

# Instructions for Completing the Pennsylvania IOLTA Grant Application

## A. The IOLTA Fund

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 this 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 of the provision of civil legal services. Persons eligible for services funded by AJA and organizations that receive AJA funds must meet the criteria contained at 204 PA Code Chapter 401.

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.

## B. Eligibility for IOLTA Funding.

### **Qualified recipients must:**

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

## C. Types of Grants Provided

The Board recommends the award of grants for:

- a. The delivery of civil legal assistance to the poor and disadvantaged;
- b. Educational legal clinical programs and internships administered by law schools; and
- c. The administration of justice.

The Supreme Court of Pennsylvania must approve all grant awards.

This application package only applies to category (a) listed here, not to categories (b) or (c). Grants for civil legal assistance to the poor and disadvantaged are divided into two categories – “General Legal Services” and “Other Legal Services.” **This application package is only for the funding of “Other Legal Services” grants.**

- I. **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 Access to Justice Act filing fee surcharge funds are directed to this category. *Again, this application package does not apply to “General Legal Services Grants.”*
- II. **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. The Board awards two types of grants: General Operating Grants and Special-Purpose Project Grants. 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.

#### **D. Funding Principles, Priorities and Program Standards**

In 2007, in consultation with the legal services community, the Board developed new funding Principles, Priorities and Program Standards for awarding “Other Legal Services” grants. All applications for these grants are evaluated in terms of compatibility with the Principles, Priorities and Standards. The Principles are as follows:

##### **I. IOLTA Principles to guide the allocation of IOLTA funds**

1. The primary purpose of the funding program is to support the provision of civil legal services to low-income people without charge.
2. Funding will be provided only to organizations whose primary mission is aligned with the above purpose, unless a compelling need exists.
3. Funding will be provided only to programs that meet our standards.
4. Funds will be allocated according to our published priorities.
5. Funds will be disbursed with consideration given to the geographical distribution of low-income people among regions of the state.
6. Funding may be provided at the discretion of PA IOLTA for other compelling needs and/or emerging issues.

##### **II. Priorities for awarding grants:**

Note: The Board does not expect all proposals to address all priorities. However, weight will be given to applicants and/or projects which address one or more of the following (other factors being equal):

- a. Expands access to hard-to-reach groups – for example, expand access through collaboration with other organizations serving the target population.
- b. Serves especially vulnerable population segments.
- c. Addresses well-documented, high-priority legal needs NOT being adequately met by other providers.
- d. Applies creative and innovative methods/approaches that could significantly enhance access, increase efficiency and/or improve service quality... *and* could be replicable or expandable.
- e. Leverages our investment by attracting non-IOLTA funds or other resources - e.g., volunteer efforts.
- f. Addresses new and emerging issues.
- g. Results in improvements in the lives of low-income people.

In addition, the Board has approved Program Standards for legal services organizations. These standards are intended to encourage excellence in the provision of legal services to the poor.

### III. Standards for organizations receiving IOLTA funds

**Standard One: IOLTA grant recipients must be effective at identifying legal needs and targeting resources.** *There are many ways, ranging from very simple and informal to quite extensive, that an organization can effectively address this standard. The IOLTA grant application provides an opportunity for an applicant to provide examples showing how it achieves any or all of the following elements as appropriate to the size and purpose of its Legal Services Program:*

- Establishes priorities for the types of cases and other services provided
- Evaluates and adjusts to emerging and changing client legal needs
- Targets resources and services to address highest priority needs of the target population
- Coordinates services with other legal services agencies and other providers

**Standard Two: IOLTA grant recipients must be effective in engaging and serving the low-income population.** *As with Standard One, there are many ways of addressing this standard, depending on the size and scope of the Legal Services Program. An applicant should provide examples showing how it achieves any or all of the following that are applicable:*

- Provides effective outreach to the communities it serves.
- Provides services with dignity and sensitivity toward clients.
- Addresses special needs of the client population.
- Engages low-income people in program work – e.g., outreach, board involvement.
- Obtains feedback on satisfaction of clients with program services.

