

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 distributed 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.

*An organization meets the primary purpose test if more than 50% of its total organizational resources are spent on the delivery of civil legal service to poor Pennsylvanians 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).

Specialized Legal Services (Zone) Grants are awarded to supplement the funding of legal services programs that are highly focused in their representation, project funding for organizations in the Pennsylvania Legal Aid Network (PLAN), or legal services programs that provide a full range of services, but which are not part of PLAN. Grants awarded to PLAN organizations under this category will fund only the incremental costs associated with the proposed project. PLAN organizations can only apply for funding for the same project in three annual funding cycles.

The Board awards two types of zone grants:

- (1) General Operating Grants
- (2) Special-Purpose Project Grants.

General Support Grants

Non-PLAN organizations can apply for general support grants for the overall legal work of the organization. However, all of the organization's activities must conform to all of the IOLTA funding principles and statutory restrictions.

Special-Purpose Project Grants

The non-PLAN organizations might want to target their IOLTA requests to specific IOLTA priorities, and seek general support funding for those targeted efforts. Targeted general funding in this manner limits the application of the IOLTA grant restrictions to that priority area for which general support is sought. The organization should be able to demonstrate that the efforts supported, in whole or in part with IOLTA funding, are fully compliant with the IOLTA grant restrictions.

Qualifying organizations may apply for one or both types of grants. Organizations may submit no more than two applications per annual grant cycle. However, the Board will consider more than two applications from an organization if those additional proposals are targeted to provide services in one or more counties in the Northeast or Northwest geographic zones. Please contact Jim Swoyer (contact information is available at the end of this document) if you have questions about the geographic boundaries of the funding zones.

Statewide Zone Grants

PLAN organizations are not eligible for grants in the statewide zone. Proposals to the statewide zone from non-PLAN organizations must meet the following criteria:

Geographic Reach

For General Operating requests:

In the most recently completed fiscal year, the organization must have closed cases for low-income clients residing in all of the six regional zones in the state.

If more than 50% of the closed cases in the most recently completed fiscal year were handled for clients living in a single zone, then the application will be considered in that single zone, and not as a statewide application.

For Special Project requests:

The proposed activities must demonstrate intent and potential to serve eligible clients in each of Pennsylvania's 67 counties.

Board of Directors

For general operating requests, the applicant organization's Board of Directors must be appropriately diverse in terms of statewide representation.

Accessibility

If clients are to access the proposed services by phone, then a statewide toll-free number must be available.

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 “zone” 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.
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.

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.
- 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 systemic 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.

- f. Support representation in cases where there is a statutory or constitutional right to counsel. However, legal services organizations providing right to counsel representation may apply for IOLTA funding for support of other eligible legal assistance provided by the organization.

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

Organizations interested in applying for a Specialized Legal Services ("Zone") Grant should visit <https://www.paiolta.org/grants/eligibility-applications/#specialized-legal-services> and download both *2018-2019 IOLTA Specialized Legal Services (Zone) Grant Application: Data* and *2018-2019 IOLTA Specialized Legal Services (Zone) Grant Application: Narrative*.

The application forms consist of questions about the organization and the activities being proposed for funding. Applicants should be prepared to provide organizational data such as its total budget, net assets, mission, service history, and staffing. The applicant should also be prepared to describe the proposed activities concisely, present a proposed budget, and address the organizational performance standards and funding priorities as provided above. Additionally, the applicant must identify specific and measurable outcomes anticipated as a result of the proposed activities.

The application forms must be submitted via email to James.Swoyer@pacourts.us by Friday, December 15, 2017. Please attach both forms to a single email. 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.

The following attachments are also required to complete an organization's application. The IOLTA Board will be using Dropbox to manage the submission of the attachments. The week after the application period closes, the person designated as the primary contact will receive an email with a "Go to folder" link. **Note: This will also serve as confirmation that IOLTA received an application.**

Clicking on that link will take you to the folder in which the attachments should be uploaded. The applicant will need to create a (free) account to do so and may find the setup easier if the account is created prior to clicking the link. This process must only be completed once regardless of whether an applicant submits multiple proposals. The URL for Dropbox is <https://www.dropbox.com>.

An applicant should be prepared to submit the following:

1. Audited financial statements - Most recently completed fiscal year
2. Audited financial statements - Two years ago
3. Board Member List
4. Case Acceptance and Client Eligibility Guidelines
5. Copy of cover page from your organization's professional liability and malpractice coverage
6. Copy of the corporation's articles of incorporation
7. IRS 501(c)(3) determination letter
8. IRS Form 990 - Most recently completed fiscal year
9. IRS Form 990 - Two years ago
10. Office Locations
11. Signed Assurances Page

Key Dates:

Grants will be issued for the Board's grant cycle of 7/1/2018 – 6/30/2019.

Applications must be submitted by: Friday, December 15, 2017.

The Board expects to announce its grants by **June 2018**.

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

Jim Swoyer, Grants Manager
Pennsylvania Interest on Lawyers Trust Account Board
1-888-PA-IOLTA (724-6582)
James.Swoyer@pacourts.us