31	\$60.01	\$1,204.30	\$1,204.30
4-150-6104-310	DEN INS. P/B, IOLTA, PRO BONO	\$0.00	\$52.00	\$0.00	\$52.00	\$52.00
4-190-6104-310	DEN INS. P/B, CAMPAIGN	\$0.00	\$0.00	\$16.18	(\$16.18)	(\$16.18)
4-300-6104-310	Dental Insurance-PRO BONO Metro-Communi	\$0.00	\$42.67	\$0.00	\$42.67	\$42.67
4-100-6105-310	DIS INS. P/B, IOLTA, PRO BONO	\$0.00	\$1,334.34	\$208.12	\$1,126.22	\$1,126.22
4-150-6105-310	DIS INS. P/B, NON LSC-CAMP	\$0.00	\$53.00	\$0.00	\$53.00	\$53.00
4-190-6105-310	Disability Ins- PRO BONO -Metro-Communi-	\$0.00	\$10.16	\$8.51	\$1.65	\$1.65
4-300-6105-310	RETIREMENT, P/B, LSC-BF, P/B	\$0.00	\$60.44	\$10.16	\$50.28	\$50.28
4-100-6108-310	RET, P/B, CAMPAIGN, PRO BONO	\$0.00	\$8,822.11	\$457.40	\$8,364.71	\$8,364.71
4-150-6108-310	Retirement-C/H,LSC	\$0.00	\$153.55	\$74.96	\$78.59	\$78.59
4-300-6108-310	Retirement,Adm,LSC	\$0.00	\$532.36	\$82.50	\$449.86	\$449.86
5-100-6108-310	Retirement,Adm,LSC	\$0.00	\$473.04	\$0.00	\$473.04	\$473.04
B-100-6108-310	ACC LEAVE, PRO BONO LSC	\$0.00	\$152.00	\$0.00	\$152.00	\$152.00
1-100-6201-310	FICA TAX, CV, LSC, PRO BONO	\$0.00	\$193.00	\$0.00	\$193.00	\$193.00
2-100-6201-310	FICA TAX, GL, LSC, PRO BONO	\$0.00	\$19,160.39	\$16,684.93	\$2,465.46	\$2,465.46
2-150-6201-310	FICA TAX, GAL, IOLTA, PRO BONO	\$0.00	\$19.23	\$0.00	\$19.23	\$19.23
3-100-6201-300	FICA TAX, MB, LSC, CAP	\$0.00	\$85.24	\$0.00	\$85.24	\$85.24
3-100-6201-310	FICA TAX, MB, LSC, CAP	\$0.00	\$57.07	\$0.00	\$57.07	\$57.07
3-100-6201-320	FICA TAX, MB, LSC, PRO BONO	\$0.00	\$3.27	\$0.00	\$3.27	\$3.27
3-150-6201-310	FICA TAX, MB, LSC-BF, O-PAI	\$0.00	\$40.28	\$0.00	\$40.28	\$40.28
4-100-6201-310	FICA TAX, MB, IOLTA, PRO BONO	\$0.00	\$134.45	\$0.00	\$134.45	\$134.45
4-145-6201-310	FICA Tax, P/B, LSC, PRO BONO	\$0.00	\$55.10	\$0.00	\$55.10	\$55.10
4-150-6201-310	FICA Tax, P/B, State Fund, Pro Bono	\$0.00	\$1,237.06	\$3.01	\$1,234.05	\$1,234.05
4-190-6201-310	FICA TAX, P/B, IOLTA, PRO BONO	\$0.00	\$563.34	\$0.00	\$563.34	\$563.34
4-251-6201-310	FICA TAX, P/B, CAMP, PRO BONO	\$0.00	\$530.77	\$0.00	\$530.77	\$530.77
4-300-6201-310	FICA Taxes, P/B-Metro-Comm Enhancement-Pro Bono	\$0.00	\$7,873.24	\$47.21	\$7,826.03	\$7,826.03
5-100-6201-310	FICA TAX, CH, LSC, PRO BONO	\$0.00	\$2,181.72	\$315.46	\$1,866.26	\$1,866.26
5-100-6201-320	FICA TAX, C/H, LSC-BF, O-PAI	\$0.00	\$918.68	\$0.00	\$918.68	\$918.68
6-100-6201-310	FICA TAX, FL, LSC, PRO BONO	\$0.00	\$2,515.10	\$0.00	\$2,515.10	\$2,515.10
9-100-6201-310	FICA TAX, F/L, LSC-BF, O-PAI	\$0.00	\$434.86	\$0.00	\$434.86	\$434.86
9-100-6201-320	FICA TAX, HLT,BEN,S/LSLSC,P/BON	\$0.00	\$245.52	\$0.00	\$245.52	\$245.52
B-100-6201-310	FICA TAX, HLT,BEN,S/LSLSC, O-PAI	\$0.00	\$18.60	\$0.00	\$18.60	\$18.60
B-100-6201-320	FICA TAX, ADM, LSC, PRO BONO	\$0.00	\$63.84	\$0.00	\$63.84	\$63.84
C-190-6201-320	FICA Taxes, Campaign, Campsign/PAI	\$0.00	\$629.63	\$66.00	\$563.63	\$563.63
D-100-6201-300	FICA TAXES, Cooky, LSC-CAP	\$0.00	\$1,298.83	\$0.00	\$1,298.83	\$1,298.83
D-100-6201-310	FICA Taxes, Cookeville, LSC-PB	\$0.00	\$30.59	\$0.00	\$30.59	\$30.59
E-100-6201-320	FICA TAXES, Cooky, LSC-Other PAI	\$0.00	\$413.42	\$0.00	\$413.42	\$413.42
E-100-6201-300	FICA TAXES-COLUMBIA-LSC (BASIC FIELD) -	\$0.00	\$139.25	\$0.00	\$139.25	\$139.25
E-100-6201-310	FICA Taxes, Col, LSC, Other PAI	\$0.00	\$4.54	\$0.00	\$4.54	\$4.54
O-100-6201-310	FICA Taxes, Oak Ridge, LSC-PB	\$0.00	\$25.23	\$0.00	\$25.23	\$25.23
O-100-6201-320	FICA TAXES, O/R, LSC-Other PAI	\$0.00	\$27.69	\$0.00	\$27.69	\$27.69
O-150-6201-310	FICA TAXES, O/R, IOLTA-PB	\$0.00	\$274.04	\$0.00	\$274.04	\$274.04
T-100-6201-310	FICA Taxes, Tullahoma, LSC-PB	\$0.00	\$206.40	\$0.00	\$206.40	\$206.40
T-100-6201-320	FICA TAXES, Tull, LSC-Other PAI	\$0.00	\$621.38	\$0.00	\$621.38	\$621.38
		\$0.00	\$20.09	\$0.00	\$20.09	\$20.09

