

2010
TENNESSEE BAR FOUNDATION
IOLTA GRANT PROGRAM
DESCRIPTION AND APPLICATION

<p>PROVIDE LEGAL SERVICES Staff Attorney Model</p>
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Notes regarding the process:

Repeat Applicants:

Your documentation is reviewed as thoroughly as a new applicant. We are interested in the *current* challenges addressed by the organization. Although word processing programs seductively offer the ability to “cut and paste” from a previous narrative, that process frequently results in errors, particularly as the application format always includes changes. **PROOF CAREFULLY. Use of an outdated application or answers to questions not posed for 2010 will not be looked upon favorably.**

All Applicants:

Make sure the specific activity for which IOLTA funds may be used is in compliance with the list of General Eligibility Standards (page 2).

Before appending the required signature, make sure the organization has fully reviewed the Grant Agreement (page C) and will comply.

Answer each question and complete the package in the required page order explained on page 6. Also note that the submission requirements (below) of the completed application are unyielding and must be followed exactly.

HOW TO SUBMIT A COMPLETED IOLTA GRANT APPLICATION:

Completed, **HARDCOPY** applications must be returned by **UNITED STATES MAIL** postmarked no later than **FRIDAY, SEPTEMBER 4, 2009. THERE WILL BE NO EXCEPTION TO THIS DEADLINE.**

Applicants should obtain a "**Certificate of Mailing**" or other **proof of mailing** and a **receipt**.

Applications will NOT be accepted ELECTRONICALLY (email), by HAND DELIVERY, by OVERNIGHT DELIVERY or by FAX.

HISTORY OF IOLTA IN TENNESSEE

The IOLTA (Interest On Lawyers' Trust Accounts) program was created by Order of the Supreme Court of Tennessee in October 1984. The administration of the program was assigned to the Tennessee Bar Foundation, a philanthropic organization that provides grants for law-related public projects.

The IOLTA program creates the source of funds for grantmaking by the Foundation. The funds are generated by interest earned on attorneys' pooled trust checking accounts. These accounts contain client funds, such as filing fees or real estate closing costs, which are so small in amount or held so short a period of time that they cannot be made productive for the client. However, by pooling these individual, small and short-term funds, the aggregate balance may generate a significant amount of interest. The interest earned on each attorney or firm's account is calculated by the financial institution and remitted directly to the Foundation.

Every Tennessee attorney in the private practice of law is a potential IOLTA participant. If attorneys serve as members of the board of directors, as volunteers or friends of the organization, it behooves them to participate in the IOLTA program.

GRANT PHILOSOPHY

The Tennessee Supreme Court approved the use of IOLTA funds for three purposes: (1) the delivery of legal services to the poor, (2) student loans, and (3) to improve the administration of justice.

GENERAL ELIGIBILITY STANDARDS

The Board of Trustees will not make grants:

- (1) to political campaigns**
- (2) to organizations designed primarily for lobbying**
- (3) to support a specific activity that the local, state or federal government has an obligation to fund**
- (4) to religious organizations where proselytizing is a part of the service provided.**

To be **eligible** for an IOLTA grant, an organization must:

- (1) be exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code, as amended; OR**
- (2) agree to use the IOLTA grant only for purposes that are charitable or educational within the meaning of Section 501(c)(3) of the United States Internal Revenue Code, as amended; AND**

- (3) be an equal employment opportunity employer that does not discriminate on the basis of race, religion, marital status, color, national origin, sex, age or disability.

To be **eligible** for an IOLTA grant, an organization must **follow these procedures**:

- (1) submit its application pursuant to the guidelines by **United States mail** postmarked no later than September 4, 2009;
- (2) **respond adequately to any requests for additional information from the Committee;**
- (3) agree to carry out the project for which the IOLTA funds were requested;
- (4) agree that its completed application will be available for public inspection;
- (5) report on the progress of the project for which funds were granted; and
- (6) cooperate with all data collection and evaluation activities of the Committee.

The Foundation reserves the right to change the procedures and priorities established in this program as the IOLTA funds grow or diminish and as needs change.

REVIEW PROCEDURE

The initial paper review of applications will be conducted by the Foundation's executive director and the IOLTA Grant Review Committee. The Committee may allow or require individual applicants to appear and make oral presentations. The Committee may also request or require additional information regarding an individual applicant and/or its proposed use of IOLTA funds. Reply promptly to those requests.

