



NORTH CAROLINA  
IOLTA

**2023 NC IOLTA Grants**

**Guidelines and Application Instructions**

**Grant period: January 1 – December 31, 2023**

- I. Background
- II. Grant Eligibility, Programs, and Criteria
- III. Grant Application Information
  - a. General Information
  - b. Application Requirements
  - c. Timeline and Process
  - d. Support for Grant Applicants
- IV. Attachments
  - a. NC IOLTA Grant Policies
  - b. WebGrants Instructions Manual
  - c. 2023 Grant Application Printout
  - d. 2021 NC IOLTA Strategic Plan Summary
  - e. 2022 Grant Award Recipients

## I. Background

### **NC IOLTA's Mission:**

To improve the lives of North Carolinians by strengthening the justice system as a leader, partner, and funder.

### **NC IOLTA's Vision:**

A North Carolina where all people can effectively meet their legal needs.

### **About NC IOLTA**

North Carolina Interest on Lawyers' Trust Accounts, NC IOLTA, was created in 1983 by the North Carolina State Bar and approved by the North Carolina Supreme Court to collect interest earned on lawyers' general pooled trust accounts to fund programs for the public's benefit.

NC IOLTA provides access to justice by funding high-quality legal assistance. Due to limited resources and insufficient funding, just a fraction of North Carolinians have access to the critical legal services they need to thrive. By working directly with lawyers and financial institutions across the state to set up interest-bearing trust accounts, NC IOLTA has awarded more than \$105 million to organizations that help provide legal aid to individuals, families, and children.

Civil legal aid plays a critical role in building a legal system that works for everyone, breaking down long-standing barriers to equity and creating strong communities across North Carolina. By working toward equitable access to civil legal aid, we at NC IOLTA are creating a North Carolina where all individuals, families and children can fairly navigate the justice system to have their basic needs met and their rights protected so they can thrive.

Together we are working to build strong, equitable communities across North Carolina. With your partnership, we can expand the impact that we are having on North Carolina's communities everywhere.

### **NC IOLTA Strategic Plan**

In January 2021, NC IOLTA initiated a strategic planning process to create a clear road map to guide IOLTA's work in the coming years, consistent with the program's founding principles and building upon achievements made since inception. The Executive Committee of the board led the process, with the participation of the full board and staff and the support of consultants Stephanie Choy and Lonnie Powers. The process also included 19 stakeholder interviews and a community forum for feedback on the draft plan. The board approved the strategic plan on June 23, 2021. NC IOLTA looks forward to working with you and other stakeholders to pursue our shared goals in the coming years.

A summary of the strategic plan's primary objectives is included as an attachment toward the end of this document. The full plan can be found at [www.nciolta.org](http://www.nciolta.org).

## I. Background

### NC IOLTA Values

**Integrity:** Our organizational policies and practices – including financial management, grantmaking, community leadership, and decision making – engender trust from stakeholders.

**Stewardship:** We ensure funds received from any and all sources are used effectively and efficiently to make improvements in the quality of justice, with a focus on civil justice. This includes optimizing investments in grantmaking, maintenance of reserves, and fiscally responsible budgeting.

**Equity:** We apply an equity lens to all our work. We pursue equity through an inclusive process with diverse voices with a view to ensuring that investments support access to legal services for all persons and communities regardless of race, color, ethnic identity, national origin, sexual orientation, geography, age, gender identity, gender, disability, immigration status, lack of income or wealth, or religious beliefs.

**Leadership:** As a funder, we have a unique role within the civil justice community and the Bar to work towards improvement of the justice system. We lead by example, using our voice and knowledge where appropriate to educate and add value to the justice community and other conversations about needs and the issues impacting underserved communities.

**Partnership:** We bring the justice community together: we recognize that the whole is greater than the sum of its parts, and the community is stronger working collaboratively with each other to utilize individual and collective strengths, appreciate diverse perspectives, and jointly problem solve. We seek to deepen our partnerships not only with legal aid organizations and statewide justice partners, but also financial institutions, foundation funders, law schools, the private bar, and corporations.

## **II. Grant Eligibility, Programs, and Criteria**

### **Eligibility**

In order to be eligible for an IOLTA grant, an organization:

- (1) must be exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code, as amended; or
- (2) must 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.