HISTORICAL TRIAL BALANCE SUMMARY FOR 2011
Legal Aid Society of Middle

Inactive Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
T-150-9201-310	FICA TAXES,Tul,IOLTA-PB	\$0.00	\$28.71	\$0.00	\$28.71	\$28.71
4-100-8500-310	PROF FEES, P/B, LSC, PRO BONO	\$0.00	\$20.00	\$0.00	\$20.00	\$20.00
4-190-8500-310	PROF FEES, P/B, CAMP, PRO BONO	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00
4-100-8502-310	Comp Consultant,PB,LSC	\$0.00	\$2,250.00	\$0.00	\$2,250.00	\$2,250.00
4-100-8601-310	Audit Exp,P/Bono,LSC	\$0.00	\$500.00	\$0.00	\$500.00	\$500.00
3-100-7010-300	Board Prof Fees, PB, LSC	\$0.00	\$970.00	\$0.00	\$970.00	\$970.00
3-247-7010-300	C.A.P. PAYMENTS, MB, LSC-BF	\$0.00	\$3,005.50	\$1,169.10	\$1,836.40	\$1,836.40
3-280-7010-300	CAP, MURFREESBORO-DCS Griev-	\$0.00	\$2,410.00	\$470.00	\$1,940.00	\$1,940.00
D-100-7010-300	CAP-MURFREESBORO-TALS-SSI Rep.	\$0.00	\$6,164.60	\$2,690.50	\$3,474.10	\$3,474.10
E-100-7010-300	CAP, Cooky, LSC	\$0.00	\$12,213.00	\$0.00	\$12,213.00	\$12,213.00
O-241-7010-300	CAP-COLUMBIA-LSC (BASIC FIELD)--	\$0.00	\$735.40	\$0.00	\$735.40	\$735.40
T-100-7010-300	C.A.P. Payment, O/R, IRS	\$0.00	\$13,705.00	\$760.00	\$12,945.00	\$12,945.00
4-100-8105-310	CAP, Tul., LSC	\$0.00	\$240.00	\$0.00	\$240.00	\$240.00
4-145-8105-310	OFFICE EXP--PRO BONO (NASHVILLE ONLY)-LSC	\$0.00	\$35.20	\$0.00	\$35.20	\$35.20
4-180-8105-310	Office Expense--STATE FUNDING--Pro Bono	\$0.00	\$35.61	\$0.00	\$35.61	\$35.61
3-145-8105-310	OFFICE EXPENSE-PRO BONO (NASHVILLE ONLY)	\$0.00	\$170.15	\$0.00	\$170.15	\$170.15
4-100-8105-310	Office Supplies-MURF-STATE FUNDING--Pro Bono	\$0.00	\$65.00	\$0.00	\$65.00	\$65.00
4-100-8201-310	OFC SUP, P/B, LSC-BF, P/B	\$0.00	\$3,200.14	\$0.00	\$3,200.14	\$3,200.14
4-100-8301-310	TELEPHONE, PB, LSC, P/B	\$0.00	\$3,622.00	\$0.00	\$3,622.00	\$3,622.00
4-100-8401-310	POSTAGE, P/B, LSC-BF, PRO BONO	\$0.00	\$3,200.00	\$0.00	\$3,200.00	\$3,200.00
4-150-8401-310	Occupancy,P/B,LSC	\$0.00	\$13,777.02	\$3,333.34	\$10,443.68	\$10,443.68
4-300-8401-310	OCCUPANCY, PB, IOLTA, P/B	\$0.00	\$100.00	\$0.00	\$100.00	\$100.00
4-100-8510-310	Occupancy-PRO BONO -Metro-Communit-	\$0.00	\$3,233.34	\$1,300.02	\$1,933.32	\$1,933.32
4-100-8601-310	Equip,Rental,P/B, LSC	\$0.00	\$1,600.00	\$0.00	\$1,600.00	\$1,600.00
4-100-8606-310	PRINTING, PB, LSC, P/B	\$0.00	\$2,132.25	\$0.00	\$2,132.25	\$2,132.25
4-100-8707-310	Subscription,PB,LSC	\$0.00	\$20.31	\$0.00	\$20.31	\$20.31
4-180-8707-310	Library,P/B, LSC	\$0.00	\$471.06	\$0.00	\$471.06	\$471.06
O-150-8707-310	AUTO TRAVEL, P/B, LSC-BF, P/B	\$0.00	\$1,180.53	\$0.00	\$1,180.53	\$1,180.53
T-100-8707-310	Travel,O/R, IOLTA P/B	\$0.00	\$18.80	\$0.00	\$18.80	\$18.80
4-190-8890-310	Travel,Tul,LSC-PB	\$0.00	\$31.16	\$0.00	\$31.16	\$31.16
T-100-8890-310	TRAINING, PB, CAMP, P/B	\$0.00	\$107.18	\$0.00	\$107.18	\$107.18
4-100-8900-310	Training,Tul,LSC-PB	\$0.00	\$42.06	\$0.00	\$42.06	\$42.06
4-180-8900-310	Conferences, P/B, Campaign	\$0.00	\$27.28	\$0.00	\$27.28	\$27.28
4-100-9001-310	Conferences,P/B, LSC	\$0.00	\$1,066.15	\$0.00	\$1,066.15	\$1,066.15
4-145-9002-310	NOTARY FEE-LSC (BASIC FI--Pro Bono	\$0.00	\$125.00	\$0.00	\$125.00	\$125.00
3-100-9201-310	MEMB DUES, PB, STATE-FUND, P/B	\$0.00	\$12.00	\$0.00	\$12.00	\$12.00
2-100-9201-310	Bar Dues, State Funding, P/B	\$0.00	\$295.00	\$0.00	\$295.00	\$295.00
4-100-9201-310	Litigation, Gal, LSC-PB	\$0.00	\$100.00	\$0.00	\$100.00	\$100.00
4-145-9201-310	Litigation,MB, LSC-Pro Bono	\$0.00	\$300.00	\$0.00	\$300.00	\$300.00
4-190-9201-310	LITIGATION, PB, LSC-B/F	\$0.00	\$3,527.68	\$0.00	\$3,527.68	\$3,527.68
4-100-9201-310	LITIGATION, PB, STATE-FUND, PB	\$0.00	\$211.35	\$0.00	\$211.35	\$211.35
O-100-9201-320	LITIGATION, PB, CAMP, P/B	\$0.00	\$24.00	\$0.00	\$24.00	\$24.00
T-100-9201-310	Litigation, O/R, LSC, Other PAI	\$0.00	\$714.00	\$0.00	\$714.00	\$714.00
4-100-9301-310	Litigation, Tul., LSC	\$0.00	\$473.75	\$0.00	\$473.75	\$473.75
	Insurance, P/B,LSC	\$0.00	\$750.00	\$0.00	\$750.00	\$750.00

Accounts 159

Grand Totals:

Ending Balance \$434,672.13
Net Change \$434,672.13
Credit \$36,838.11
Debit \$471,510.24

ady justments

4836.40
1560.00
3474.10
5255.94
68665.90
50720.47

From: PBC
To: 5700

Obtained from Anna Catlin. This report is for all LAS expenditures related to the PAI program. The general ledger captures these expenses with codes 310 (PB), 320 (PAI), and 300 (CAP) in the system.

