

Rule of Professional Conduct (RPC) 1.15 provides that the Supreme Court of Pennsylvania approves the disbursement and allocation of IOLTA funds after consideration of recommendations presented to it by the Board. IOLTA funds can only be used for the following purposes:

- 1) Delivery of civil legal assistance to the poor and disadvantaged in Pennsylvania by non-profit corporations described in Section 501(c)(3) of the Internal Revenue Code (IRC) of 1986, as amended;
- 2) Educational legal clinical programs and internships administered by law schools located in Pennsylvania;
- 3) Administration and development of the IOLTA Program in Pennsylvania; and
- 4) The administration of justice in Pennsylvania.

The Supreme Court of Pennsylvania approved the following framework to guide the Board's recommendations for the uses of IOLTA funds:

First, the estimated administrative expenses for annual operations and funds needed for cash flow and financial stability will be accounted for before grant allocations are made;

Second, each qualified law school operating in Pennsylvania is eligible for a \$200,000 annual grant. Sufficient funds will be identified for the eligible law schools.

Third, the remaining funds which are expected to be not less than \$4.7 million be made available for eligible legal services organizations.

#### Prohibitions

The Board's policy is that IOLTA funds may not be used (1) to provide legal assistance with respect to any fee generating case; (2) to provide legal assistance with respect to the defense of any criminal prosecution; (3) to provide legal assistance in civil actions brought against an official of the court or against a law enforcement official for the purpose of challenging the validity of a criminal conviction; (4) to advance any political party or association or candidate for public office, or to support or oppose any ballot questions; (5) to support activities intended to influence the issuance, amendment or revocation of any executive or administrative order or regulation or to influence the introduction, amendment, passage or defeat of any legislation; or (6) to advocate or provide legal assistance which seeks the freedom to choose abortion or the prohibition of abortion.

#### Grant Process

In November of each year the Board makes a preliminary projection of its expected annual revenues for the next fiscal year grant cycle which runs from July 1 to June 30. Variations from projections are generally taken into consideration in subsequent grant cycles, although the Board reserves the right to adjust current grants if actual IOLTA revenues are significantly below projections. In mid-November the Board announces the availability of grant funds and requests that applications be submitted to the Board by mid-December. After review of the requests by the Board's Grant Committees, recommendations are developed by the full Board and submitted to the Court in late May. Upon approval of IOLTA grants by the Court, grant applicants are notified and grant agreements are executed with the successful applicants' organizations and law schools.

#### Legal Services Organizations.

The IOLTA Board has identified basic criteria that legal services organizations must meet to be considered for an IOLTA grant. Qualified organizations must:

- (1) Be a not for profit Pennsylvania corporation;
- (2) Be tax exempt under section 501(c)(3) of the IRC;
- (3) Operate primarily within Pennsylvania;
- (4) Have as their primary purpose the provision of civil legal services without charge.

Legal services organizations can provide directly and/or administer the pro bono provision of legal services.

#### Law Schools.

All grants to law schools are conditioned upon four basic requirements: first, that the funds are used to address the current civil legal needs of the poor; second, that law schools consult with local area pro bono or programs that provide free or low-fee legal services to the poor; third, that the IOLTA funds be used for live-client or other real-life practice experience; and, fourth, that the law school demonstrates its own funding participation for clinical and internship programs. In addition, other factors are considered by the Board for law school IOLTA grants such as whether: the clinical/internship program is for credit; specific and measurable training goals and objectives are defined; the IOLTA funded program is integrated with the school's curriculum; there is an articulated commitment to the IOLTA funded program by the school's standing faculty; there is an articulated pro bono or public service policy by the law school; the IOLTA funds are being used to expand clinical educational opportunities for students and not simply to replace existing financial commitments by the law schools, as well as other factors.

Administration of Justice. The Board has not yet defined this potential grant category.

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