North Carolina IOLTA grants, awarded under any grant category, must be used to provide services and/or support efforts that benefit North Carolina residents.

Additional eligibility information for particular Grant Programs can be found in the program description for that program.

### **Grant Purposes**

NC IOLTA currently awards grants under two of the grant purposes identified in the rules governing NC IOLTA, Section .1300 of the Governing Rules of the North Carolina State Bar codified in Chapter 1 of Title 27 of the North Carolina Administrative Code.

The two grant programs are:

- (1) Civil Legal Aid Grant Program
- (2) Administration of Justice Grant Program

## II. Grant Eligibility, Programs, and Criteria

### Civil Legal Aid Grant Program

#### **Grant Purpose**

NC IOLTA's Civil Legal Aid Grant Program provides general support for a network of organizations, including both civil legal aid organizations and other agencies that provide civil legal aid, that together provide basic access to the justice system for indigent people residing in every county in North Carolina. Civil legal aid includes direct representation of eligible clients and client groups as well as related training and technical assistance. An organization or program may be providing services through staff attorneys and advocates or using volunteer lawyers on a pro bono basis.

#### **Areas of Funding**

- **Civil Legal Aid Grants.**
  - **General Civil Legal Aid Grants** are offered to legal aid organizations, defined as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code whose primary purpose is to provide civil legal aid to low-income clients. General Civil Legal Aid Grants are intended to provide general programmatic support to civil legal aid organizations to broadly support legal services for eligible clients.
  - **Project Support Grants** are offered to legal aid organizations or other entities that run legal aid programs (such as social service providers, advocacy organizations, and other nonprofits that provide other non-legal services in addition to the legal services provided). Project Support Grants are intended to support programs focused on particular client subgroups or particular types of client services, especially where the clients served are not being reached or the program offers services that are not otherwise available through civil legal aid organizations.
- **Pro Bono Support Grants.** Pro Bono Support Grants are offered to support the development and expansion of efforts to engage lawyers and other legal professionals in the provision of voluntary legal services. Note that a pro bono program that does not focus their efforts specifically on indigent clients is not eligible for a Pro Bono Support Grant under the Civil Legal Aid Grant Program but may apply under the Administration of Justice Grant Program.
- **System Support Grants.** System Support Grants are offered to support efforts to improve the system of the delivery of civil legal aid by increasing program efficiency, effectiveness, and collaboration. Examples of some efforts within this area of funding include training, research and evaluation, program innovations, website development or updates, online platforms or tools, and planning and sustainability efforts.

Applicants may apply for more than one Civil Legal Aid Program Grant.

## II. Grant Eligibility, Programs, and Criteria

### Eligibility

In addition to meeting the stated eligibility for all NC IOLTA grants, to be eligible for funding from NC IOLTA under the Civil Legal Aid Grant Program, applicants must meet the following requirements:

- 1) **Serve North Carolina residents who are indigent**, defined as individuals who are at or below 200% of the federal poverty guidelines or who are eligible to receive public assistance through a government program for the indigent. In addition to income, programs may consider other relevant factors in determining financial eligibility for services, including access to liquid assets, fixed debts and obligations, and family size for example.

The organization may also consider availability of income, i.e., whether the individual seeking assistance has direct and unfettered access, without having to obtain the consent or cooperation of another person over whom the individual does not have control and who does not in fact consent or cooperate.

If an organization uses a definition of indigent or low-income clients, for all or a portion of its clients that is different from the above, it must be able to show that a majority of its clients fall within the stated NC IOLTA definition.

- 2) **Provide services without charge to the client.** An organization will not be disqualified from receiving funds from NC IOLTA for charging nominal fees as long as the organization allows for the complete waiver of fees in cases where clients cannot pay the fee. The Board reserves the right to approve grants to an organization charging significantly reduced fees in areas of law where services are otherwise unavailable to low-income clients.

Grantees that charge fees, whether nominal or reduced, are required to provide a copy of their client fee policy and schedule to NC IOLTA and include information on fees received in their regular financial reports to NC IOLTA, including information about the number of fee waivers provided to clients.

