CHAPTER 44
LAWYER TRUST ACCOUNT COMMISSION GRANT CRITERIA AND GUIDELINES

Rule 44.1	Interest on lawyers' trust account program (IOLTA)
Rule 44.2	Statement of purpose
Rule 44.3	Grant criteria
Rule 44.4	Eligible applicants
Rule 44.5	Rejection of grant applications
Rule 44.6	Grant applications are property of commission
Rule 44.7	Grantee costs
Rule 44.8	Inquiry
Rule 44.9	Copies of applications, signature
Rule 44.10	Prime grantee responsibility
Rule 44.11	Access to books and records
Rule 44.12	Contract terms
Rule 44.13	Project completion date
Rule 44.14	Additional grant requests
Rule 44.15	Grant application procedures
Rules 44.16 to 44.20	Reserved
Rule 44.21	FORMS — Grant Application Forms
	Form 1: Cover Sheet
	Form 2: Summary of Grant Request
	Form 3: Financial Budget Form
	Form 4: Financial Budget Form — Personnel Costs
	Form 5: Financial Budget Form — Nonpersonnel Costs
	Form 6: Funding Sources
	Form 7: Legal Problem Categories
	Form 8: Program Activity
	Form 9: Nondiscrimination Statement
	Form 10: Checklist of Enclosures

CHAPTER 44
LAWYER TRUST ACCOUNT COMMISSION GRANT CRITERIA AND GUIDELINES

Rule 44.1 Interest on lawyers' trust account program (IOLTA).

44.1(1) The Lawyer Trust Account Commission (commission) was created by the supreme court to receive interest on lawyers' pooled trust accounts. Lawyers' pooled trust accounts hold client funds that are so small in amount or held for such a brief period that it is not possible for the funds to economically benefit the individual client. Previously, attorneys' pooled trust accounts earned no interest. Effective July 1, 1985, an interest on lawyers' trust account program (IOLTA) was created to benefit charitable and educational interests. The commission has adopted grant criteria by which the interest earned will be disbursed. The commission reserves the right to change these criteria as it continues to assess how and where its funds might be best used.

44.1(2) The commission provides the following information in this chapter to guide grant applicants in applying for funds.

44.1(3) Grant applications are available from the commission at the following address:

Lawyer Trust Account Commission
Iowa Judicial Branch Building
1111 East Court Avenue
Des Moines, Iowa 50319
(515)281-3718

[Court Order December 27, 1985, effective February 3, 1986; December 23, 1987; November 9, 2001, effective February 15, 2002; April 9, 2003]

Rule 44.2 Statement of purpose.

44.2(1) The commission will use the interest earned on IOLTA accounts as directed by the supreme court. The funds are to be used for the tax-exempt public purposes which the supreme court may prescribe from time to time consistent with Internal Revenue Code regulations and rulings.

44.2(2) The IOLTA program is intended to fill a critical need for legal services to the poor in civil cases as well as educational and other specific law-related programs designed to improve the administration of justice in Iowa.

[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.3 Grant criteria. The commission desires to make the best use of IOLTA funds and obtain maximum effect from each grant. The following guidelines, with exception where necessary, will be used to assist in the grant decision-making process:

44.3(1) The commission favors funding groups or organizations as opposed to individuals.

44.3(2) The commission favors challenge grants, or other types of fund-matching arrangements to leverage IOLTA money.

44.3(3) Grant applicants should, if possible, have sources of income in addition to the IOLTA funds requested. Generally, the commission does not intend to be the primary source of financial support for a sustained period of time and the applicant should demonstrate an ability to function eventually without the assistance of the commission.

44.3(4) Greater weight will be given to applicants with a prior history of service reflecting clear ability to deliver quality services successfully.

44.3(5) Greater weight will be given to applicants that work to develop cooperative efforts between grantees in a given service area.

44.3(6) The commission prefers to fund applicants that have community support.

44.3(7) The commission will fund applicants to achieve broad geographic and demographic distribution of IOLTA funds throughout the state.

44.3(8) The commission prefers to avoid replacing other funding sources. The commission also prefers neither to fund agencies primarily funded by state appropriations, nor will funding be granted to state agencies to perform statutory duties.

44.3(9) In reviewing grants for renewal, greater weight will be given to previous recipients that have successfully utilized IOLTA funds.

44.3(10) All grant recipients are expected to propose criteria by which their projects will be reviewed at least annually and to assist the commission in conducting periodic evaluations.

