

To: Potential Legal Services Organization Grant Applicant
From: Al Azen
Date: December 16, 2005

Subject: Upcoming IOLTA Grant Cycle

Enclosed are the transmittal memorandum and grant application (submission due date of **January 23, 2006**) for the IOLTA Board's upcoming grant cycle of **July 1, 2006 to June 30, 2007**. The IOLTA Board will again seek input from the Philadelphia Bar Foundation related to grant applications received for the Philadelphia zone. Statewide applications will continue to be evaluated by the IOLTA Board.

While I anticipate more grant funds will be available next year as compared to the current year, no decision has been made on the specifics. IOLTA and Access to Justice (AJA) funds could be as much as 50% or more higher than current grant levels.

Note that this year's grant application continues to use the format identified as Grant Applicant Profile, Format 5/06. Where precise data are not available to complete the format, thoughtful estimates should be used. Additionally, please limit the **grant proposal summary** (Format 01/06) to the space provided (or in the alternative use a separate single page summary of the grant proposal with your identifying information); and remember to **submit five copies** of the full grant application.

Organizations that have received IOLTA funding in the past should also note that a copy of the most recent audited financial statements is requested with the grant application.

AJA:jmm

Enclosures (Grant Application/Time line/PA State County Map)

cc: Maureen Mingey, Philadelphia Bar Foundation

TO: LEGAL SERVICES ORGANIZATION
GRANT APPLICANTS

DATE: DECEMBER, 2005

The upcoming IOLTA grant cycle covers the period July 1, 2006 to June 30, 2007. These instructions are directed to potential applicant legal services organizations that have as their primary purpose the delivery of civil legal assistance free of charge. When reviewing grant applications, the Board weighs the overall geographical impact of its grants, as well as the merits of the grant proposals.

Timetable

The Board expects to follow the timetable indicated below for the award of its grants.*

Announce Availability of Grant Funds	Mid-December 2005 <u>2006</u> *
Grant Applications Due to the Board	January 23
Acknowledge Receipt of Grant Application and Request Missing Data	Mid-January
Receipt of Missing Data	Late January
Grant Committee Reviews Applications and Develops its Recommendations	March
Board Develops its Preliminary Grant Recommendations	Mid-March
Preliminary Grant Awards approved by Supreme Court	Early May
Notice of Preliminary Grant Awards to Applicants and Invite Grant Applicants for Oral or Written Presentations	Mid-May
Hear Oral Presentations/Review Written Requests for Reconsideration	Late May
Recommendations for meritorious reconsiderations sent to the Supreme Court	Early June
Grant Agreements Executed for the Grant Cycle 7/1/2006 to 6/30/2007	Mid-June
Grant Agreements Executed for Court Approved reconsiderations for the Grant Cycle 7/1/2006 to 6/30/2007	Mid-July

* The Board reserves the right to change the timetable without notice.

Grant Priorities

Geographical Distribution. The Board seeks to assure the geographical dispersion of IOLTA grant awards. Accordingly, the Board may encourage applications from qualified organizations from an area of the state that is not sufficiently represented by grant applications. Grants for legal services organizations are divided into two major categories: statewide system grants and other legal services grants.

Statewide System Grants. A coordinated, statewide system of independently organized legal services programs is funded by the Commonwealth of Pennsylvania to provide a full range of civil legal assistance to low income persons and victims of abuse throughout Pennsylvania. To leverage IOLTA administered grants funds, and to efficiently and effectively assure the uniformity of access to civil legal assistance, the Board's goal is to provide monies to supplement the financial base of the Commonwealth-funded legal service programs. The Board reserves its discretion to select an otherwise qualified organization that does not receive Commonwealth funding for the provision of civil legal assistance for the poor as the entity to provide IOLTA funded civil legal assistance for the poor in a particular service area.

The Board's objective in awarding its general services funds is to increase the direct provision of legal services to clients by supplementing the county-level and statewide service organizations and projects. Other initiatives may be considered by the Board where the expenditures will increase efficiency and/or effectiveness of direct services programs.

Other Legal Services Grants. The Board awards two types of grants for specialized service - operational support and project awards. Qualifying organizations may apply for one or both types of grants. The number of separate requests for grants from applicants is limited to no more than two per annual grant cycle (i.e., 7/1 to 6/30).

Operational Support Grants. Operational support grants may be awarded to legal services organizations that are organized to provide specialized legal assistance and to general services legal services programs that are not part of the Commonwealth funded legal service system. Operational support grants tend to be less competitive but are usually smaller in amount than project grants. Operational support grants can be used to supplement the budget of the legal services program's regular services and are more likely to be renewed in subsequent grant cycles than are project grants.