### Funding Criteria

Preference generally will be given to requests from applicants:

- Providing direct representation of clients or client groups, including engaging in a range of services from extended representation to brief advice offered through a variety of methods, offering community legal education to clients, and supporting community economic development through services to client groups;
- Who are staffed civil legal aid organizations, as the most effective and efficient means by which to deliver high quality legal assistance to the poor, including pro bono efforts as an important supplement to staffed legal services;
- Who are current qualified providers over additional, separate programs except where a separate program can address client needs more effectively and efficiently;
- Having diverse funding sources;

## **II. Grant Eligibility, Programs, and Criteria**

- Cooperating in the statewide coordination of delivery of civil legal aid, for example, through participation in geographic or practice area collaboratives, participation in the NC Equal Justice Alliance (formerly known as the NC Legal Services Planning Council) and, in areas with multiple providers, undertaking cooperative efforts as appropriate;
- Responding to the most critical legal needs and identified gaps, for example as documented in legal needs assessments or other studies;
- Developing innovative client service techniques and evaluating their effectiveness and efficiency.

## II. Grant Eligibility, Programs, and Criteria

### Administration of Justice Grant Program

#### **Grant Purpose**

NC IOLTA's Administration of Justice Grants provide support for programs seeking to improve the administration of justice in North Carolina.

#### **Areas of Funding**

A goal of NC IOLTA is to focus grants in areas where they can have a measurable impact. Therefore, IOLTA grants for improvements in the administration of justice are made in the areas outlined below with emphasis on how the justice system can operate more effectively and expeditiously.

- Improvement in the operation and management of the justice system;
- Public education and understanding about the law, including law-related education;
- Promotion and support for a full range of dispute resolution techniques and alternatives;
- Promotion and support for public interest legal representation.

NC IOLTA reserves the right to consider or seek out projects in these or other subject areas related to improving the administration of justice in North Carolina.

*Note: Administration of Justice Grants must initially be approved by the NC Supreme Court.*

#### **Funding Criteria**

Preference will generally be given to:

- Applicants seeking start-up funds or seed money for new projects or programs;
- Programs that seek to offer services to individuals who do not qualify for civil legal aid based on their income but who are unable to afford legal assistance, including pro bono programs;
- Programs with demonstration value or replication potential;
- Programs that will have statewide significance; and/or
- Requests for matching funds.

Administration of Justice Grants typically do not fund:

- Direct service programs (e.g., counseling);
- Replicas of established programs;
- Local community groups unrelated to the practice of law;
- Programs (or budget items) for which there is a governmental responsibility to provide funding; and
- Continuing program support for local projects that exceed three years.



### **III. Grant Application Information**

#### **General Information**

NC IOLTA manages the grant application and reporting process through an online grants portal called WebGrants. Applicants must use the portal to complete and submit applications for funding from NC IOLTA. The portal is also used for grantees to submit periodic financial and narrative reports.

Applicants can access the portal at <https://nciolta.dullestech.net>. You must first establish an account. More information about using the WebGrants portal can be found in the attachments.

Please contact Dan Labarca ([dlabarca@ncbar.gov](mailto:dlabarca@ncbar.gov)) with any questions regarding WebGrants.

#### **Application Requirements**

The NC IOLTA application requests the following information:

- (1) Organizational overview, including mission and primary activities.
- (2) Organizational activities, including significant accomplishments.
- (3) Caseload data.
- (4) Staff full-time equivalents (FTE).
- (5) Client story or impact narrative.
- (6) Budget.

Required attachments:

- (1) Officer and board member list.
- (2) Board meeting dates.
- (3) Organizational by-laws.
- (4) IRS determination letter.
- (5) Client intake forms.
- (6) Fee policy (if applicable).
- (7) Audit, financial statement, and/or annual 990 document.

### III. Grant Application Information

#### Timeline and Process

August 1, 2022

Grant information and application for 2023 grants is available to applicants.

August 17, 2022, 1:00-2:00pm

Online grant information session. Register [here](#).

August 22 – September 16

Grant application consultations and technical support available by appointment. Please contact Mary Irvine ([mirvine@ncbar.gov](mailto:mirvine@ncbar.gov)) or Dan Labarca ([dlabarca@ncbar.gov](mailto:dlabarca@ncbar.gov)).