44.3(11) The commission is especially interested in using its limited funds as seed money to establish new programs which contribute to the increased availability of legal services to indigents in all parts of the state or will provide increased education about the rights and responsibilities of all citizens under our legal system.

44.3(12) The commission will not fund political campaigns, lobbying or legislative advocacy nor will it fund programs to provide for criminal indigent defense.

[Court Order December 27, 1985, effective February 3, 1986; February 27, 1987; November 9, 2001, effective February 15, 2002]

Rule 44.4 Eligible applicants. To be eligible to receive funds from the commission an applicant must do all of the following:

44.4(1) Qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), or otherwise demonstrate the charitable purposes of the applicant organization and project.

44.4(2) Submit a grant application form and written narrative proposal within the commission's time schedule.

44.4(3) Respond adequately in the proposal to the commission's grant proposal format.

44.4(4) Respond adequately to questions about the application by telephone or in writing.

44.4(5) Agree to carry out the program for which funds were requested.

44.4(6) Account for the grant funds separately in its financial reporting system.

44.4(7) Unless exempted, agree to file with the commission, within 90 days after the end of the grant period, an audit of IOLTA funds received certified by a certified public accountant licensed to practice in Iowa.

44.4(8) Report to the commission on progress and results.

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.5 Rejection of grant applications. The commission reserves the right to reject any or all grant applications which do not, in its opinion, meet the purposes of this program.

[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.6 Grant applications are property of commission. Upon submission, all grant applications become the property of the commission which has the right to use any or all ideas presented in any application, whether or not the application is approved for funding. All grant applications are open to public inspection and comment upon receipt by the commission.

[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.7 Grantee costs. Neither the supreme court nor the commission will be liable for any expenses incurred by any prospective grantee prior to the issuance of the grant.

[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.8 Inquiry. Questions should be directed to: Director, Office of Professional Regulation, Iowa Judicial Branch Building, 1111 East Court Avenue, Des Moines, Iowa 50319.

[Court Order December 27, 1985, effective February 3, 1986; December 23, 1987; November 9, 2001, effective February 15, 2002; April 9, 2003; December 5, 2007]

Rule 44.9 Copies of applications, signature. Eight copies of a grant application will be required. These copies should be signed by an official who has authority to bind the organization to the proposed obligations. Applications must state that they are valid for a minimum period of 60 days from the date of submission.

[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.10 Prime grantee responsibility. A selected grantee will be required to assume responsibility for all services offered in its application. The selected grantee will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the grant.
[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.11 Access to books and records. The commission or any of its duly authorized representatives shall have access for purposes of audit and examination to any books, documents, papers and records of the grantee.
[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.12 Contract terms. The grant application must state when the grantee will start the project, which should be within 60 days of the award. If during the performance of the project the grantee deviates from the grant, the grant may, at the discretion of the commission, be terminated at any time. If a dispute arises in the performance of the grant which cannot be settled between the parties, the dispute shall be submitted to arbitration pursuant to Iowa Code chapter 679A.
[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.13 Project completion date. The completion date of the project must be specified in the application. If the project will continue for more than one year, the applicant should specify the budget and evaluation cycle on a twelve-month basis.
[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.14 Additional grant requests. Applicants who submit proposals in the initial funding cycle will not be precluded from applying in later funding cycles if need exceeds the amount of the initial award.
[Court Order December 27, 1985, effective February 3, 1986; November 9, 2001, effective February 15, 2002]

Rule 44.15 Grant application procedures. To aid in the comparative evaluation of proposals, all grant applications must be submitted in writing and contain the following information in the order listed:

44.15(1) *Organization and contents of proposal.*

a. Cover sheet (Rule 44.21, Form 1).

b. Summary of grant request (Rule 44.21, Form 2).

c. A written narrative proposal on 8½ x 11 inch paper, not to exceed ten double-spaced typewritten pages, which sets forth:

(1) The objectives of the project/organization for which funds are requested.

(2) The methods by which the objectives are to be accomplished.

(3) The qualifications of key individuals responsible for the project/organization.

(4) The period of time expected to complete the project (if applicable).

(5) Whether support has been or is being requested from other funding sources.

(6) The audit mechanism which will be utilized to provide accountability for the requested funds.

(7) The extent to which the program serves a reasonable number of clients, its service area, the nature and scope of legal services provided and its impact on the community's demonstrated needs.

(8) The extent to which two or more programs in the service area cooperate in the provision of legal assistance.

(9) The extent of participation from the bar within the program's service area in the program.

(10) The extent to which the program has systems to assure the quality of services provided.