**Standard Three: IOLTA grant recipients must be effective in delivering high-quality legal services and other program activities.** *As with Standard One, there are many ways of addressing this standard, depending on the size and scope of the Legal Services Program. An applicant should provide examples showing how it achieves any or all of the following that are applicable:*

- Provides effective legal representation, including advice, brief service and full representation; and/or,
- Provides effective other services – e.g., community legal education, pro se assistance, alternative dispute resolution, systemic advocacy, etc.
- Ensures high quality in the services provided
- Obtains feedback from clients and other stakeholders on the outcomes they receive as a result of the program's services
- Applies feedback to evaluate and improve effectiveness and quality
- Engages private attorneys to expand client services or otherwise assist the program

**Standard Four: IOLTA grant recipients must have effective governance, leadership and administration.** *As indicators that a program is meeting this standard, it should provide in its application information about how it promotes effectiveness in carrying out the following functions:*

- Board governance
- Management and administration
- Resource development
- Leadership

### **E. Funding Exclusions and Prohibitions on Use of Funds**

Potential applicants should carefully consider the following statutory exclusions on recipients of IOLTA funding:

- a. Individuals, partnerships and for-profit entities;
- b. Organizations operating primarily outside of Pennsylvania;
- c. Organizations incorporated outside of Pennsylvania.

Moreover, IOLTA funds may not be used to:

- a. Provide legal assistance with respect to any fee-generating case;
- b. Provide legal assistance with respect to the defense of any criminal prosecution;
- c. Provide legal assistance in civil actions to persons who have been convicted of a criminal charge, wherein 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;
- d. 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
- e. Provide for capital expenditures.

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

- a. 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:
  - i. 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
  - ii. 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.
- b. 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.

## **F. How to Apply for IOLTA Funding**

### **Step One: Complete the Application Package**

Each document in the application package contains further detailed instructions.

**Three-Year Submission Cycle for Narrative Part I Program-Wide Applicant Description:** PA IOLTA has implemented a staggered, three-year submission cycle applicable only to Narrative Part I of the grant application package. All applicant organizations, including those that receive funding from PLAN, Inc., have been randomly assigned a grantee identification code consisting of their acronym followed by a digit of 1, 2, or 3. The list of organizations and their ID codes is included as Appendix A to these instructions. **Organizations designated as Year 3 must submit the entire grant application for FY 2010-2011.** Year 1 and Year 2 organizations are not required to submit this section of the grant application for FY2010-2011, **unless their organizational structures changed or their missions were expanded significantly during**

the past year.<sup>1</sup> Additional details about submission requirements for Narrative Part I can be found in the Appendix to these instructions.

**Applicant Information Form and Assurances: All organizations are required to complete the application information form, submit required attachments, and sign the assurances.**

These documents are included in Narrative Part I and in a separate Microsoft Word document for those organizations that are not required to submit Narrative Part I and for PLAN-funded organizations that submit their desk reviews in lieu of Narrative Part I.

**Narrative Part I – Program-wide Applicant Description**

**Description:** Part I describes the organization's overall mission, primary purpose, and total current activities in Pennsylvania pertaining to providing civil legal services to eligible clients. The questions track the IOLTA Program Standards, and answers are requested in essay format.

**Format:** Microsoft Word document.

**Submission Requirements:** All non-PLAN-funded organizations grouped as Year 3 in Appendix A must submit Narrative Part I. PLAN organizations may, as an alternative to submitting Narrative Part I, submit a copy of their most recent PLAN desk review report, provided that the final report was issued after December 2006. PLAN organizations that opt not to submit their desk reviews are required to submit Narrative Part I as per the schedule detailed in Appendix A. If they elect to submit the desk review, they must also provide a brief summary describing how they have addressed any “challenges” identified in the desk review. If IOLTA already has a copy of the most recent desk review and explanations for addressing challenges, your organization is not required to submit it again with this application package.