September 23, 2022

Grant application and required attachments submitted by application deadline. *Note that late applications are generally not accepted.*

September – November 2022

NC IOLTA staff will review applications and follow up as needed to request any additional information or clarification.

December 2022

NC IOLTA Board meets to determine grant awards. Announcements will be made in mid-December.

January 2023

Funding begins after grant agreements are completed and signed.

### **III. Grant Application Information**

#### **Support for Grant Applicants**

Please call or email us with any questions about NC IOLTA grants, the application process, and any technical questions related to WebGrants.

#### Staff Contact Information

- Mary Irvine, Executive Director  
Email: [mirvine@ncbar.gov](mailto:mirvine@ncbar.gov)  
Telephone: 919.706.4435

Mary can provide more information about:

- NC IOLTA, who we are, and how we operate.
- NC IOLTA's strategic plan.
- Grant policies and eligibility.

- Dan Labarca, Program Manager  
Email: [dlabarca@ncbar.gov](mailto:dlabarca@ncbar.gov)  
Telephone: 919.706.4997

Dan can provide more information about:

- NC IOLTA's grant application process.
- Grants policies and eligibility.
- WebGrants navigation and troubleshooting.

#### **IV. Attachments**

The following attachments can be found below this page:

- a. **NC IOLTA Grant Policies.** Grant policies of the Board of Trustees of the North Carolina Interest on Lawyers' Trust Accounts program lay out application, financial, reporting, restrictions on the use of funds, and other policies approved by the Board. Grant policies were most recently updated on June 30, 2022.
- b. **WebGrants Instructions.** WebGrants is the portal maintained by NC IOLTA for grant applications and reporting. The attached instructions provide guidance on creating a new user account and navigating the application process.
- c. **2023 Grant Application Printout.** Please note that is for informational purposes only. All applications must be submitted online via WebGrants.
- d. **2021 NC IOLTA Strategic Plan Summary.** The Board of Trustees of the North Carolina Interest on Lawyers' Trust Accounts (NC IOLTA) program approved a five-year strategic plan in June 2021. A summary of the strategic plan's primary objectives is included. The full plan can be found at [www.nciolta.org](http://www.nciolta.org).
- e. **List of 2022 NC IOLTA Grantees**



NORTH CAROLINA  
IOLTA

**NC IOLTA  
GRANT POLICIES**

- I. Background
- II. Grant Purposes
- III. Eligibility
- IV. Grantmaking Policies

## **I. Background**

North Carolina Interest on Lawyers' Trust Accounts, NC IOLTA, was created in 1983 by the North Carolina State Bar and approved by the North Carolina Supreme Court to collect interest earned on lawyers' general pooled trust accounts to fund programs for the public's benefit.

Funding for the program comes primarily from funds remitted by financial institutions as interest earned on trust accounts established by lawyers pursuant to Rule 1.15 of the Rules of Professional Conduct and Rule .1316 of the Rules Governing the Administration of the Plan for Interest on Lawyers' Trust Accounts (IOLTA) and interest earned on accounts maintained by settlement agents pursuant to N.C.G.S. §45A-9.

NC IOLTA also utilizes funding received from cy pres awards (awards made pursuant to N.C.G.S. §1-267.10 with residual funds in class action cases after payment has been made to all individual claimants) and other court awards and interest earned on the Board's funds from investments. Funding may also come from any other sources directed to NC IOLTA for the provision of legal services to the indigent and improvement of the administration of justice.

## II. Definitions

Board/ Grantor	Board of Trustees of NC IOLTA.
Grant Application	Materials submitted to NC IOLTA by applicants including information about the proposed grant activities, a proposed budget for the expenditure of IOLTA funds, and various required attachments.
Grant/ Grant Award	Funds awarded to a Grantee by NC IOLTA.
Indigent	Individuals with income at or below 200% of the federal poverty guidelines.
Recipient/ Grantee	Any grantee or sub-grantee receiving grant funds awarded by the Board of Trustees of NC IOLTA.
Rules	The rules governing NC IOLTA found at Section .1300 of the Governing Rules of the North Carolina State Bar codified in Chapter 1 of Title 27 of the North Carolina Administrative Code

### **III. Grant Purposes**

The Rules governing NC IOLTA, Section .1300 of the Governing Rules of the North Carolina State Bar codified in Chapter 1 of Title 27 of the North Carolina Administrative Code, outline the purposes for which funds may be awarded.

