

**INTEREST ON LAWYER  
TRUST ACCOUNTS PROGRAM  
FOR THE STATE OF DELAWARE**

**GRANT PACKAGE**

**For Fiscal Year 2011**

TABLE OF CONTENTS

|       |  |    |
|-------|--|----|
| I.    | The Delaware IOLTA Program .....           | 3  |
| II.   | Deadline and Timetable for Grant.....      | 3  |
| III.  | Policy Considerations.....                 | 3  |
| IV.   | Threshold Criteria/Eligible Applicant..... | 5  |
| V.    | Funding Priorities.....                    | 6  |
| VI.   | Application Review Procedures .....        | 8  |
| VII.  | Grant Application Requirements.....        | 8  |
| VIII. | Payment Procedures .....                   | 10 |
| IX.   | Evaluation and Monitoring of Grants .....  | 10 |

APPENDIX

Delaware Bar Foundation - Interest on Lawyer Trust Accounts Program Budget Form

I. THE DELAWARE IOLTA PROGRAM

The Delaware Interest on Lawyer Trust Accounts Program was authorized by an Order of the Delaware Supreme Court on September 29, 1983. Its success reflects and depends upon the close cooperation of Delaware's legal and financial communities. The fund is comprised of interest accruing on lawyers' aggregated escrow accounts that contain client deposits which are small in amount or held for a short period of time. The interest collected on participating accounts is transferred to the Delaware Bar Foundation (the "Foundation") and distributed to promote and improve legal services for the poor as well as for such other programs of public interest as may be identified by the Supreme Court of the State of Delaware. Worthy programs are identified first by the Foundation; the Foundation then submits its recommendations to the Delaware Supreme Court for approval.

II. DEADLINE AND TIMETABLE FOR GRANT

- A. Deadline for submission of applications..... 4/5/10
- B. Announcement of grant awards .....5/10

III. POLICY CONSIDERATIONS

The Foundation has adopted the following policies with respect to the IOLTA grant making program:

A. Grant Philosophy

The Board of Directors views the IOLTA program as a potential source of support for publicly and privately funded programs which provide legal services to the indigent and/or otherwise contribute to the improvement in the administration of justice in Delaware. The Foundation recognizes that the priorities and applicable criteria for the program may shift as the

program gains experience as a funding source, as revenues and resources grow, and as needs change. Nevertheless, the Board recognizes that reductions in existing private and public sources of funding have taken place which must be addressed. Resources permitting, the Foundation will not only support traditional, pre-existing programs and approaches, but will encourage new projects reflecting innovative responses to recognized needs in the area of legal services to the poor, law-related education and the administration of justice throughout Delaware.

B. Allocation Formula

Given the anticipated change in priorities and needs within and among the permissible areas for IOLTA funding, and the difficulty in predicting the level of future funding resources, the Foundation has chosen not to adopt a rigid distribution formula nor has it restricted the allocation of funds on a geographic basis. Subject to the approval of the Delaware Supreme Court, grants will be made solely on the basis of the Foundation's perception of need in relation to the funds available.

C. Denial of Funding

Grants to qualified recipients are awarded on a one-time basis. The Foundation has the authority to determine that a prior recipient of IOLTA funding is not qualified to receive funding or is not among the most meritorious of competing applicants in any succeeding year. Thus, neither new applicants nor prior recipients can be assured that IOLTA will provide them with continuous funding or that the initial level of that funding shall remain constant.

The Foundation also has the authority to terminate existing grants during the course of any grant term on the basis of a substantial failure to comply with the terms or conditions of the grant or of the enabling order, a substantial failure to use the grant to provide the services for which the grant was sought and approved, or due to lack of available funds.

#### IV. THRESHOLD CRITERIA/ELIGIBLE APPLICANT

##### A. General Eligibility -- All Applicants

All applicants for IOLTA funds must be not-for-profit entities, tax exempt under Section 501(a) of the Internal Revenue Code or any succeeding provision.