Date: 1/1/2011 12/31/2011 Sorted By: Main
9679 include: Posting

*Auditor
Trial
Balance*

Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
3-100-6002-310	ATTY SAL, CV, LSC, PRO BOND	\$0.00	\$251.40	\$0.00	\$251.40	\$251.40
2-100-6002-310	ATTY SAL, GL, LSC, PRO BOND	\$0.00	\$1,089.90	\$0.00	\$1,089.90	\$1,089.90
2-100-6002-320	Atty sal, gal				\$367.07	\$367.07
3-100-6002-300	ATTY SAL, MB, LSC, CAP	\$0.00	\$42.78	\$0.00	\$42.78	\$42.78
3-100-6002-310	ATTY SAL, MB, LSC, PRO BOND	\$0.00	\$526.55	\$0.00	\$526.55	\$526.55
3-100-6002-320	ATTY SAL, MB, LSC-BF, O-PAI	\$0.00	\$1,757.56	\$0.00	\$1,757.56	\$1,757.56
4-100-6002-310	Attorney Salary, P/B, LSC, Pro Bono	\$0.00	\$9,348.72	\$39.34	\$9,309.38	\$9,309.38
4-145-6002-310	ATTY SAL, MB, STATE FUND, P/B	\$0.00	\$2,835.00	\$0.00	\$2,835.00	\$2,835.00
4-150-6002-310	ATTY SAL, P/B, IOLTA, P/B	\$0.00	\$5,017.80	\$0.00	\$5,017.80	\$5,017.80
4-190-6002-310	Attorney Salary, P/B, Campaign, Pro Bono	\$0.00	\$59,821.54	\$0.00	\$59,821.54	\$59,821.54
4-251-6002-310	Attorney Salary, P/B, NBA, Pro Bono	\$0.00	\$15,242.88	\$4,123.66	\$11,119.22	\$11,119.22
4-300-6002-310	Atty Salary, P/B, Metro-Comm Enhancement-Pro Bono	\$0.00	\$10,771.72	\$1,774.72	\$8,997.00	\$8,997.00
5-100-6002-310	ATTY SAL, CH, LSC, PRO BOND	\$0.00	\$5,278.36	\$0.00	\$5,278.36	\$5,278.36
5-100-6002-320	ATTY SAL, C/H, LSC-BF, O-PAI	\$0.00	\$3,360.06	\$0.00	\$3,360.06	\$3,360.06
6-100-6002-310	ATTY SAL, FL, LSC, PRO BOND	\$0.00	\$3,926.11	\$0.00	\$3,926.11	\$3,926.11
6-100-6002-320	ATTY SAL, F/L, LSC-BF, O-PAI	\$0.00	\$226.24	\$0.00	\$226.24	\$226.24
9-100-6002-310	ATTY SAL, H, B, S/S, LSC, P/B	\$0.00	\$29.05	\$0.00	\$29.05	\$29.05
9-100-6002-320	ATTY SAL, H, B, S/S, LSC, O-PAI	\$0.00	\$834.48	\$0.00	\$834.48	\$834.48
B-100-6002-310	ATTY SAL, ADM, LSC, PRO BOND	\$0.00	\$2,811.85	\$0.00	\$2,811.85	\$2,811.85
D-100-6002-300	Atty Salary, Cook, LSC-CAP	\$0.00	\$399.92	\$0.00	\$399.92	\$399.92
D-100-6002-310	Atty Salary, Cookeville, LSC-PB	\$0.00	\$5,404.12	\$0.00	\$5,404.12	\$5,404.12
D-100-6002-320	Atty Salary, Cookeville, LSC-Other PAI	\$0.00	\$1,820.29	\$0.00	\$1,820.29	\$1,820.29
E-100-6002-300	Atty Salary - COLUMBIA-LSC	\$0.00	\$47.21	\$0.00	\$47.21	\$47.21
E-100-6002-310	Atty Salary, Columbia, LSC-PBono	\$0.00	\$329.83	\$0.00	\$329.83	\$329.83
E-100-6002-320	Atty Salary, Cal, LSC, Other PAI	\$0.00	\$361.97	\$0.00	\$361.97	\$361.97
O-100-6002-310	Atty Salary, Oak Ridge, LSC-PB	\$0.00	\$3,582.32	\$0.00	\$3,582.32	\$3,582.32
O-100-6002-320	Atty Salary, O/R, LSC-Other PAI	\$0.00	\$1,301.02	\$0.00	\$1,301.02	\$1,301.02
O-150-6002-310	Atty Salary, O/R, IOLTA-PB	\$0.00	\$2,897.13	\$0.00	\$2,897.13	\$2,897.13
T-100-6002-310	Atty Salary, Tullahoma, LSC-PB	\$0.00	\$8,106.57	\$0.00	\$8,106.57	\$8,106.57
T-100-6002-320	Atty Salary, Tull, LSC-Other PAI	\$0.00	\$262.65	\$0.00	\$262.65	\$262.65
T-150-6002-310	Atty Salary, Tul, IOLTA-PB	\$0.00	\$348.95	\$0.00	\$348.95	\$348.95
2-100-6003-310	CLER SAL, GL, LSC, PRO BOND	\$0.00	\$24.25	\$0.00	\$24.25	\$24.25
2-150-6003-310	CLER SAL, GAL, IOLTA, PRO BOND	\$0.00	\$775.80	\$0.00	\$775.80	\$775.80
3-150-6003-310	CLER SAL, MB, IOLTA, PRO BOND	\$0.00	\$802.06	\$0.00	\$802.06	\$802.06
4-100-6003-310	CLER SAL, P/B, LSC, PRO BOND	\$0.00	\$3,222.84	\$0.00	\$3,222.84	\$3,222.84
4-145-6003-310	Clerical Salary, P/B, State Fund, Pro Bono	\$0.00	\$2,802.00	\$0.00	\$2,802.00	\$2,802.00
4-150-6003-310	CLER SAL, P/B, IOLTA, PRO BOND	\$0.00	\$538.84	\$0.00	\$538.84	\$538.84
4-190-6003-310	CLER SAL, P/B, CAMP, PRO BOND	\$0.00	\$22,437.42	\$0.00	\$22,437.42	\$22,437.42
4-251-6003-310	Clerical Salary, P/B, NBA, Pro Bono	\$0.00	\$7,084.14	\$0.00	\$7,084.14	\$7,084.14