At the conclusion of the Committee's review process, its recommendations will be made to the Tennessee Bar Foundation Board of Trustees. The Trustees will make the final decision regarding IOLTA grants and will announce funding decisions in December 2009. The first payment of the 2010 IOLTA grants will be made on January 4, 2010.

IMPORTANT DATES

Applications Available:	August 7, 2009
Application Postmark Deadline:	September 4, 2009
Announcement of Grant Awards:	December 2009
First Payment of Grants:	January 4, 2010

The Board of Trustees plans to make the payment of 2010 IOLTA grants to Provide Legal Services in four, equal, quarterly installments on:

January 4, 2010
 April 23, 2010
 July 23, 2010
 October 22, 2010

In certain cases, such as one-time events, payments may be made in other intervals as determined by the Foundation's executive director in consultation with the recipient.

Each recipient of an IOLTA grant to Provide Legal Services must submit an assessment report, in accordance with the form provided, which describes how 2010 IOLTA funds have been spent, to the Executive Director of the Tennessee Bar Foundation by:

April 16, 2010
July 16, 2010
October 15, 2010
January 22, 2011

The April, July and October payments will not be released until the assessment report has been received. Failure to submit such reports may result in the withholding of further installments of the IOLTA grant.

GRANTS TO PROVIDE LEGAL SERVICES

1. General Philosophy

The Tennessee Bar Foundation IOLTA program wishes to provide significant support to organizations that offer direct legal services to the indigent and to make sure those organizations address the particular needs and problems of various indigent groups in different geographical areas. The Board of Trustees encourages the use of IOLTA funds to develop cooperative efforts among providers in a service area.

2. Eligibility Standards

In order to be eligible for an IOLTA grant to provide legal services to the poor, an organization must serve Tennessee residents who have no resources to obtain private counsel, which is generally defined as having income below 125% of the federal poverty guidelines (although in some cases, with documentation, income may go as high as 200% of the poverty level). A financially eligible client group is one whose membership includes 50% or more of persons eligible for services or whose primary purpose is the assistance of low-income persons.

No recipient of IOLTA funds may use those funds to provide legal services to the indigent in civil matters that, if undertaken on behalf of an indigent person by an attorney in private practice, might reasonably be expected to result in payment of a fee for legal services from an award to the client, from public funds or from the opposing party. However, this provision is not applicable in any case where the organization receiving IOLTA funds determines, in good faith, that the indigent person seeking legal assistance has made reasonable efforts to obtain the services of an attorney in private practice and has been unable to obtain such services because a potential fee is inadequate, is likely to be uncollectible, would substantially consume any recovery by the client or any other reason which the organization, acting in good faith, believes prevents a client from obtaining the services of a private attorney.

3. Allocation of IOLTA Funds

Funds available under this subsection are available to all organizations, including those that are funded in whole or in part by the Legal Services Corporation (LSC).

The Committee requires that all grant applicants have sources of income in addition to the IOLTA funds requested. New organizations must demonstrate the ability to provide at least 10% of their projected

annual budget from sources other than IOLTA funds during their first year of operation. The amount of funding from other sources must rise to 25% the second year and 50% the third year. Existing organizations must demonstrate that they have funding from sources other than IOLTA equal to at least 50% of their annual budget.

a. Staff Attorney Model

A portion of available Tennessee Bar Foundation IOLTA funds to provide legal services to the poor may be awarded to staff attorney legal aid organizations throughout the state. The amount of funding awarded to each organization will be determined through the review process and may also be partially based on the percentage of Tennessee's low-income population residing within the counties contained in its service area. For purposes of this subsection, low-income population is defined as persons with an adjusted gross income at or below 125% of the poverty level as defined by the United States Department of Health and Human Services.

b. Pro Bono Model

A portion of available Tennessee Bar Foundation IOLTA funds to provide legal services to the poor may be awarded to Pro Bono organizations through which a paid staff coordinates the efforts of private attorneys to provide free civil legal services to low-income individuals. The amount of funding awarded to each organization will be determined through the review process and may also be partially based on the percentage of Tennessee's low-income population residing within the counties contained in its service area. For purposes of this subsection, low-income population is defined as persons with an adjusted gross income at or below 125% of the poverty level as defined by the United States Department of Health and Human Services.

c. Other Organizations

A portion of available Tennessee Bar Foundation IOLTA funds to provide legal services to the poor may be awarded to organizations that combine the above categories, create new delivery of service models or offer service to different indigent populations. These grants are not restricted by geographic area.