- (1) Providing civil legal services for indigents;
- (2) Enhancement and improvement of grievance and disciplinary procedures to protect the public more fully from incompetent or unethical attorneys;
- (3) Development and maintenance of a fund for student loans to enable meritorious persons to obtain a legal education who would not otherwise have adequate funds for this purpose;
- (4) Such other programs designed to improve the administration of justice as may from time to time be proposed by the board and approved by the Supreme Court of North Carolina.

Further, the Rules note that private interests of the legal profession are not to be funded with IOLTA funds.

NC IOLTA currently awards Grants under purpose (1) and purpose (4) laid out in the Rules.



#### **IV. Eligibility**

In order to be eligible for an IOLTA grant, an organization:

- (1) must be exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code, as amended; or
- (2) must 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.

North Carolina IOLTA grants, awarded under any grant category, must be used to provide services and/or support efforts that benefit North Carolina residents.

Additional eligibility information for particular Grant Programs can be found in the program description for that program.

## **V. Grantmaking Policies**

Grant policies apply to all Recipients of North Carolina Interest on Lawyers' Trust Accounts program (NC IOLTA) grants and any sub-recipients.

Grant policies are incorporated in the grant agreements which must be signed prior to disbursement of any funds. Any special conditions or provisions that apply uniquely to a grant program, individual grant, or Grantee will be included in the grant agreement.

### **Sections**

1. General Provisions
2. Application
3. Restrictions on Use of Funds
4. Reporting
5. Financial
6. Miscellaneous
7. Specific Grant Program Provisions

#### **1. General Provisions**

- a. All Grants made by the NC IOLTA program are discretionary (within the four categories established in the Rules) and determined by the Board on an annual basis. No mandatory limits or allocations are established for any category or program, though the Board reserves the right to provide guidance in a given year about particular funding availability.
- b. The typical grant cycle is annual and is based on the calendar year. As noted in the grant agreements, the Board awards Grants for the current annual grant cycle only and makes no representation regarding continued funding for any program or project.
- c. NC IOLTA reserves the right to rescind the Grant Award and demand the return of any and all portions thereof if Grantee fails to comply with any of the provisions.
- d. The Board reserves the right to make Grant Awards on an emergency basis or to request out-of-cycle Grant Applications.
- e. Grantee will utilize the Grant Award only for the public charitable purposes specified in the Grant Application and in accordance with the amounts set forth in the final budget submitted in the Grant Application and as approved by the Board.

Grant activities and spending shall not materially deviate from the approved Grant Application and budget.

- f. For the Civil Legal Aid Grant Program, a majority of Grantee's clients must be Indigent or low-income individuals or, alternatively, if Grantee uses an alternate definition of eligibility, Grantee agrees that they can show that a majority of clients are Indigent.
- g. For the Administration of Justice Grant Program, as noted in the Rules, Grants made under category four, "programs designed to improve the administration of justice," must initially be approved by the North Carolina Supreme Court. Additional approval is not required for continuing Grants in that category.
- h. Legal services provided by Grantee generally must be provided free of charge. An organization will not be disqualified from receiving funds from NC IOLTA for charging nominal fees as long as the organization allows for the complete waiver of fees in cases where clients cannot pay the fee. The Board reserves the right to approve grants to an organization charging significantly reduced fees in areas of law where services are otherwise unavailable to low-income clients.

Grantees that charge fees, whether nominal or reduced, are required to provide a copy of their client fee policy and schedule to NC IOLTA and include information on fees received in their regular financial reports to NC IOLTA, including information about the number of fee waivers provided to clients. Grantee is required to notify NC IOLTA of any changes in their client fee policy and/or schedule within thirty days of approved changes.