5-100-6003-310	CLER SAL, CH, LSC, PRO BOND	\$0.00	\$6,724.24	\$0.00	\$6,724.24	\$6,724.24
5-100-6003-320	CLER SAL, C/H, LSC-BF, O-PAI	\$0.00	\$31,664.93	\$0.00	\$31,664.93	\$31,664.93
6-100-6003-310	CLER SAL, FL, LSC, PRO BOND	\$0.00	\$1,747.82	\$0.00	\$1,747.82	\$1,747.82
6-100-6003-320	CLER SAL, F/L, LSC-BF, O-PAI	\$0.00	\$3,351.87	\$0.00	\$3,351.87	\$3,351.87
9-100-6003-310	CLER SAL, HT, LSC, PRO BOND	\$0.00	\$220.08	\$0.00	\$220.08	\$220.08
B-100-6003-310	CLER SAL, ADM, LSC, PRO BOND	\$0.00	\$5,534.27	\$899.00	\$4,635.27	\$4,635.27
B-100-6003-320	CLER SAL, ADM, LSC-BF, O-PAI	\$0.00	\$17,974.89	\$0.00	\$17,974.89	\$17,974.89
C-190-6003-320	Clerical Salary, Camp, Campaign/PAI	\$0.00	\$14,895.85	\$0.00	\$14,895.85	\$14,895.85
E-100-6003-300	Clerical Salary-COLUMBIA-LSC	\$0.00	\$12.11	\$0.00	\$12.11	\$12.11
F-100-6003-310	Cler. Salary, Tullahoma, LSC-PB	\$0.00	\$224.19	\$0.00	\$224.19	\$224.19
4-100-6004-310	Paralegal Salary, P/B, LSC, Pro Bono	\$0.00	\$4,134.64	\$0.00	\$4,134.64	\$4,134.64
4-145-6004-310	Paralegal Salary, P/B, State Fund, Pro Bono	\$0.00	\$2,069.64	\$0.00	\$2,069.64	\$2,069.64
4-150-6004-310	Paralegal Salaries, P/B, IOLTA, Pro Bono	\$0.00	\$1,780.83	\$0.00	\$1,780.83	\$1,780.83
4-190-6004-310	Paralegal Salaries, P/B, Campaign, Pro Bono	\$0.00	\$26,030.07	\$0.00	\$26,030.07	\$26,030.07
4-251-6004-310	Paralegal Salaries, P/B, NBA, Pro Bono	\$0.00	\$7,930.38	\$0.00	\$7,930.38	\$7,930.38
4-125-6006-310	Temp Sal-PRO BOND -MISC. Inc.	\$0.00	\$200.00	\$0.00	\$200.00	\$200.00
4-100-6102-310	LIFE INS, P/B, LSC-BF	\$0.00	\$353.00	\$55.76	\$297.24	\$297.24
4-150-6102-310	LIFE INS, P/B, IOLTA (PROBOND)	\$0.00	\$8.00	\$0.00	\$8.00	\$8.00
4-190-6102-310	LIFE INS, P/B, NON LSC, NASH	\$0.00	\$4.06	\$3.40	\$0.66	\$0.66
4-300-6102-310	Life Insurance-Metro-Community --Pro Bono	\$0.00	\$24.16	\$4.06	\$20.10	\$20.10
4-100-6103-310	MED INS, P/B, LSC-BF	\$0.00	\$18,430.75	\$1,674.51	\$16,756.24	\$16,756.24
4-150-6103-310	MED INS, P/B, IOLTA, PRO BOND	\$0.00	\$717.00	\$0.00	\$717.00	\$717.00
4-190-6103-310	MED INS, P/B, NON LSC-CAMP	\$0.00	\$202.29	\$146.33	\$55.96	\$55.96
4-300-6103-310	Medical Insurance-PRO BOND -Metro-Communi-	\$0.00	\$1,103.84	\$220.77	\$883.07	\$883.07
5-100-6103-310	MED INS, C/H, LSC-BF, PRO BOND	\$0.00	\$992.00	\$0.00	\$992.00	\$992.00
6-100-6103-310	MED INS, F/L, LSC-BF, PRO BOND	\$0.00	\$272.00	\$0.00	\$272.00	\$272.00
6-100-6103-320	MED INS, ADM, LSC-BF, PRO BOND	\$0.00	\$525.00	\$0.00	\$525.00	\$525.00
4-100-6104-310	DEN INS, P/B, LSC-BF	\$0.00	\$1,264.31	\$60.01	\$1,204.30	\$1,204.30
4-150-6104-310	DEN INS, P/B, IOLTA, PRO BOND	\$0.00	\$52.00	\$0.00	\$52.00	\$52.00
4-190-6104-310	DEN INS, P/B, CAMPAIGN	\$0.00	\$0.00	\$16.18	(\$16.18)	(\$16.18)
4-300-6104-310	Dental Insurance-PRO BOND Metro-Communi	\$0.00	\$42.67	\$0.00	\$42.67	\$42.67
4-100-6105-310	DIS INS, P/B, LSC-BF	\$0.00	\$1,334.34	\$208.12	\$1,126.22	\$1,126.22
4-150-6105-310	DIS INS, P/B, IOLTA, PRO BOND	\$0.00	\$53.00	\$0.00	\$53.00	\$53.00
4-190-6105-310	DIS INS, P/B, NON LSC-CAMP	\$0.00	\$10.16	\$8.51	\$1.65	\$1.65
4-300-6105-310	Disability Ins-PRO BOND -Metro-Communi-	\$0.00	\$60.44	\$10.16	\$50.28	\$50.28
4-100-6108-310	RETIREMENT, P/B, LSC-BF, P/B	\$0.00	\$8,822.11	\$457.40	\$8,364.71	\$8,364.71
4-150-6108-310	RET, P/B, CAMPAIGN, PRO BOND	\$0.00	\$153.55	\$74.96	\$78.59	\$78.59
4-300-6108-310	Retirement-PRO BOND-Metro-Communi-	\$0.00	\$332.36	\$82.50	\$249.86	\$249.86
5-100-6108-310	Retirement, C/H, LSC	\$0.00	\$473.04	\$0.00	\$473.04	\$473.04
6-100-6108-310	Retirement, F/L, LSC	\$0.00	\$152.00	\$0.00	\$152.00	\$152.00