Project Grants. Any IOLTA qualified recipient can apply for project funding for legal assistance. Project grants are usually larger than general support grants and are intended to fund much or all of the direct personnel and other incremental costs of the project. However, project grants are competitive and few are awarded. Additionally, although IOLTA grants are only awarded for a one year period, IOLTA funded special projects usually receive priority consideration for the next grant cycle, but are not likely to be funded for more than three consecutive grant cycles.

More Information

Grant applicants are encouraged to contact the Board's staff if they have any questions concerning the grant process. Applicants may contact:

Alfred J. Azen, Executive Director

Tel 717/238-2001 or 888/PA-IOLTA(724-6582)

Fax 717/238-2003

E-mail: al.azen@pacourts.us

PENNSYLVANIA INTEREST ON LAWYERS TRUST ACCOUNT BOARD

Grant Application Procedures, 2006 Legal Services Organizations

The Pennsylvania Interest on Lawyers Trust Account Board (Board) was established by the Supreme Court of Pennsylvania on July 17, 1996. The Supreme Court amended Rule 1.15 of the Rules of Professional Conduct to establish the Interest on Lawyers Trust Account (IOLTA) program under its jurisdiction. The rule amendment requires attorneys to place all fiduciary funds they receive in their capacity as attorneys into interest bearing status to benefit the owner of the funds, or for qualified funds, to benefit the IOLTA program.

Qualified funds are those which are expected to generate less interest than expense if the funds were maintained in a segregated account. The depository institutions transfer IOLTA interest earnings, net of appropriate service charges, to the Board. The Board uses these funds to make grants to not-for-profit corporations which operate in Pennsylvania, whose primary purpose is to provide without charge, civil legal services to low income and disadvantaged clients in Pennsylvania, for law school clinical and internship programs, and to improve the administration of justice.

With the passage of Act 122 in 2002, effective November 1, 2002 an additional fee was authorized to be assessed and collected on certain court house filing. The additional fee is remitted by court house officials and county row officers to the Pennsylvania Department of Revenue. Some of the additional fees are deposited into a restricted Access to Justice Act (AJA) account. Funds in the restricted account are appropriated annually for distribution by the Pennsylvania IOLTA Board to supplement the funding of organizations that are under contract or subcontract with the Department of Public Welfare for Commonwealth appropriated funding for the provision of civil legal services. Persons eligible for services funded by the AJA and organizations that receive AJA funds must meet the criteria contained at 204 Pa Code Chapter 401.

Organization

The Board is an organization of the Supreme Court of Pennsylvania and is composed of nine members entrusted with the administration of the IOLTA program. All nine members of the Board are appointed by the Supreme Court of Pennsylvania.

Types of Grants

The Board recommends the award of grants for: (1) the delivery of civil legal

assistance to the poor and disadvantaged; (2) educational legal clinical programs and internships administered by law schools; and, (3) the administration of justice. The Supreme Court of Pennsylvania must approve all grant awards.

Grants for civil legal assistance to the poor and disadvantaged are divided into two categories - general legal services and other legal services.

General legal services grants are awarded to primarily supplement the funding appropriated by the Commonwealth for the legal services system that operates to provide civil legal assistance to eligible clients and victims of abuse throughout the state. All of the AJA filing fee surcharge funds are directed to this category.

Other legal services grants are awarded to supplement the funding of legal services programs that are highly focused in their representation or legal services programs that provide a full range of services, but which are not part of the Commonwealth funded civil legal services system.

Who May Apply

Recipients of IOLTA funds must meet all the basic criteria and all of the criteria for either the general or other service category identified below.

I. Basic Criteria

Qualified recipients must:

1. Be a not-for-profit Pennsylvania Corporation.
2. Be tax exempt under Section 501(c)(3) of the Internal Revenue Code.
3. Operate primarily within Pennsylvania.
4. Have as their primary purpose the provision of civil legal services without charge.

II. Category Criteria

1. Statewide System

Statewide System Category Recipients must:

- a. Operate to provide civil legal services to eligible clients and victims of abuse, and
- b. Funds for such services must be:
 - (1) Appropriated by the General Assembly, and be received directly or indirectly through a contractual arrangement with the Department of Public

Welfare (Recipient would be eligible for AJA grant funds); or

- (2) Operate to provide a full range of civil legal services to eligible clients and victims of abuse and be determined by the PA IOLTA Board as the appropriate provider of such services for a particular service area (Recipient may be eligible for AJA grant funds.).

2. Other Legal Services

Other Service Category Recipients must:

- a. Provide directly or administer the pro bono provision of specialized legal services primarily to disadvantaged individuals such as the elderly, disabled, homeless, seasonal farmworkers and victims of crime or abuse, or
- b. Provide for or administer the provision of a full range of direct pro bono legal services.

Potential applicants should carefully consider the following exclusions that result based on these criteria:

1. Individuals, partnerships and for-profit entities;
2. Organizations operating primarily outside of Pennsylvania;
3. Organizations incorporated outside of Pennsylvania.

