Instructions for Completing the Pennsylvania IOLTA Grant Application for Specialized Legal Services ("Zone") Grants

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 representation to low-income and disadvantaged clients in Pennsylvania, for law school clinical and internship programs, and to improve the administration of justice.

The Board is an instrumentality 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:

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

*An organization meets the primary purpose test if it expends at least 50% of its total audited resources (including the audited value of pro bono legal services) on the delivery of free civil legal representation to individuals in Pennsylvanian living at or below 187.5% of the Federal Poverty Level.

The Board recently modified the Primary Purpose Test to allow prior-year expenses related to right-to-counsel representation to count toward the total amount spent on free civil legal representation of low-income Pennsylvanians, provided the client met IOLTA eligibility criteria and the matter was one traditionally handled by civil legal aid. IOLTA funds themselves may not be used to support representation in matters where a right to counsel exists. However, the Board does not want applicants to be deemed ineligible for IOLTA funding due to accepting local right-to-counsel funds.

C. Client Eligibility

The Board recently adopted a policy formally limiting eligible clients to individuals. IOLTA grant funds may not support representation of groups, nonprofits, associations, or other entities.

D. 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 above, not to categories (b) or (c).

NOTE: Applicants and grant recipients must certify that a cost allocation method is in place that meets the IOLTA Board's requirements (see General Grant Administrative & Financial Provisions, § 5000.4 Grantee Financial Standards and Office of Management and Budget Uniform Guidance at 2 CFR Part 200) to ensure that direct and indirect costs associated with ineligible work (see IOLTA Grant Use Provisions) and ineligible clients are not allocated to the IOLTA grant.

Specialized Legal Services ("Zone") Grants are awarded to supplement the funding of legal services programs that are highly focused in their representation or offer a full range of legal services but exist independent of the Pennsylvania Legal Aid Network ("PLAN"), and to provide special project funding for PLAN organizations that is outside the scope of their general operations. . PLAN organizations are limited to three consecutive funding cycles for the same project.

The Board awards two types of Zone grants:
(1) General Operating Grants
(2) Special-Purpose Project Grants

General Operating Grants
Eligible non-PLAN organizations may apply for general support grants for the overall legal work of the organization provided an acceptable cost allocation system that meets the requirements above (see Note) is in place.

Special-Purpose Project Grants
PLAN and non-PLAN organizations may request funding to support targeted client services that meet specific IOLTA priorities. For eligible non-PLAN organizations, special project funding limits the application of IOLTA grant requirements and restrictions to the IOLTA-funded work. 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 requirements and restrictions.

Multiple Applications
Organizations may submit no more than two applications per annual grant cycle. However, the Board will consider a third application from an organization if the additional proposal targets services to eligible clients in one or more counties in the Northwest zone or one or more rural counties of the South Central zone. The following counties in the South Central Zone have been designated as rural by the Center for Rural Pennsylvania: Adams, Bedford, Blair, Centre, Clearfield, Franklin, Fulton, Huntingdon, Juniata, Mifflin, Perry, and Schuylkill. To learn about the geographic boundaries of the funding zones, please refer to the IOLTA Funding Zone Map, which is available on our website.

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 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
The applicant organization's Board of Directors must be geographically diverse to qualify for a general operating grant in the Statewide zone.

Accessibility
A statewide toll-free number must be available if clients are to access the proposed services by phone.

E. Funding Principles, Priorities, and Program Standards

In consultation with the legal services community, the Board developed 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 representation 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. Applies creative and innovative methods/approaches that could significantly enhance access, increase efficiency and/or improve service quality and could be replicable or expandable.
d. Leverages our investment by attracting non-IOLTA funds or other resources.
e. Addresses well-documented, high-priority legal needs NOT being adequately met.
f. Addresses new and emerging issues.
g. Results in systemic improvements in the lives of low-income people.

In addition, the Board has approved Organizational Performance 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:

There are many ways, ranging from very simple and informal, to quite extensive, that an organization can effectively address each standard within the limits of its available resources and funding.

Organizational Performance Standard One

IOLTA grant recipients are effective at identifying legal needs and targeting resources. A strong proposal will demonstrate:

1. The applicant carried out a comprehensive needs assessment through surveys, questionnaires, focus groups, meetings, analysis of data and other information, or other appropriate methods to determine areas of critical client civil legal needs. As part of the assessment, the applicant

determined that other providers and resources in the service area are not adequately addressing the need;
2. The applicant identified specific strategies that allocate appropriate program activities to achieve success in meeting the identified client needs in a cost-effective manner; and
3. The applicant identified an evaluation plan such that the program's activities can be adjusted to respond to changing conditions and actual outcomes achieved.