**Attachments Description:**

- (a) Signed Assurances Page
- (b) Board Members List
- (c) Sub-recipients list
- (d) Case Acceptance and Client Eligibility Guidelines
- (e) Audit or independently reviewed financial statements for the two most recently completed fiscal years
- (f) Copy of cover page from your organization’s professional liability and malpractice coverage
- (g) Resumes of program’s executive director and litigation director (or equivalent)

**Format:** Documents (a) and (c) are Word documents that request information. All other documents can be attached in the program’s own format. Applicants are encouraged to submit electronic files, either in their original format or as scanned documents.

**Submission Requirements:** All organizations submitting Narrative Part I must submit documents (a) through (g) listed above. **Those not submitting Narrative Part I and PLAN-funded organizations submitting their desk reviews must submit the signed assurances page, the completed applicant information form, and the audited or independently reviewed financial statements for the two most recently completed fiscal years.**

In addition, organizations that have not previously been determined by the Pennsylvania Interest on Lawyers Trust Account Board to be an IOLTA-qualified recipient organization should submit the following documents:

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<sup>1</sup> If an organization was involved in a merger during the past year or changed its organizational structure, Narrative Part I must be completed. Any organization that significantly altered or expanded its mission, to the extent that its core purposes or recipients of services differ significantly from last year, must complete Narrative Part I. An organization that is unsure of its status should contact Stephanie Libhart to discuss this requirement and if necessary, obtain a copy of the Narrative Part I form.

- a. IRS 501(c)(3)
- b. Form 990 for the two most recently completed fiscal years
- c. Copy of the corporation's articles of incorporation

### **Spreadsheets Part I – Program-Wide Data**

**Description:** Spreadsheets Part I requests information on the following data: budget, funding, volunteers and in-kind donations, staffing, legal services provided and cases.

**Format:** Excel spreadsheet.

**Submission Requirements:** All programs must submit Spreadsheets Part I.

### **Narrative Part II – Grant Proposal**

**Description:** Part II describes the project and activities for which funding is requested.

There are two categories of funding: a. General operating funds and b. Special-purpose projects. Applicants should carefully read the detailed description of the funding categories in Narrative Part II in order to select the appropriate category. The questions in Part II track the IOLTA funding Principles and Priorities, and responses are requested in short-answer format.

**Format:** Microsoft Word document.

**Submission Requirements:** Programs can submit *no more than two* Grant Proposals per grant cycle. They must submit a completed Narrative Part II for *each* request.

Programs planning to use sub-recipients for proposed services must submit Attachment B for each grant proposal.

### **Spreadsheets Part II – Grant Proposal Data**

**Description:** Spreadsheets Part II requests information on the following data: proposed budget, anticipated funding, volunteer and In-kind donations, proposed staffing, and outcomes and people benefited.

**Format:** Excel spreadsheet.

**Submission Requirements:** All programs must submit a Spreadsheet Part II with *each* Narrative Part II submitted.

## **Step Two: Submit Application Documents**

### **Key Dates:**

Grants will be issued for the Board's grant cycle of 7/1/2010 – 6/30/2011.

**Documents must be submitted by: December 18, 2009**

The Board expects to announce its grants by **June 2010**.

Documents should be submitted via e-mail to: [paiolta@greatprograms.org](mailto:paiolta@greatprograms.org)

Questions concerning the application process or the distribution of grants should be directed to:

**Stephanie S. Libhart, Assistant Director**  
**Pennsylvania Interest on Lawyers Trust Account Board**

**Physical Address:**

601 Commonwealth Ave., Suite 2400  
Harrisburg, PA 17120-0901

**Mailing Address:**

PO Box 62445  
Harrisburg, PA 17106-2445  
**(717) 238-2001 or 888-PAIOLTA (724-6582)**

Once the request has been received, applicants will be notified in writing of the receipt of the application. If you do not receive a written acknowledgement within two weeks after submission of your grant application, you should initiate contact with the Board's staff. 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.