Moreover, IOLTA funds may not be used to:

1. Provide legal assistance with respect to any fee-generating case;
2. Provide legal assistance with respect to the defense of any criminal prosecution;
3. Provide legal assistance in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an official of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction;
4. Contribute to or be made available to any political party or association, or the campaign of any candidate for public or party office or similar political activities or to support or oppose candidates for public or party office or to support or oppose any ballot questions; and
5. Provide for capital expenditures.

In addition, IOLTA funds may not be used directly or indirectly to:

1. Support activities intended to influence the issuance, amendment or revocation of any executive or administrative order or regulation of a Federal, State or local agency, or to influence the introduction, amendment, passage or defeat of any legislation by the Congress of the United States or by any State or local legislative body, except that: (a) qualified recipients may engage in such activities in response to a request from a governmental agency, legislative body, committee, member or staff thereof made to the qualified recipient, consistent with the Code of Professional Responsibility, and (b) qualified recipients may engage in such legal services to an eligible client on a particular application, claim or case, which directly involves that client's legal rights and responsibilities.
2. Advocate the freedom to choose abortion or the prohibition of abortion, provide legal assistance with respect to any proceeding or litigation which seeks to procure or prevent, or procure or prevent public funding for, any abortion; or provide legal assistance with respect to any proceeding or litigation which seeks to compel or prevent the performance or assistance in the performance of any abortion, or the provision of facilities for the performance of any abortion. However, this restriction shall not be construed to prevent the rendering of advice to a client with respect to that client's legal right nor preclude representation in a proceeding to procure or prevent public funding for abortion where the funding is allowed by law.

AJA Grant funds have similar grant use restrictions in addition to eligibility regulations which are at 204 Pa Code Chapter 401.

How to Apply

Qualified organizations applying for a grant are encouraged to submit a proposal in concise form. Grants will be issued for the Board's grant cycle of 7/1/2006 to 6/30/2007. **Organizations that have already been determined by the Pennsylvania Interest on Lawyers Trust Account Board to be an IOLTA-qualified recipient organization, need only submit the following:**

1. Grant application cover form (see

format 1/06);

2. Grant proposal. Include information on clients to be served and services which will be provided; counties to be covered and period of time covered by the proposal; and
3. Proposed Budget (see format 4/06)
4. Grantee Profile (see format 5/06)
5. Copy of the most recent audited financial statements

Other applicant organizations must include:

1. Grant application cover form (see format 1/06);
2. A grant narrative no longer than four (4) single-spaced typed pages describing the:
 - a) Organization.
 - i. Description of applicant covering such matters as history, priorities, intake system, legal work supervision system, program evaluation process and financial audit mechanism.
 - ii. Client eligibility standards.
 - iii. Community characteristics such as potential and actual client populations, service area demographics, and
 - iv. Cooperative efforts with other legal assistance and other organizations servicing the needs of the applicant's client population.
 - b) Grant Proposal. Include clients to be served and services which will be provided; how such services will be delivered; counties to be served, and period covered by the proposal.
3. Organization-wide financial and service history for the most recent completed fiscal year and the current year's budget identifying program costs (see formats 2/06 and 3/06).
4. Proposed budget (see format 4/06).
5. Proposal Attachments.

Applicants should submit:

- a) Audited or independently reviewed financial statements for the most recent two completed fiscal years. If audited or independently reviewed, financial statements are not available, submit financial statements signed by the corporation's President or Treasurer;
- b) Form 990 for the most recent two completed fiscal years;
- c) List of the current Board of Directors, appointing authorities or organization represented (if applicable), home town and professional business or community affiliation;
- d) List by name, address, telephone number and contact person, proposed sub-recipients of grant funds and the applicant's plans for the provision of the proposed services;
- e) Copy of Internal Revenue Service 501(c)(3) determination

letter;

- f) Copy of the corporation's articles of incorporation.

After Submitting a Proposal

Once the request has been received, applicants will be notified in writing of the receipt of the application. If further information is required, the Board's staff will contact the applicant organization. A personal interview with the applicant's representative(s) or a site visit may be required at the discretion of the Board.

When and Where to Apply

Five (5) copies of the completed application (one copy of attachments if applicable) must be sent and postmarked by **January 23, 2006** to the:

**Pennsylvania Interest on Lawyers Trust
Account Board
P.O. Box 1025, 115 State Street
Harrisburg, PA 17108-1025**

Questions concerning the application process or the distribution of grants may be directed to Alfred J. Azen, Executive Director of the PA IOLTA Board, at (717)238-2001 or 888-PAIOLTA (724-6582).

The Board expects to announce its grants in mid-May 2006.