Application Format

INSTRUCTIONS:

- (1) Prepare the application on 8 1/2" x 11" paper, single sided
- (2) Fasten the application pages securely in a PERMANENT manner (heavy duty staples, spiral binding, etc.) **black "bulldog" clips ARE NOT acceptable**
- (3) Use the "IOLTA Grant Application Cover Sheet" (page A) as the **first/top page**. **DO NOT USE A BINDING PAGE - THE OFFICIAL COVER PAGE MUST BE VISIBLE**.

(4) **Submit the pages of the application in the following order:**

- Cover sheet – Part 1 (page A)
- Cover sheet – Part 2 (page B)
- Grant Agreement (page C)
- Budget Forms (pages D & E)
- Application narrative of questions and answers. First page of NARRATIVE should be numbered "1" – **Number all subsequent pages**.
- List of officers/directors/trustees of the organization with addresses *and term expiration dates*

- (5) Include in the application envelope **2** copies of the most recent audit or accounting report.
- (6) Submit the original application (clearly marked "original") and **3 application copies (along with 2 copies of the audit) by United States mail, postmarked no later than Friday, September 4, 2009**. Applications will not be accepted electronically, by hand delivery, overnight delivery or by FAX.
- (7) Address the application to: Tennessee Bar Foundation
618 Church Street, Suite 120
Nashville, TN 37219-2456

Application Content

- **REPEAT the questions and answer them AS THOUGH THE READER IS TOTALLY UNFAMILIAR WITH THE ORGANIZATION.**
- Do not answer a question solely by referring to the answer of another question. Answer each question in order, **at that location**, even if information provided elsewhere must be repeated.
- If a question is not applicable, repeat the question (as indicated above) and answer "N/A."

Application Questions

Priorities:

- (1) Describe the purpose of the organization.
- (2) Describe exactly how the organization will use an IOLTA grant. If used for salaries, NAME the employee and give a brief description of duties. If the purchase of equipment or printing is proposed, submit a price quote on the vendor's stationery.

Community Served:

- (3) What factors indicate that the services this organization provides are needed in THIS community?
- (4) Does this organization meet the need described in question 3? If the organization has a documented waiting list, how many persons are currently waiting to receive services?
- (5) Describe the parameters of financial eligibility for the organization's services and the process for determination. Who conducts it? How are ineligible applicants handled?
- (6) Are outreach activities or advertising necessary to provide a stream of clients for the organization? If so, describe.
- (7) In the last year, what interaction, to promote itself or its services, has this organization had with a local bar association (or a representative of that bar association)?
- (8) List the names of the attorneys on the governing board.

Financial Resources:

(Choose one question to answer: 9A or 9B)

- (9A) For an organization with a budget of less than \$1,000,000, list each corporate, foundation or governmental funding source (over \$1,000), the amount and the time period for the use of those funds. DO NOT LUMP THEM TOGETHER. LIST EACH FUNDER.
- (9B) For an organization with a budget of more than \$1,000,000, list each corporate, foundation or governmental funding source (over \$10,000), the amount and the time period for the use of those funds. DO NOT LUMP THEM TOGETHER. LIST EACH FUNDER.
- (10) In addition to the sources described in answer to question 9A or 9B, is a local fundraising campaign or event(s) held? Describe and, if applicable, compare the outcome to the previous year.

- (11) Does the organization have other funding or potential funding sources, including but not limited to a “reserve fund” or income from investment or an endowment? Describe and quantify.

Program Management:

- (12) Describe with specificity how the organization intends to evaluate the effectiveness of the services it will provide with IOLTA funds. Will changes in the lives of clients be measured? Will the organization be able to contact clients after time has passed to determine whether they followed through/if the situation for which assistance was rendered has improved? In addition to clients, will the evaluation process solicit comment from other professionals with whom the organization works (e.g. judges, clerks, state offices, etc.)?
- (13) Describe the way(s) the organization solicits client feedback after a case is concluded. If such feedback is not solicited, explain why not and what methods may have been used in the past.
- (14) Provide data regarding caseloads for the most recent fiscal year or most recent 12-month period. Compare the figures to the preceding year with explanations.