Organizational Performance Standard Two

IOLTA grant recipients are effective in engaging and serving the low-income population throughout the service area. A strong proposal will demonstrate the program:

1. Provides services in a way that affirms and reinforces the dignity of clients and is sensitive to clients' individual circumstances, languages and cultures;
2. Is engaged with the population eligible for its services and incorporates perspectives from that population in its work and operations through effective outreach and involvement by clients on its board and other program activities; and
3. Is accessible to and facilitates effective utilization of its services by its target client population(s) by identifying and removing barriers to its services.

Organizational Performance Standard Three

IOLTA grant recipients are effective in delivering high-quality legal services and other program activities. A strong proposal will demonstrate the program:

1. Provides effective legal representation; has systems in place for evaluating organizational and case handler effectiveness and quality; and employs experienced, well-qualified, culturally competent, client centered, and diverse staff with manageable caseloads who have access to current technology, training, and adequate supervision;
2. Integrates private attorneys and others to supplement and increase the effectiveness of its representation and other services;
3. Provides other services, such as assistance with self-help strategies, legal information through its website or other technologies, circuit riding, community economic development, community legal education, and other activities; and
4. Engages and is active with other important stakeholders such as the judiciary, the organized bar, government agencies, social services agencies, and other entities working on behalf of or serving its targeted client population, especially populations isolated by geography, language, race, disability, or institutionalization.

Organizational Performance Standard Four

IOLTA grant recipients have effective governance, leadership, and administration. A strong proposal will demonstrate the program:

1. Has an effective board that articulates a clear mission; demonstrates a commitment to equity, inclusion, and diversity; reflects the diversity of the population it serves; ensures the financial viability of the organization; and oversees the program's major policy decisions and strategic organizational planning;
2. Has effective leadership that models teamwork, transparency, excellence, innovation and provides opportunities for the development of a diverse group of leaders;
3. Provides stable and secure technology infrastructure sufficient to support its internal operations and for staff to serve the needs of clients efficiently and effectively; and
4. Demonstrates effective administration through appropriate management/supervisory systems, processes, and systems to ensure compliance with all funder requirements, sound financial and human resources policies, internal controls, stable staffing, resource development and a coherent and comprehensive service delivery system within its available program resources.

F. Funding Exclusions and Prohibitions on Use of Funds

Potential applicants should carefully consider the following 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;
e. Provide for capital expenditures unless they are reasonable and necessary for the provision of legal services and are approved in advance by the IOLTA Board. No IOLTA funds may be used to provide for new building construction, renovation of a building, or land or building acquisition; and
f. Support representation in cases where there is a statutory or constitutional right to counsel.

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.

G. How to Apply for IOLTA Funding

The Zone application is managed through the IOLTA Board's online grants management system: SmartSimple.

The application consists 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 proposed grant expenses, 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 must be submitted by 11:59 PM, Friday December 11, 2026. If further information about your application is required, IOLTA 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.

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. Capital Expenditures (if applicable).
5. Case Acceptance and Client Eligibility Guidelines.
6. Client & Organizational Demographics.
7. Copy of cover page from your organization's professional liability and malpractice coverage.
8. Copy of the corporation's articles of incorporation.
9. IRS 501(c)(3) determination letter.
10. IRS Form 990 - Most recently completed fiscal year.
11. IRS Form 990 - Two years ago.
12. Office Locations.
13. Primary Purpose Test Calculator.
14. Signed Assurances Page.

The IOLTA Board will again be collecting Client & Organizational Demographics through the demographic portal. James Swoyer will be following up with instructions on how to submit the demographic information in a separate communication. **New applicants will need to be given access to the portal and should contact James Swoyer to establish an account as soon as possible. Registering in SmartSimple is not sufficient to proceed with this piece of the application.**

Key Dates:

The grant year begins on July 1, 2027 and ends on June 30, 2028.

Applications must be submitted by 11:59 PM, Friday December 11, 2026.

The Board expects to announce its grants in June 2027.

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

James Swoyer, Grants Manager for Special Programs, Pennsylvania IOLTA Board 717-238-2001 ext. 7002 James.Swoyer@pacourts.us.

Issues with accessing SmartSimple or other functionality problems should be directed to:

Eli Jones, Grants System Administrator, Pennsylvania IOLTA Board 717-238-2001 ext. 7016 Elijah.Jones@pacourts.us.