**PENNSYLVANIA INTEREST ON
LAWYERS TRUST ACCOUNT BOARD**

Grant Application Procedures, 2006
Format 1/06

Applicant Name: _____

Address: _____

Telephone Number:() _____ **Date:** _____ **AMT REQUESTED:** _____

E-mail Address: _____ **Website Address:** _____

Contact Person: _____

<u>Counties Served</u> (List)	() Total Program () IOLTA Funded <u>Planned Cases Handled*</u> (Indicate by County)
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Proposal Executive Summary (must be limited to space provided, or a single separately identified summary page)

Submitted by

Board President

Executive Director

* Check which description applies

**PENNSYLVANIA INTEREST ON
LAWYERS TRUST ACCOUNT BOARD**

**Grant Application Procedures, 2006
Format 2/06**

Applicant Name: _____
Date: _____

Organization-wide Financial History
() ()
Current Budget Prior Fiscal Year
Total Total

Revenues (list source if greater than 25%
of total revenues)

Total Revenues

Expenditures

Personnel (list various classifications)

Fringe Benefits

Consultants and Contract Svcs.

Travel

Space

Consumable Supplies

Insurance and bonding

Postage

Telephone

Other (list other significant expenditures)

Total Expenditures

Excess (Deficiency) Revs. over
Expenditures (Revenues minus expenditures)

Capital Expenditures (list)

Total Capital Expenditures

Notes:

1. Separately list any contracts for services with sub-recipients. (Use a separate page if necessary).
2. Other expenditure line items may be used if those displayed are not appropriate for the applicant's operations.
3. Capital expenditures include such items as equipment, furniture or other property acquisitions (i.e., purchases or capitalized leases).
4. Indicate the dates above the column heading applicable to the listed amounts.

**PENNSYLVANIA INTEREST ON
LAWYERS TRUST ACCOUNT BOARD**
Grant Application Procedures, 2006
Format 3/06

Applicant Name: _____

Date: _____

Organization-wide Service History

<u>Types of Cases</u>	Number of Cases Handled	
	(Current Period Number	(Prior Fiscal Year Number
Housing		
Gov't. Benefits		
Consumer		
Employment		
Family		
Education		
Health		
Miscellaneous		
Total Cases Handled		

Notes:

1. Other case types may be used if those displayed are not appropriate for the applicant's operations.
2. Cases handled are those that have been open during the period noted, that is, the number of cases pending at the end of the period plus those closed during the period. If a different method is used, prominently indicate the method used.
3. Indicate the dates above the column headings applicable to the listed figures.

**PENNSYLVANIA INTEREST ON
LAWYER TRUST ACCOUNT BOARD**

Grant Application Procedures, 2006
Format 4/06

Applicant

Name: _____

Date: _____

Proposed Budget

()
<u>IOLTA</u>	<u>Other</u>	<u>Total</u>
<u>Grant</u>	<u>Sources</u>	<u>Proposed Budget</u>

Revenues (list by source if greater than 25% of total revenues)

Total Revenues

Expenditures

Personnel (list various classifications)

Fringe Benefits

Consultants and Contract Svcs.

Travel

Space

Consumable Supplies

Insurance and Bonding

Postage

Telephone

Other (list other significant expenditures)

Total Expenditures

Excess Revenues over

Expenditures (Revenues minus expenditures)

Capital Expenditures (list)

Total Capital Expenditures

Notes:

1. Separately list any contracts for services with sub-recipients. (Use a separate page if necessary).
2. Other expenditure line items may be used if those displayed are not appropriate for the applicant's operations.
3. Capital expenditures include such items as equipment, furniture or other property acquisitions (i.e., purchases or capitalized leases).
4. List the dates applicable to the budget.
5. If the proposal is for general program support, the total proposed budget should be the same as the total organization budget for the indicated period.

**PENNSYLVANIA INTEREST ON
LAWYER TRUST ACCOUNT BOARD**

Grant Application Procedures, 2006

Grant Applicant Profile

Format 5/06

Applicant

Name: _____

Date: _____

Y o u r F i s c a l Y e a r
Most Recently
Completed Year Prior Year Two Years Prior

Services Provided (Numbers)

Cases Closed

Advice/Brief Service

Extended Representation

Impact Representation¹

Other Services Provided (List e.g. Community Ed., etc.)

**Persons Directly Benefitted from Cases
and Services**

Financial

Total Revenues

Total Expenses

Net Assets

Restricted

Unrestricted

Property

Unexpended IOLTA Grant(s)

Full-time Equivalent - FTE

(Number of Service Providers)

Attorneys

Paralegals

Law Students

Pro Bono Volunteers

Contracted Services

Office Location(s) (Counties)

List Other Quantitative Indicators of Your Choice

(eg. new cases, etc.)

Notes:

1. Impact Representation is a case or project that (a) affects significant segments of the eligible population, and (b) achieves or is expected to achieve relatively permanent improvement in legal rights or basic living conditions of those affected.