## **2. Application**

- a. The Board will typically not accept Grant Applications received after the announced deadline. The Board reserves the right to accept late Grant Applications of continuing Grantees based upon consideration of a written explanation and request.
- b. Because the Board does not want its decision-making process influenced by Applicants or Grantees, the Board does not allow applicants to make presentations at the grantmaking Board meeting. The Board reserves the right to invite Grantees to other meetings to educate the Board regarding a particular program or to provide post-grant progress reports.
- c. Grant Applications must be accompanied by a Grant Application certification signed by a staff member who has the authority to sign contracts on behalf of the applicant organization and the applicant organization's board chair (or designated member of the board). The certification indicates that the information provided within the Application is accurate, the funds will be used for the purposes described

in the Grant Application, and that the organization will adhere to the terms and conditions set forth in the grant agreement.

### **3. Restrictions on Use of Funds**

- a. Grant Awards may not be used for any political campaign or to support attempts to influence legislation or any governmental body.
- b. The North Carolina State Bar shall not be an applicant for or receive a Grant Award from NC IOLTA funds.
- c. The Board has determined that IOLTA grant funds should generally not be used to pay the salaries of government employees. The Board may determine to use IOLTA grant funds to pay the salaries of government employees under certain circumstances as outlined below:
  - (1) The Board may determine to use IOLTA grant funds to pay the salaries of government employees that support efforts as outlined in the grant purposes, including providing civil legal services to Indigents and staffing efforts to improve the administration of justice; however grant funds should not support the provision of constitutionally mandated legal or court services, for example, the salaries of public defenders, district attorneys, clerks, or judges or to support the salaries of employees serving in a core government function required by law.
  - (2) The Board may determine to use IOLTA grant funds to pay the salaries of government employees for a temporary position necessitated by disaster or other special circumstances.
- d. The Board has determined that IOLTA Grant Awards should not be used to pay for private attorneys who contract with Grantees to provide legal services to the poor (even on a reduced fee basis) because the Board prefers to foster volunteer lawyer efforts. Grant Awards to support volunteer lawyer programs, however, may support the salaries of coordinators and other program costs for programs that recruit contract lawyers as well as volunteer lawyers.
- e. The Board may place other restrictions on the use of grant funds on a case-by-case basis.

### **4. Reporting**

- a. Grantee will be required to submit to NC IOLTA written interim reports and a final report specifically stating the progress made in accomplishing the grant's purpose. NC IOLTA retains discretion to require more frequent reports from Grantees.

- b. Grantee will immediately notify NC IOLTA of any material changes in the Grantee's organizational status, management, tax status, charitable purpose, utilization of the Grant Award, or of any other material change. In addition, Grantee will immediately notify NC IOLTA of any material financial questions raised by any internal or external financial audit conducted by any entity or by any financial institution.

## **5. Financial**

- a. Payments will be disbursed only after Grantee has completed and signed a grant agreement. Grants are typically paid in four equal installments, sent on a quarterly basis. The Board retains the discretion to approve an alternate payment schedule if necessary.
- b. Grantee will be required to submit to NC IOLTA written interim reports and a final report including a detailed financial report on how the Grant Award was spent.
- c. All financial information submitted to NC IOLTA must conform to generally accepted accounting principles and be submitted in the format requested.
- d. Grantees are required to send to NC IOLTA a copy of the organization's most current audit or financial review and any management letter associated with the audit upon completion if they have one performed. If Grantee has annual revenue more than \$500,000 and has received more than \$100,000 in IOLTA funds on an annual basis, an audit conducted by an external auditor and any management letter associated with the audit prepared by a Certified Public Accountant must be conducted and submitted. All other Grantees will annually submit a copy of their annual 990 document. NC IOLTA may audit or cause an audit to be conducted of the Grant Award at the Grantee's expense.
- e. If Grantee seeks to modify use of a Grant Award, Grantee must notify NC IOLTA and obtain approval from NC IOLTA prior to any change taking place. After notification, NC IOLTA will either direct Grantee to report use of funds on regular financial reports submitted if the change is deemed to be minimal or request Grantee submit a modification request if the proposed change is deemed to be significant. The request should detail the approximate amount of funds and description of the need to modify the use of funds. The Board will be informed of requests through regular grant updates from the executive director.