8-100-6108-310	Retirement,Adm,LSC	\$0.00	\$193.00	\$0.00	\$193.00	\$193.00
4-100-6140-310	ACC LEAVE, PRO BONO LSC	\$0.00	\$19,160.39	\$16,694.93	\$2,465.46	\$2,465.46
1-100-6201-310	FICA TAX, CV, LSC, PRO BONO	\$0.00	\$19.23	\$0.00	\$19.23	\$19.23
2-100-6201-310	FICA TAX, GL, LSC, PRO BONO	\$0.00	\$85.24	\$0.00	\$85.24	\$85.24
2-100-6201-320	FICA TAX, GL	\$0.00		\$0.00	\$28.07	\$28.07
2-150-6201-310	FICA TAX, GAL, IOLTA, PRO BONO	\$0.00	\$57.07	\$0.00	\$57.07	\$57.07
3-100-6201-300	FICA TAX, MB, LSC, CAP	\$0.00	\$3.27	\$0.00	\$3.27	\$3.27
3-100-6201-310	FICA TAX, MB, LSC, PRO BONO	\$0.00	\$40.28	\$0.00	\$40.28	\$40.28
3-100-6201-320	FICA TAX, MB, LSC-BF, O-PAI	\$0.00	\$134.45	\$0.00	\$134.45	\$134.45
3-150-6201-310	FICA TAX, MB, IOLTA, PRO BONO	\$0.00	\$55.10	\$0.00	\$55.10	\$55.10
4-100-6201-310	FICA TAX, P/B, LSC, PRO BONO	\$0.00	\$1,237.06	\$3.01	\$1,234.05	\$1,234.05
4-145-6201-310	FICA Tax, P/B, State Fund, Pro Bono	\$0.00	\$563.34	\$0.00	\$563.34	\$563.34
4-150-6201-310	FICA TAX, P/B, IOLTA, PRO BONO	\$0.00	\$530.77	\$0.00	\$530.77	\$530.77
4-190-6201-310	FICA TAX, P/B, CAMP, PRO BONO	\$0.00	\$7,873.24	\$47.21	\$7,826.03	\$7,826.03
4-251-6201-310	FICA Tax, P/B, NBA, Pro Bono	\$0.00	\$2,181.72	\$315.46	\$1,866.26	\$1,866.26
4-300-6201-310	FICA taxes, P/B-Metro-Comm Enhancement-Pro Bono	\$0.00	\$810.62	\$126.15	\$684.47	\$684.47
5-100-6201-310	FICA TAX, CH, LSC, PRO BONO	\$0.00	\$918.68	\$0.00	\$918.68	\$918.68
5-100-6201-320	FICA TAX, C/H, LSC-BF, O-PAI	\$0.00	\$2,515.30	\$0.00	\$2,515.30	\$2,515.30
6-100-6201-310	FICA TAX, FL, LSC, PRO BONO	\$0.00	\$434.86	\$0.00	\$434.86	\$434.86
6-100-6201-320	FICA TAX, F/L, LSC-BF, O-PAI	\$0.00	\$245.52	\$0.00	\$245.52	\$245.52
9-100-6201-310	FICA TAX,HLT,BEN,S/S,LSC,P/BON	\$0.00	\$18.60	\$0.00	\$18.60	\$18.60
9-100-6201-320	FICA TAX,H,B,S/S,LSC, O-PAI	\$0.00	\$63.84	\$0.00	\$63.84	\$63.84
B-100-6201-310	FICA TAX, ADM, LSC, PRO BONO	\$0.00	\$629.63	\$69.00	\$560.63	\$560.63
B-100-6201-320	FICA TAX, ADM, LSC-BF, O-PAI	\$0.00	\$1,299.83	\$0.00	\$1,299.83	\$1,299.83
C-190-6201-320	FICA Taxes, Campaign, Campaign/PAI	\$0.00	\$1,072.76	\$0.00	\$1,072.76	\$1,072.76
D-100-6201-300	FICA TAXES,Cookv,LSC-CAP	\$0.00	\$30.59	\$0.00	\$30.59	\$30.59
D-100-6201-310	FICA Taxes,Cookville,LSC-PB	\$0.00	\$413.42	\$0.00	\$413.42	\$413.42
D-100-6201-320	FICA TAXES,Cookv,LSC-Other PAI	\$0.00	\$139.25	\$0.00	\$398.42	\$398.42
E-100-6201-300	FICA TAXES-COLUMBIA-LSC (BASIC FIELD)-	\$0.00	\$4.54	\$0.00	\$4.54	\$4.54
E-100-6201-310	FICA Taxes,Col,LSC-PBono	\$0.00	\$25.23	\$0.00	\$25.23	\$25.23
E-100-6201-320	FICA TAXES, Col, LSC, Other PAI	\$0.00	\$27.69	\$0.00	\$152.11	\$152.11
O-100-6201-310	FICA TAXES, Oak Ridge, LSC-PB	\$0.00	\$274.04	\$0.00	\$274.04	\$274.04
O-100-6201-320	FICA TAXES, O/R, LSC-Other PAI	\$0.00	\$99.53	\$0.00	\$2,147.75	\$2,147.75
O-150-6201-310	FICA TAXES, O/R, IOLTA-PB	\$0.00	\$206.40	\$0.00	\$206.40	\$206.40
T-100-6201-310	FICA Taxes, Tullahoma, LSC-PB	\$0.00	\$621.38	\$0.00	\$621.38	\$621.38
T-100-6201-320	FICA TAXES, Tul, LSC-Other PAI	\$0.00	\$20.09	\$0.00	\$801.12	\$801.12
T-150-6201-310	FICA TAXES, Tul, IOLTA-PB	\$0.00	\$26.71	\$0.00	\$26.71	\$26.71
4-100-6500-310	PROF FEES, P/B, LSC, PRO BONO	\$0.00	\$20.00	\$0.00	\$20.00	\$20.00
4-190-6500-310	PROF FEES, P/B, CAMP, PRO BONO	\$0.00	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00
4-100-6502-310	Comp Consultant, PB, LSC	\$0.00	\$2,250.00	\$0.00	\$2,250.00	\$2,250.00
4-100-6601-310	Audit Exp, P/Bono, LSC	\$0.00	\$500.00	\$0.00	\$900.00	\$900.00
4-100-6801-310	Board Prof, Fees, PB, LSC	\$0.00	\$570.00	\$0.00	\$570.00	\$570.00
3-100-7010-300	C.A.P. PAYMENTS, MB, LSC-BF	\$0.00	\$3,005.50	\$1,169.10	\$0.00	\$0.00
3-247-7010-300	CAP- MURFREESBORO-DCS Griev--	\$0.00	\$2,410.00	\$470.00	\$380.00	\$380.00
3-280-7010-300	CAP-MURFREESBORO-TALS-SSI Rep.	\$0.00	\$6,164.60	\$2,690.50	\$0.00	\$0.00
D-100-7010-300	CAP, Cookv, LSC	\$0.00	\$12,213.00	\$0.00	\$12,213.00	\$12,213.00
E-100-7010-300	CAP-COLUMBIA-LSC (BASIC FIELD)-	\$0.00	\$735.40	\$0.00	\$735.40	\$735.40
O-241-7010-300	C.A.P. Payment, O/R, IRS	\$0.00	\$13,705.00	\$760.00	\$12,945.00	\$12,945.00
T-100-7010-300	CAP, Tul., LSC	\$0.00	\$240.00	\$0.00	\$240.00	\$240.00
4-100-8105-310	OFFICE EXP.-PRO BONO (NASHVILLE ONLY)-LSC	\$0.00	\$35.20	\$0.00	\$35.20	\$35.20
4-145-8105-310	Office Expense--STATE FUNDING--Pro Bono	\$0.00	\$35.64	\$0.00	\$35.64	\$35.64
4-190-8105-310	OFFICE EXPENSE-PRO BONO (NASHVILLE ONLY)-CAMPAIGN	\$0.00	\$170.15	\$0.00	\$170.15	\$170.15
3-145-8106-310	Office Supplies-MUR-STATE FUNDING--Pro Bono	\$0.00	\$65.00	\$0.00	\$65.00	\$65.00
4-100-8106-310	OFC SUP, P/B, LSC-BF, P/B	\$0.00	\$3,200.14	\$0.00	\$3,200.14	\$3,200.14
4-100-8201-310	TELEPHONE, PB, LSC, P/B	\$0.00	\$3,622.00	\$0.00	\$3,622.00	\$3,622.00
4-100-8301-310	POSTAGE, P/B, LSC-BF, PRO BONO	\$0.00	\$3,200.00	\$0.00	\$3,200.00	\$3,200.00
4-100-8401-310	Occupancy, P/B, LSC	\$0.00	\$13,777.02	\$3,333.34	\$10,443.68	\$10,443.68
4-150-8401-310	OCCUPANCY, PB, IOLTA, P/B	\$0.00	\$100.00	\$0.00	\$100.00	\$100.00
4-300-8401-310	Occupancy-PRO BONO -Metro-Communi-	\$0.00	\$3,233.34	\$1,300.02	\$1,933.32	\$1,933.32
4-100-8510-310	Equip Rental, P/B, LSC	\$0.00	\$1,600.00	\$0.00	\$1,600.00	\$1,600.00
4-100-8601-310	PRINTING, PB, LSC, P/B	\$0.00	\$2,132.25	\$0.00	\$2,132.25	\$2,132.25
4-100-8606-310	Subscription, PB, LSC	\$0.00	\$20.31	\$0.00	\$20.31	\$20.31
4-100-8607-310	Library, P/B, LSC	\$0.00	\$471.06	\$0.00	\$471.06	\$471.06
4-100-8707-310	AUTO TRAVEL, P/B, LSC-BF, P/B	\$0.00	\$1,180.53	\$0.00	\$1,180.53	\$1,180.53
4-180-8707-310	Travel}-UNITED WAY --Pro Bono	\$0.00	\$18.80	\$0.00	\$18.80	\$18.80
O-150-8707-310	Travel, O/R, IOLTA P/B	\$0.00	\$31.16	\$0.00	\$31.16	\$31.16
T-100-8707-310	Travel, Tul, LSC-PB	\$0.00	\$107.18	\$0.00	\$107.18	\$107.18
4-190-8890-310	TRAINING, PB, CAMP, P/B	\$0.00	\$42.06	\$0.00	\$42.06	\$42.06
T-100-8890-310	Training, Tul, LSC-PB	\$0.00	\$27.28	\$0.00	\$27.28	\$27.28
4-100-8900-310	Conferences, P/B, LSC	\$0.00	\$1,066.15	\$0.00	\$1,066.15	\$1,066.15
4-190-8900-310	Conferences, P/B, Campaign	\$0.00	\$125.00	\$0.00	\$125.00	\$125.00
4-100-9001-310	NOTARY FEE-LSC (BASIC FI--Pro Bono	\$0.00	\$12.00	\$0.00	\$12.00	\$12.00
4-145-9002-310	MEMB DUES, PB, STATE-FUND, P/B	\$0.00	\$205.00	\$0.00	\$205.00	\$205.00
4-145-9003-310	Bar Dues, State Funding, P/B	\$0.00	\$295.00	\$0.00	\$295.00	\$295.00
2-100-9201-310	Litigation, Gal, LSC-PB	\$0.00	\$100.00	\$0.00	\$100.00	\$100.00
3-100-9201-310	Litigation, MB, LSC-Pro Bono	\$0.00	\$300.00	\$0.00	\$300.00	\$300.00
4-100-9201-310	LITIGATION, PB, LSC-B/F	\$0.00	\$3,527.68	\$0.00	\$3,527.68	\$3,527.68
4-145-9201-310	LITIGATION, PB, STATE-FUND, PB	\$0.00	\$211.35	\$0.00	\$211.35	\$211.35
4-190-9201-310	LITIGATION, PB, CAMP, P/B	\$0.00	\$24.00	\$0.00	\$24.00	\$24.00
D-100-9201-320	Litigation, O/R, LSC, Other PAI	\$0.00	\$714.00	\$0.00	\$714.00	\$714.00
T-100-9201-310	Litigation, Tul., LSC	\$0.00	\$473.75	\$0.00	\$473.75	\$473.75
4-100-9301-310	Insurance, P/B, LSC	\$0.00	\$750.00	\$0.00	\$750.00	\$750.00