In addition, all such applicants must

1. submit a written grant proposal pursuant to the Foundation's guidelines and within the established time schedule;
2. respond adequately to the recommended grant proposal format and any additional requests from the Foundation for information;
3. agree to carry out the purpose for which the funds are requested, to render timely reports on the progress and results of those programs to comply with any terms and conditions attending the grant, and return any funds not utilized in accordance with the grant; and
4. cooperate with all data collection and evaluation activities requested and submit an audited financial statement by a certified public accountant and a report of the program on which IOLTA funds were expended.

##### B. Qualified Legal Services Providers

A Qualified Legal Services Provider shall be an entity which operates within Delaware and provides direct civil legal services without charge to the indigent within Delaware.

All civil legal services providers operating within Delaware who employ a needs test consistent with IOLTA's income eligibility requirement of 125% of the official poverty threshold defined by the U.S. Office of Management and Budget are eligible to apply for IOLTA grant funds.

A person whose gross income exceeds 125% of the Federal Poverty Limit, but does not exceed 200% of the Federal Poverty Limit may be provided legal assistance using IOLTA funds

provided that their circumstances require eligibility be allowed based on one or more of the factors described as follows:

1. The applicant is seeking legal assistance to obtain governmental benefits for low income individuals and families; or
2. The applicant is seeking legal assistance to obtain or maintain governmental benefits for persons with disabilities;
3. Current income prospects, taking into account seasonal variations in income;
4. Unreimbursed medical expenses and medical insurance premiums;
5. Fixed debts and obligations;
6. Expenses such as dependent care, transportation, clothing and equipment expenses necessary for employment, job training, or educational activities in preparation for employment;
7. Non-medical expenses associated with age or disability;
8. Current taxes; or
9. Other significant factors that the recipient has determined affect the applicant's ability to afford legal assistance.

V. FUNDING PRIORITIES

In addition to evaluating all of the information provided by a grant applicant, the following specific funding priorities will be applied.

A. Level of Professional Standards and Efficiency and Quality of Services

The Foundation may seek and consider resumes and/or current or past evaluations performed by other funders in order to determine the level of professional standards and quality of services of an applicant.

B. Ineligible Funding Categories

The Board of Trustees will not award IOLTA funds for any of the following purposes: grants to individuals, political campaigns, religious organizations, lobbying organizations, or lawyers in private practice.

C. Merits of the Applications

If there are two or more qualified recipients who have applied for IOLTA funding for the same or similar purposes, the Foundation shall consider distribution of available funds annually based upon a determination, in the discretion of its governing Board of Directors, as to the merits of the applications of the qualified recipients and the impact that distribution will have on ensuring the delivery of stable, economical and high quality civil legal services to that area.

D. Substantial Sources of Income

The Foundation recommends that all grant applicants have substantial sources of income used for the provision of legal services to the poor in addition to the funds requested. Absent special circumstances, priority will be given to requests from applicants who have substantial sources of income.

E. Expansion and Improvement of Existing Recipients

The Foundation will give priority to the expansion and improvement of existing qualified recipients over requests to establish new qualified recipients. The Foundation recognizes, however, that there are unique and difficult areas and groups, and that creation of new programs may at times be necessary in order to serve those areas or groups. Such necessities will be a guiding factor in those instances.

F. Pro Bono Development

The Foundation encourages applications for IOLTA funding that will result in the development and strengthening of *pro bono* programs which generate substantial voluntary legal services to the poor.

VI. APPLICATION REVIEW PROCEDURES

All grant applications submitted to the IOLTA Fund will be screened initially by the Fund's staff to establish:

1. The eligibility of the applicant to receive IOLTA Funds (see Section IV above);
2. That the application is complete and includes the documentation required by the Foundation; and
3. A ranking of the proposed projects for which funds are sought according to the priorities set out in Section V of this report.

Applications that meet the Foundation's eligibility requirements will be reviewed by the Board of Directors, who may seek assistance from outside reviewers. Outside reviewers will be selected for their expertise in the subject matter of the application. The Board of Directors of the Foundation will make all final decisions on grant awards, subject to the approval of the Delaware Supreme Court.