(11) The plans for evaluating the success of the project/organization in meeting the objectives.

(12) Such additional information as the applicant believes desirable.

d. Financial budget form (Rule 44.21, Forms 3, 4, and 5).

e. Funding sources (Rule 44.21, Form 6).

f. Legal problem categories (Rule 44.21, Form 7).

g. Program activity (Rule 44.21, Form 8).

h. Nondiscrimination statement (Rule 44.21, Form 9).

i. Checklist of enclosures (Rule 44.21, Form 10).

44.15(2) *Processing of grant applications.*

a. Grant Applications — Application should be directed to the Executive Director of the commission at the following address:

Lawyer Trust Account Commission
Iowa Judicial Branch Building
1111 East Court Avenue
Des Moines, Iowa 50319

The commission will make all recommendations on grant awards, subject to final approval by the supreme court.

b. Applicant must submit one original and eight complete copies of its proposal.

There can be no extensions of or exceptions to established deadlines.

c. Grant awards will be announced by the supreme court or by the commission with the approval of the court.

[Court Order December 27, 1985, effective February 3, 1986; December 23, 1987; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002; April 9, 2003]

Rules 44.16 to **44.20** Reserved.

Rule 44.21 FORMS — Grant Application Forms
Rule 44.21 — Form 1: ***Cover Sheet.***

GRANT APPLICATION

LAWYER TRUST ACCOUNT COMMISSION

Amount of Grant Request $ _____

Name of Organization/Applicant _____

Address _____

City _____ County _____ Zip _____

Telephone Number (include area code) _____

Number of Counties Served _____

Number of Indigent Persons in Service Area _____

Program Director or _____
Chief Executive Officer

_____
Signature

Chairperson or _____
Chief Policy-Making Officer

_____
Signature

Current Fiscal Year Budget $ _____
(Exclude IOLTA Funding)

Define Fiscal Year: Starts _____ Ends _____

Funds Requested are For:

_____ Legal Services for the Poor _____ Law Related Education

_____ Pro Bono _____ Administration of Justice

_____ Other _____

I HEREBY CERTIFY THAT ALL THE INFORMATION CONTAINED IN THIS GRANT PROPOSAL IS ACCURATE AND COMPLETE.

_____ _____
SIGNATURE DATE

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 2: ***Summary of Grant Request.***

SUMMARY OF GRANT REQUEST

Using only the space provided, summarize those aspects of your grant application that you most wish to highlight to help the Lawyer Trust Account Commission evaluate your proposal.

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 3: ***Financial Budget Form.***

FINANCIAL BUDGET FORM

Name of Organization/Applicant _____

Please complete the following form on a "grant year" basis. We recognize that many programs do not operate on a fiscal year which coincides with the "grant year," but we need to compare the data you submit with the information provided by other applicants.

Please refer to explanations on reverse side when completing budget request form.

COST CATEGORY	IOLTA FUNDS REQUESTED	TOTAL BUDGET*
PERSONNEL		
Lawyers No. _____		
Paralegals No. _____		
Other No. _____		
Salary Subtotal _____		
Employee Benefit _____		
Total Personnel Costs		
NONPERSONNEL		
Space		
Equipment		
Supplies		
Telephone		
Travel		
Training		
Library		
Insurance		
Audit		
Litigation		
Capital Additions		
Contract Services		
Other		
Total Nonpersonnel Costs		
TOTAL		

*Excluding IOLTA Funds Requested

Financial Budget Form *(cont'd)*

FINANCIAL BUDGET FORM

EXPLANATIONS

LAWYERS: This category should include all salaries and wages paid to program attorneys, whether employed directly or supervised by the program (e.g., VISTA volunteers), and whether part time, full time, or temporary.

PARALEGALS: This category should include salaries and wages paid to program paralegals, whether employed directly or supervised by the program (e.g., VISTA volunteers), and whether part time, full time, or temporary. Paralegals are persons whose duties consist primarily of such activities as intake interviewing, case investigations, checking court records, legal research, client representation at administrative hearings, and outreach and community work.

OTHER STAFF: This category should include salaries and wages paid to all other program staff, whether employed directly or supervised by the program (e.g., VISTA volunteers, CETA workers, etc.), whether administrative/clerical staff, students, or others, and whether full time, part time, or temporary.

EMPLOYEE BENEFITS: This category should include all those commonly accepted fringe benefits paid on behalf of employees, such as retirement, FICA, health and life insurance, worker's compensation, unemployment insurance, and other payroll-related costs approved by the program's board of directors.