159

\$0.00

\$501,720.47 \$501,720.47

2/19/82
5-31-70-2
Accounting Section
(audit)

LEGAL AID SOCIETY OF MIDDLE TENNESSEE
AND THE CUMBERLANDS

SCHEDULE OF SUPPORT, REVENUE, EXPENSES AND
CHANGES IN NET ASSETS FOR LSC FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2011

	Basic Field Grant	Private Attorney Involvement	Total
SUPPORT AND REVENUE			
Grants and contracts - LSC	\$ 2,565,952	\$ 290,469	\$ 2,856,421
Contributions and foundation grants	264,185	211,251	475,436
Attorney fees	59,072	29,982	89,054
Donated services	-	2,940,475	2,940,475
Total support and revenue	<u>2,889,209</u>	<u>3,472,177</u>	<u>6,361,386</u>
PERSONNEL EXPENSES			
Lawyers	691,810	210,756	902,566
Paralegals	109,807	41,945	151,752
Support staff	685,678	119,339	805,017
Employee benefits	471,123	35,216	506,339
Payroll taxes	93,209	27,371	120,580
Total personnel expenses	<u>2,051,627</u>	<u>434,627</u>	<u>2,486,254</u>
OTHER EXPENSES			
Donated services	-	2,940,475	2,940,475
Court costs and litigation	58,500	5,351	63,851
Dues and fees	2,585	512	3,097
Equipment rental and maintenance	59,365	1,600	60,965
Insurance	29,947	750	30,697
Occupancy	252,458	12,477	264,935
Postage	22,682	3,200	25,882
Printing and publications	58,075	2,624	60,699
Professional fees and contract services	112,585	60,835	173,420
Supplies	50,596	3,506	54,102
Telephone	70,057	3,622	73,679
Training	19,734	1,260	20,994
Travel	92,038	1,338	93,376
Total other expenses	<u>828,622</u>	<u>3,037,550</u>	<u>3,866,172</u>
TOTAL EXPENSES	<u>2,880,249</u>	<u>3,472,177</u>	<u>6,352,426</u>
SUPPORT AND REVENUE OVER EXPENSES	8,960	2,940,475	8,960
OTHER CHANGES IN NET ASSETS		531,702	
Acquisition of equipment	(8,960)	-	(8,960)
TOTAL CHANGES IN NET ASSETS	-	-	-
NET ASSETS - BEGINNING OF YEAR	-	-	-
NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TAB - 8