VII. GRANT APPLICATION REQUIREMENTS

Each interested grant applicant will be required to submit thirteen (13) copies of a grant application consisting of the following items in the order set forth below:

A. Description of the Applicant

This section must contain the following:

1. A description of community characteristics demonstrating the need for the project.
2. The organizational structure of the applicant including policy, board composition, planning and, if applicable, established processes for fixing priorities.
3. A description of the applicant, including, where applicable, funding sources, community outreach, office and staffing patterns, staff qualifications, specialty units, client statistics, client screening, intake and referral procedures, systems of quality control (case assignment and review, supervision and follow-up training, technical assistance and other support), client grievance procedures and staff and program evaluation.

B. Narrative Proposal

The application should provide a description of the program for which IOLTA funding is sought. This section must include:

1. The amount of funds requested;
2. A description of the purposes for which the funds are requested;
3. A description of the methods by which the objectives are to be accomplished and the facts supporting the choice of methodology;
4. The qualifications of the key individuals responsible for the program or project;
5. The plans for evaluating the success of the project in meeting stated objectives;
6. The period of time expected to complete the project (if applicable); and
7. Such additional information as the applicant believes relevant and desirable.

C. Financial Information

The applicant must provide:

1. A program budget which sets forth the proposed use of the requested IOLTA funds.
2. The total program budget and the IOLTA component of the total budget must be submitted in accordance with IOLTA's forms and instructions, attached as Appendix A hereto.

D. Required Documentation

The documentation to be provided by the applicants shall include:

1. proof of tax-exempt status;
2. latest audited financial statements;
3. affirmative action policy;
4. current professional liability coverage;
5. approval of the proposal by the applicant's board of directors; and
6. any other appropriate information requested by the Foundation.

VIII. PAYMENT PROCEDURES

Except under unusual circumstances, all grants and contracts will be paid out to approved recipients in monthly or quarterly installments.

IX. EVALUATION AND MONITORING OF GRANTS

Each recipient of IOLTA funds will be required to submit a self-assessment report at the conclusion of each grant period. This report will include, at a minimum, any reporting requirements imposed by the Foundation as well as additional data sufficient to evaluate the recipient's performance over the grant period. The Foundation may also require interim reports to be

submitted during the grant period. The circumstances prompting a request for interim reporting may include, but are not limited to, experimental programs, demonstration projects or pilot projects, qualified recipients that do not have other substantial sources of funds, or qualified recipients that have recently become operational.

APPENDIX  
 DELAWARE BAR FOUNDATION  
 Interest On Lawyer Trust Accounts Program Budget Form – Fiscal Year 2009

Name of Program/Agency \_\_\_\_\_

1. INCOME

*Please attach a sheet specifying all sources and amounts of income for the fiscal year.*

2. EXPENDITURES

| COST CATEGORY            | IOLTA FUNDS REQUESTED | TOTAL BUDGET ( <i>Excluding IOLTA Funds Requested</i> ) |
|--------------------------|-----------------------|---|
| A. Personnel:            |                       |   |
| Lawyers (No. _____)      | (No. _____)           |   |
| Paralegals (No. _____)   | (No. _____)           |   |
| Others (No. _____)       | (No. _____)           |   |
| Salary Subtotal          |                       |   |
| Benefits and Taxes       |                       |   |
| Total Personnel Costs    |                       |   |
| B. Nonpersonnel Costs    |                       |   |
| Supplies                 |                       |   |
| Equipment Rental         |                       |   |
| Telephone                |                       |   |
| Space                    |                       |   |
| Travel                   |                       |   |
| Training                 |                       |   |
| Library                  |                       |   |
| Insurance                |                       |   |
| Audit                    |                       |   |
| Litigation Expenses      |                       |   |
| Capital Additions        |                       |   |
| Contracted Services      |                       |   |
| Other (specify)          |                       |   |
| Total Nonpersonnel Costs |                       |   |
| Grand Total              |                       |   |