Final Issue:

- (15) If there is anything else about the organization or proposed use of an IOLTA grant that the Committee should know, provide a BRIEF statement.

IOLTA GRANT APPLICATION COVER SHEET - PART 2

The documents listed at the bottom of the page **MUST** be on file with the Tennessee Bar Foundation. Please act according to the proper category below:

First-time IOLTA grant applicants:

Submit one copy of these documents in the application envelope and check the appropriate boxes below.

OR

Previous IOLTA grant applicants:

If these documents are still in full force and effect, omit these items from the application envelope and check the appropriate boxes below.

**Included
with application**

**Submitted
previously**

MANDATORY DOCUMENTS

Proof of tax-exempt status (or a statement that the grant will be used only for purposes that are charitable or educational within the meaning of Section 501(c)(3) of the United States Internal Revenue Code).

Corporate charter

Bylaws

GRANT AGREEMENT

If granted IOLTA funds, _____
(Applicant Organization)

agrees:

- (1) To carry out the project described in this application;
- (2) To report to the Executive Director of the Tennessee Bar Foundation on the progress of the project as required;
- (3) To return to the Foundation any funds not expended or committed for the purposes of the grant within the period stated;
- (4) To allow the Executive Director of the Tennessee Bar Foundation, members of the IOLTA Grant Review Committee or the Board of Trustees to review, in person or otherwise, its actual use of IOLTA funds;
- (5) That, in some cases, grant payments are held by the Foundation during the year, pending notice from grantee of the commencement of the specific project. If the project has not commenced, applicant will contact the Executive Director of the Foundation, in writing, by **October 15, 2010**, for guidance regarding the future availability of the award. If that contact is not made, the award may be forfeited;
- (6) That the Foundation has no continuing obligation to make subsequent grants or otherwise finance any project of applicant's organization beyond the grant period specified; and
- (7) That it is in compliance with each of the General Eligibility Standards of the 2010 Tennessee Bar Foundation IOLTA Grant Program Description and Application.

Date _____

Name of Applicant Organization

Signature of Program Director

Signature of Chair of Board of Directors

BUDGET FORM

Name of Organization _____

Fiscal Year _____ to _____

Please complete the following form on a "grant year" basis, January 1 through December 31. Many organizations operate on a fiscal year, which does not coincide with this "grant year," but must be compared with the information provided by other applicants. Please add notes to this budget if additional explanation is necessary. **ROUND ALL NUMBERS TO THE NEAREST DOLLAR. DO NOT USE CENTS.**

Expenses:	(A) IOLTA Funds Requested	(B) Non-IOLTA funds Anticipated	© TOTAL BUDGET (A+B=C)
A. Personnel Costs:			
1. Lawyers/Professionals (No. ___)	\$ _____	\$ _____	\$ _____
2. Paralegals (No. ___)	_____	_____	_____
3. Others/Support (No. ___)	_____	_____	_____
4. Employee Benefits	_____	_____	_____
B. Non-Personnel Costs:			
1. Space	_____	_____	_____
2. Equipment	_____	_____	_____
3. Supplies	_____	_____	_____
4. Telephone	_____	_____	_____
5. Travel	_____	_____	_____
6. Training	_____	_____	_____
7. Library	_____	_____	_____
8. Insurance	_____	_____	_____
9. Audit	_____	_____	_____
10. Litigation	_____	_____	_____
11. Capital Expenditures	_____	_____	_____
12. Contract Services	_____	_____	_____
13. Dues & Fees	_____	_____	_____
14. Other	_____	_____	_____
.....	_____	_____	_____
.....	_____	_____	_____
.....	_____	_____	_____
C. TOTAL EXPENSES:	\$ _____	\$ _____	\$ _____

ROUND ALL NUMBERS TO THE NEAREST DOLLAR. DO NOT USE CENTS.

Sources Of Funding: (list each type of funding source and amount)	(A) IOLTA Program or Project	(B) All Other Programs	(C) TOTAL BUDGET <u>(A+B=C)</u>
1. 2010 IOLTA grant request	\$ _____	\$ _____	\$ _____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____
11.	_____	_____	_____
12.	_____	_____	_____
13.	_____	_____	_____
14.	_____	_____	_____
15.	_____	_____	_____
TOTAL REVENUE:	_____	_____	_____