SPACE: This category includes estimated rent, utility payments, and maintenance or janitorial expenses.

EQUIPMENT RENTAL: This category includes lease or rental expenses for office furniture, fixtures, and equipment (except telephone). It also includes an estimate of maintenance costs for that equipment whether pursuant to a service contract or an estimate of individual repair bills.

OFFICE SUPPLIES AND EXPENSES: This category includes all basic office accessories and supplies, including material used in copiers. Printing and postage, which may be recorded in special accounts, are included in this category. All equipment purchases under $100 may be placed under this line item.

TELEPHONE: This category includes estimates for the rent of telephone equipment and long distance calls. Similar and related expenses such as telegraph or other telecommunications should be included as well.

PROGRAM TRAVEL: Travel expenses directly related to specific client matters, circuit calls, administration of the program, etc. While most travel placed in this category will be local or intrastate, some interstate travel should also be included here.

TRAINING: All nonpersonnel costs to be paid for with regular program funds associated with the training or continuing education of staff members should be included here. Examples would be: travel to/from training events, per diem, conference registration fees or tuition, purchase of training materials, rent for facilities used in a training event, etc. Materials or equipment purchased for training with a value in excess of $100 should be reported under "Capital Additions." No program personnel costs should be included here.

LIBRARY: This category includes expenses for the maintenance and normal expansion of office libraries, including subscriptions to periodicals, books, reference materials, and multiple volume sets of law books. Capital additions to the library holdings over $100 should be included under "Capital Additions."

INSURANCE: This category includes professional liability insurance, bonding, property insurance (fire and theft), and liability insurance for property and automobiles.

AUDIT: This category includes expenses for auditors.

LITIGATION: This category includes court costs, witness fees, expert witness expenses, sheriff fees, courthouse copying fees, and other expenses incurred but not recovered in litigation on behalf of eligible clients.

CAPITAL ADDITIONS: This category includes equipment and library purchases over $100 per item and other major expenses which occur infrequently (e.g., major renovation). Items included should be certain expenditures (e.g., report "office equipment" rather than "typewriters, dictating equipment, adding machines," etc.).

CONTRACT SERVICES: This category includes two sections: one for all payments to private attorneys who provided legal services to clients and the other for service to the program, such as legal counsel for program operations, consultant fees exclusive of those paid for training, use of a computer service bureau, bookkeeping or other accounting services, etc.

OTHER: This category includes all program expenses not included above.

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 4: ***Financial Budget Form — Personnel Costs.***

FINANCIAL BUDGET FORM

PERSONNEL COSTS

Please provide a detailed breakdown and explanation by line item of your funding request. Comment on methodology used in determining each funding request for Personnel Costs.

(Attach additional sheets if necessary)

[Court Order December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 5: ***Financial Budget Form — Nonpersonnel Costs.***

FINANCIAL BUDGET FORM

NONPERSONNEL COSTS

Please provide a detailed breakdown and explanation by line item of your funding request. Comment on methodology used in determining each funding request for Nonpersonnel Costs.

(Attach additional sheets if necessary)

[Court Order December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 6: ***Funding Sources.***

FUNDING SOURCES

Name of Applicant: _____

List Sources of Public and Private Funds:

Do Not Include Any Estimates for "In-Kind" or Volunteer Services

(EXPLANATION OF "FUNDS" ON REVERSE)

	SOURCE	AMOUNT
1. Local:		
2. Federal:		
3. Community Funds:		
4. Foundations:		
5. Bar Associations/Groups:		
6. Individual Contributions:		
7. Corporate:		
8. Law Firms:		
9. Others:		
TOTAL		

Funding Sources *(cont'd)*

EXPLANATION OF "FUNDS"

1. **LOCAL** — List all public sources of funds from city, county, and state agencies. This does not include federal funds. If the applicant receives allocations through city, county, or state offices, such as social service departments, list sources in this category.
2. **FEDERAL** — List all sources of funds from federal sources including: Legal Services Corporation; Title XX; Title III; Title IV; Community Development Block Grants; Revenue Sharing; Action/VISTA; other federal grants.
3. **COMMUNITY FUNDS** — List community nonprofit organization funds, e.g., United Way, Community Chest, and other consolidated community funds in this category.
4. **FOUNDATIONS** — List private charitable foundation funds in this category.
5. **BAR ASSOCIATIONS/GROUPS** — List state, local and specialty bar associations and related organizations which provide monetary contributions.
6. **INDIVIDUAL CONTRIBUTIONS** — Indicate the total amount of individual contributions received by the program.
7. **CORPORATE** — List all funds received from corporations, corporate foundations, and corporate law departments.
8. **LAW FIRMS** — List all funds received from law firms, including support from annual fundraiser/benefit over $200.00.
9. **OTHER** — List all other sources of income, including special events such as annual benefit or dinner. Continue on another sheet of paper if necessary.