HISTORICAL DETAILED TRIAL BALANCE FOR 2011

Legal Aid Society of Middle

General Ledger

86

Ranges: From: 1/1/2011
Date: 7/2/2012
Account: -300

To: 12/31/2011
-300

Include: Posting

Subtotal By: No Subtotals
Sorted By: Location

Account: 3-100-6002-300 Description: ATTY SAL, MB, LSC, CAP Beginning Balance: \$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Net Change	Ending Balance	Debit	Credit
12/31/2011	99,459	GLTRX00009047				\$42.78	\$42.78	\$42.78	\$0.00

Account: 3-100-6002-300 Totals: \$42.78

Account: 3-100-6201-300 Description: FICA TAX, MB, LSC, CAP Beginning Balance: \$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Net Change	Ending Balance	Debit	Credit
12/31/2011	99,459	GLTRX00009047				\$3.27	\$3.27	\$3.27	\$0.00

Account: 3-100-6201-300 Totals: \$3.27

Account: 3-100-7010-300 Description: C.A.P. PAYMENTS, MB, LSC-BF Beginning Balance: \$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Net Change	Ending Balance	Debit	Credit
3/31/2011	92,376	GLTRX00008459				\$155.00	\$155.00	\$155.00	
4/12/2011	92,057	PMTRX00002574	Purchases	MARCH	Fuller, Barbara	\$265.00	\$265.00	\$265.00	
4/30/2011	93,701	GLTRX00008560				\$46.50	\$46.50	\$46.50	
5/31/2011	94,177	GLTRX00008612				\$53.50	\$53.50	\$53.50	
6/30/2011	94,770	GLTRX00008673				\$255.00	\$255.00	\$255.00	\$249.50
7/15/2011	94,573	PMTRX00002636	Purchases	JUNE 2011	Fuller, Barbara	\$20.00	\$20.00	\$20.00	
7/29/2011	95,032	PMTRX00002644	Purchases	RE:JUNE 2011	Fuller, Barbara	\$431.50	\$431.50	\$431.50	
8/31/2011	96,250	GLTRX00008786				\$60.00	\$60.00	\$60.00	
9/30/2011	96,449	GLTRX00008797				\$20.00	\$20.00	\$20.00	
9/30/2011	96,719	GLTRX00008839				\$1,235.00	\$1,235.00	\$1,235.00	
9/30/2011	97,198	GLTRX00008860				\$25.00	\$25.00	\$25.00	
11/30/2011	98,320	GLTRX00008956				\$25.00	\$25.00	\$25.00	
11/30/2011	98,483	GLTRX00008963				\$25.00	\$25.00	\$25.00	
11/30/2011	98,484	GLTRX00008963				\$25.00	\$25.00	\$25.00	
12/31/2011	99,515	GLTRX00009068				\$414.00	\$414.00	\$414.00	
12/31/2011	99,616	GLTRX00009076							\$25.00
									\$894.60
Totals:						\$1,836.40	\$1,836.40	\$3,005.50	\$1,169.10

Account: 3-100-7010-300 Totals: \$1,836.40

Account: 3-247-7010-300 Description: CAP, MURFREESBORO-DCS Griev-- Beginning Balance: \$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Net Change	Ending Balance	Debit	Credit
3/31/2011	92,376	GLTRX00008459				\$380.00	\$380.00	\$380.00	
3/31/2011	93,570	GLTRX00008571				\$150.00	\$150.00	\$150.00	
4/12/2011	92,057	PMTRX00002574	Purchases	MARCH 4/11	Fuller, Barbara	\$340.00	\$340.00	\$340.00	
5/27/2011	93,409	PMTRX00002603	Purchases	INV 4/11	Fuller, Barbara	\$340.00	\$340.00	\$340.00	
6/7/2011	93,690	PMTRX00002511	Purchases	INV 5/11	Fuller, Barbara	\$605.00	\$605.00	\$605.00	
6/7/2011	93,692	PMTRX00002612	Purchases	INV 4/11	Fuller, Barbara	\$85.00	\$85.00	\$85.00	\$340.00
6/7/2011	93,850	PMVVR00003398	Purchases	JUNE 2011	Fuller, Barbara	\$60.00	\$60.00	\$60.00	\$60.00
7/15/2011	94,573	PMTRX00002636	Purchases	INV 7/11	Fuller, Barbara	\$20.00	\$20.00	\$20.00	\$20.00
8/10/2011	95,417	PMTRX00002660	Purchases	AUG 2011	Fuller, Barbara	\$25.00	\$25.00	\$25.00	\$25.00
8/31/2011	96,449	GLTRX00008797							\$25.00
9/16/2011	96,239	PMTRX00002679	Purchases	10/11	Fuller, Barbara				\$25.00
9/30/2011	95,719	GLTRX00008839							\$25.00
11/22/2011	97,907	PMTRX00002722	Purchases						\$25.00
11/30/2011	98,320	GLTRX00008956							\$25.00
11/30/2011	98,483	GLTRX00008963							\$25.00

