



7050-01

## LEGAL SERVICES CORPORATION

### Legal Services Corporation Financial Guide; Request for Comments

**AGENCY:** Legal Services Corporation.

**ACTION:** Request for comments.

**SUMMARY:** The Legal Services Corporation (“LSC”) has drafted revisions to its *Accounting Guide* and retitled it as the *Financial Guide*. LSC seeks comments on the draft *Financial Guide*.

**DATES:** All comments must be received on or before the close of business on October 15, 2020.

**ADDRESSES:** You may submit comments by any of the following methods.

*Instructions:* Electronic submissions are preferred via email with attachments in Acrobat PDF format. LSC may not consider written comments sent via any other method or received after the end of the comment period.

*Email:* [financialguide@lsc.gov](mailto:financialguide@lsc.gov). Please include “Financial Guide Comment” in the subject line of the message.

*Fax, U.S. Mail, Hand Delivery, or Courier:* Please call 202-295-1623 for instructions if you need to send materials by one of these methods.

**FOR FURTHER INFORMATION CONTACT:** Mark Freedman, Senior Associate General Counsel, (202) 295-1623 or [mfreedman@lsc.gov](mailto:mfreedman@lsc.gov).

**SUPPLEMENTARY INFORMATION:** The Legal Services Corporation (LSC) has conducted a comprehensive review of the *Accounting Guide for LSC Recipients, 2010 Edition*. Based on input from LSC grantees and LSC fiscal compliance analysis staff, LSC believes that the format of the Accounting Guide no longer best serves grantees or LSC. LSC has restructured the document and renamed it the *Financial Guide*. The new draft *Financial Guide* removes outdated or inapplicable materials, improves materials directly related to LSC-specific issues, and adds clarity about both

required and recommended financial practices. The draft *Financial Guide* also addresses areas that were previously identified as problematic, such as Cost Allocation, and assists grantees in the financial management of LSC grants.

LSC has removed sections that provided general accounting and financial guidance, because neither LSC nor grantees found these sections useful. The Financial Accounting Standards Board (FASB) establishes and updates the generally accepted accounting principles (GAAP) that provide the applicable accounting methods and practices. The draft *Financial Guide* references GAAP requirements rather than restating them.

Overall, the draft *Financial Guide* conforms to existing LSC and grantee practices and requirements. Additionally, in some places, the draft *Financial Guide* sets out requirements that have not previously been published for comment.

LSC has published on the [Matters for Comment](#) webpage on [www.lsc.gov](http://www.lsc.gov) the draft *Financial Guide* for comment and a reference guide to the draft updates and new requirements. LSC seeks comments on the entire draft *Financial Guide*, particularly the sections with significant changes. LSC will review the comments and, if possible, implement the *Financial Guide* with any appropriate revisions before January 1, 2021.

LSC also seeks comment on the following question:

Should LSC implement the new Financial Guide as of a single date for all grantees (e.g., January 1, 2021) or by applying it to each grantee with the start of the grantee's new fiscal year.

Dated: July 1, 2020.

Mark Freedman,

Senior Associate General Counsel.

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