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 7: ***Legal Problem Categories.***

LEGAL PROBLEM CATEGORIES

Define what is meant by your use of the term "Legal Problem" and "Case" as a measure of services provided:

_____

_____

_____

_____

_____

_____

1. **CONSUMER/FINANCE** — refers to bankruptcy, debtor relief, collections, deficiency, garnishment, contracts, warranties, credit access, energy, loans, installment purchase, public utilities, unfair sales practice, repossession, and other consumer/finance.
2. **EDUCATION/EMPLOYMENT** — refers to education, job discrimination, wage claims, and other employment (including CETA).
3. **FAMILY** — refers to adoption, custody, visitation, dissolution, separation, annulment, guardianship, conservatorship, name change, parental rights termination, paternity, spouse abuse, support, and other family.
4. **JUVENILE** — refers to neglected, delinquent, and other juvenile.
5. **HEALTH** — refers to Medicare, Medicaid, and other health.
6. **HOUSING** — refers to federally subsidized housing rights, home ownership, real property, landlord-tenant, public housing, and other housing.
7. **INCOME MAINTENANCE** — refers to AFDC, welfare, food stamps, social security, SSI, unemployment compensation, veterans benefits, worker's compensation, and other income maintenance.
8. **INDIVIDUAL RIGHTS** — refers to immigration, naturalization, mental health, prisoners' rights, physically disabled rights, and other individual rights.
9. **MISCELLANEOUS** — refers to incorporation, dissolution, license (auto and other), torts, wills, estates, and other miscellaneous.

[Court Order December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 8: ***Program Activity.***

PROGRAM ACTIVITY

Please provide information on the number of indigent persons assisted during the year.

ACTIVITY	NUMBER
Counsel and Advice	_____
Brief Service	_____
Referred After Legal Assessment	_____
Insufficient Merit to Proceed	_____
Client Withdrew or Did Not Return	_____
Negotiated Settlement	_____
Admin. Agency Decision	_____
Court Decision	_____
Change in Eligibility	_____
Other	_____
Total Closed Cases	_____

STAFF PATTERN

Please describe the staffing pattern of your organization by completing the following chart.

	Full Time	Part Time	Temporary	Volunteer
1. Number of Attorneys	_____	_____	_____	_____
2. Number of Paralegals	_____	_____	_____	_____
3. Number of Other Staff	_____	_____	_____	_____

COMMENTS: _____

_____

_____

_____

_____

[Court Order December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 9: ***Nondiscrimination Statement.***

NONDISCRIMINATION STATEMENT

On behalf of the _____,
(Organization)

I, _____, the undersigned state

that the _____ does not
(Organization)

discriminate against clients, job applicants, or its employees on the basis of race, creed, color, sex, age, national origin, handicap, or Vietnam veteran status.

_____
(Name)

_____
(Title)

_____
(Date)

[Court Order December 27, 1985, effective February 3, 1986; December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]

Rule 44.21 — Form 10: ***Checklist of Enclosures.***

CHECKLIST OF ENCLOSURES

Please number and enclose the following supplemental materials with this Grant Application. If your organization has previously submitted any of these items to the Lawyer Trust Account Commission and it is still in full force and effect, check "Submitted Previously" and omit from this application.

ENCLOSED	SUBMITTED PREVIOUSLY		ATTACHMENT #
_____	_____	List of board members — name, address, occupation, indicate officers, their title and terms	_____
_____	_____	Current articles of incorporation or association, bylaws or other organizational documents	_____
_____	_____	Proof of tax exempt status and last IRS form 990	_____
_____	_____	Current client financial eligibility guidelines	_____
_____	_____	Description of your organization's professional liability coverage	_____
_____	_____	A copy of applicant organization's most recent audited financial statement	_____
_____	_____	Any evaluation reports prepared by other funding sources within the last two years	_____

All documents required shall have attached a certificate signed by the secretary or similar officer that the documents are true and correct copies, have not been retracted or amended, and are in full form and effect.

[Court Order December 27, 1991, effective January 6, 1992; November 9, 2001, effective February 15, 2002]