Account: 3-247-7010-300 Totals: \$1,836.40

HISTORICAL DETAILED TRIAL BALANCE FOR 2011

Legal Aid Society of Middle

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
6/27/2011	94,194	PMTRX00002624	Purchases	MATHIS, B			
8/9/2011	95,258	PMTRX00002653	Purchases	SEBER, A			
8/26/2011	95,697	PMTRX00002669	Purchases	JOHNSON, B			
8/26/2011	95,729	PMTRX00002669	Purchases	SMITH			
9/19/2011	96,260	PMTRX00002680	Purchases	SEVER			
10/25/2011	97,126	PMTRX00002705	Purchases	SCHUBERT			
12/14/2011	98,439	PMTRX00002732	Purchases	SCHUBERT, C			
Totals:					\$12,213.00	\$12,213.00	\$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
12/31/2011	99,459	GLTRX00009047		Atty Salary - COLUMBIA-LSC	\$47.21	\$47.21	\$0.00
Totals:					\$47.21	\$47.21	\$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
12/31/2011	99,459	GLTRX00009047		Clerical Salaru-COLUMBIA-LSC	\$12.11	\$12.11	\$0.00
Totals:					\$12.11	\$12.11	\$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
12/31/2011	99,459	GLTRX00009047		FICA TAXES-COLUMBIA-LSC (BASIC FIELD)-	\$4.54	\$4.54	\$0.00
Totals:					\$4.54	\$4.54	\$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
5/31/2011	93,454	PMTRX00002604	Purchases	MURPHY			
12/21/2011	98,654	PMTRX00002740	Purchases	STOVALL			
Totals:					\$735.40	\$735.40	\$0.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
3/2/2011	91,064	PMTRX00002549	Purchases	Legal Aid of East TN			
3/23/2011	91,513	PMTRX00002560	Purchases	Legal Aid of East TN			
4/25/2011	92,439	PMTRX00002579	Purchases	Legal Aid of East TN			
5/24/2011	93,169	PMTRX00002600	Purchases	Legal Aid of East TN			
7/26/2011	94,833	PMTRX00002642	Purchases	Legal Aid of East TN			
7/26/2011	94,844	PMTRX00002642	Purchases	Legal Aid of East TN			
8/26/2011	95,758	PMTRX00002669	Purchases	Legal Aid of East TN			
9/28/2011	96,585	PMTRX00002686	Purchases	Legal Aid of East TN			
11/8/2011	97,493	PMTRX00002713	Purchases	Legal Aid of East TN			
11/8/2011	97,532	PMVVR00000411	Purchases	Legal Aid of East TN			
11/10/2011	97,667	PMTRX00002714	Purchases	Legal Aid of East TN			
11/23/2011	97,939	PMTRX00002714	Purchases	Legal Aid of East TN			
12/31/2011	99,141	GLTRX00009022	Purchases	Legal Aid of East TN			
12/31/2011	99,775	GLTRX00009078	Purchases	Legal Aid of East TN			
Totals:					\$13,705.00	\$13,705.00	\$760.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
1/2/2011				Peters, Anita Zona-			
2/2011				Boshears, Marlene			
3/11							
4/11							
MAY 2011							
JUNE 2011							
7/11							
AUG 2011							
9/11							
SEPT. 11							
10/11							
Totals:					\$12,945.00	\$12,945.00	\$760.00

Trx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Name	Ending Balance	Net Change	Beginning Balance
Totals:					\$12,945.00	\$12,945.00	\$760.00

HISTORICAL DETAILED TRIAL BALANCE FOR 2011

Legal Aid Society of Middle

Account:	T-100-7010-300	Description:	CAP, Tul., LSC	Beginning Balance:			
Trx Date	Jml No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Net Change	Ending Balance
12/31/2011	99,192	GLTRX00009026				\$240.00	\$240.00
				Totals:		\$240.00	\$240.00
				Account: T-100-7010-300			\$0.00

Accounts	14	Beginning Balance	\$0.00	Net Change	\$33,924.32	Ending Balance	\$33,924.32	Debit	\$39,013.92	Credit	\$5,089.60
Grand Totals:											

TAB - 9

System: 7/2/2012 8:19:56 AM
 User Date: 7/2/2012

Legal Aid Society of Middle
 DETAILED TRIAL BALANCE FOR 2012
 General Ledger

Page: 1
 User ID: ANNA

Ranges: From:
 Date 1/1/2012
 Account - - -300

To:
 6/30/2012
 - - -300

9a

Sorted By: Location
 Include: Posting

Subtotal By: No Subtotals

^ Inactive Account

Account	Beginning Balance	Description	Source Doc	Doc Number	
Trx Date	Reference	Debit	Credit	Net Change	Ending Balance
3-280-7010-300					
	\$0.00	CAP-MURFREESBORO-TALS-SSI Rep.			
2/15/2012 Futter, Barbara	Payables Trx	\$865.00		PMTRX 1/2012	
2/29/2012	correct futte		\$865.00	GJ	
	Totals:	\$865.00	\$865.00	\$0.00	\$0.00
D-100-7010-300					
	\$0.00	CAP, Cookv, LSC			
1/31/2012 Brady, Rebecca	Payables Trx	\$65.00		PMTRX SMITH, P	
2/20/2012 McDonald, Elizabeth	Payables Trx	\$801.31		PMTRX HARTMAN	
3/1/2012 McDonald, Elizabeth	Payables Trx	\$760.49		PMTRX FINAL-TITTLE	
3/21/2012 Maxwell, Anthony	Payables Trx	\$450.00		PMTRX SCHUBERT, C.	
3/21/2012 McDonald, Elizabeth	Payables Trx	\$285.59		PMTRX FINAL-BAKER	
3/26/2012 Brady, Rebecca	Payables Trx	\$285.00		PMTRX JARLIS	
3/26/2012 Brady, Rebecca	Payables Trx	\$100.00		PMTRX PIPER SMITH	
3/26/2012 McDonald, Elizabeth	Payables Trx	\$1,000.00		PMTRX FINAL-HALE	
5/9/2012 Maxwell, Anthony	Payables Trx	\$582.10		PMTRX BECK	
	Totals:	\$4,874.49	\$0.00	\$4,874.49	\$4,874.49
E-100-7010-300					
	\$0.00	CAP-COLUMBIA-LSC (BASIC FIELD) - -			
6/27/2012 Peters, Anita Zona-	Payables Trx	\$528.70		PMTRX FINAL - MURPHY	
	Totals:	\$528.70	\$0.00	\$528.70	\$528.70
O-241-7010-300					
	\$0.00	C.A.P. Payment, O/B, IRS			
1/31/2012 Legal Aid of East TN	Payables Trx	\$365.00		PMTRX DEC. 2011	
1/31/2012 Legal Aid of East TN	Payables Trx	\$365.00		PMTRX DEC. 2011	
1/31/2012 Legal Aid of East TN	Void Open Trx		\$365.00	PMVVR DEC. 2011	
1/31/2012	correct laet		\$365.00	GJ	
3/1/2012 Legal Aid of East TN	Payables Trx	\$260.00		PMTRX JAN 2012	
3/26/2012 Legal Aid of East TN	Payables Trx	\$770.00		PMTRX FEB 2012	
5/9/2012 Legal Aid of East TN	Payables Trx	\$670.00		PMTRX MARCH 2012	
	Totals:	\$2,430.00	\$730.00	\$1,700.00	\$1,700.00
Grand Totals:	\$0.00	\$8,698.19	\$1,595.00	\$7,103.19	\$7,103.19

Total Accounts: 4

Adjusted PAI Costs

	Total PAI	Total LSC PAI
Before Audit - from General Ledger	434672	218387
Adjustments		
Barbara Futter - non lsc	-1560	
Barbara Futter - lsc	-1836	-1836
Barbara Futter - non lsc	-3474	
Time Records - salary	68665	68665
fica on above #	5253	5253
Attorney Fees	29982	29982
Total	531702	320451
After Audit	531702	320451
Adjustments after recalculations		
Reverse out % allocations - no bases	-20762	-65124
Add		
Benefits not recorded (salaries from time records recorded)	1849	805
Overhead	891	367
Total after recalculations	513680	256499