The executive director has discretion to approve changes in the use of grant funds during the annual grant cycle and to decide when changes are so significant that they should be approved by the Board or its executive committee. Factors that may singly or in combination cause the executive director to find the changes to be so

significant that they should be brought to the Board for approval include but are not limited to:

- i. A use that involves budget line items not included in the Grant Application budget;
  - ii. A change in allocation of funds to or from personnel vs. non personnel;
  - iii. A change involving over 10% of the grant amount.
- f. Grantees that do not spend the grant funds by the end of the grant term must return unspent funds within two months of the end of the grant term or submit a written request to NC IOLTA two months prior to the end of the grant term and receive approval from the Board to hold the funds past the grant term.
- g. Grantee will maintain financial records of all receipts and expenditures relating to the Grant Award. All such financial records, as well as all reports submitted to NC IOLTA, must be kept for five (5) years and be made available for inspection by NC IOLTA representatives during reasonable business hours.

## **6. Miscellaneous**

- a. At their discretion, the trustees may offer a matching grant to an applicant and may fashion the grant to meet specific circumstances. In general, however, if a matching grant is offered for a specific purpose (e.g. equipment or a defined project), the entire amount of the match must be raised by the Grantee to receive the match indicated in the Grant Award. If the grant is for a general purpose (e.g. operating support or an incentive for fundraising), matching funds in the Grant Award may be paid on a 1:1 basis up to the match amount offered. Before receiving matching funds, the Grantee will provide to NC IOLTA a statement of certification and supporting documentation as to the source and amount of matching funds.
- b. In any Grantee publication, including but not limited to annual reports and websites, which lists or makes reference to sources of Grantee funding, Grantees of NC IOLTA should list NC IOLTA as a funder.
- c. Consistent with stated organizational values, NC IOLTA seeks to promote the effective and efficient delivery of assistance to all eligible clients across the state through a coordinated system. NC IOLTA expects the Grantee to participate in a meaningful way during the grant year with other NC IOLTA Grantees and stakeholders in the legal community in efforts to coordinate the statewide delivery of legal aid. If requested by NC IOLTA, Grantee shall meet with other Grantees to identify, propose, and implement opportunities for Grantee cooperation and coordination to this end. Such efforts may also include participation in geographic or practice area collaboratives, participation in the work of the Equal Justice Alliance and the NC Equal Access to Justice Commission, and other collaborative partnerships.

## 7. Specific Grant Provisions

NC IOLTA has from time to time created specific policies for the purposes of awarding grants in a particular area. The below policies appear in the Grantee's grant agreement on an as needed basis. The Board retains the discretion to require additional special grant provisions for individual Grantees or Grant Awards as necessary.

### a. Funding for Fellowship Programs:

The IOLTA Trustees established the Clifton Everett Fellowship program in 1992 to honor the memory of Clifton W. Everett, Sr., a resident of Eastern North Carolina who played a principal role in the creation of the NC IOLTA Program when serving as President of the NC State Bar and who served as a trustee (from 1983 through 1990) and Vice-Chair of the NC IOLTA program.

The Fellowship Program is designed to:

- support entry-level staff attorney position(s) at LANC so that they can recruit interested recent law school graduates and give them an opportunity to learn about the legal services practice and develop their practical lawyering skills under experienced mentors;
- provide staff assistance to rural programs that have more difficulty recruiting and retaining attorneys;
- allow the field programs where the fellows are placed to evaluate the fellows as candidates for permanent staff attorney positions.

Preference will be given to former Martin Luther King Jr. and IOLTA summer interns with successful performance evaluations.

The LANC Executive Director makes the placement decision regarding the field programs to which the fellow(s) will be assigned but the program assignments will be reported to IOLTA prior to the beginning of the placement(s). The placement decision is based on programming needs, the preferences of the fellows and prior participation by the field programs.

### b. Funding for Public Interest Internships for Law Students:

In cooperation with North Carolina's accredited law schools, the North Carolina IOLTA Program has made grants to support a public service internship program which provides stipends for summer employment of law students in public interest organizations in North Carolina. The IOLTA Public Service Internship Program is designed to:

- expose law students to the practice of law in the public interest, particularly in meeting the legal needs of the poor and the under represented; and
- promote a commitment to the practice of law in the public interest either as a career or as pro bono work once the law students enter practice; and

- provide an opportunity for law students to have an in depth educational experience in legal work in the public interest; and
- provide a resource in the form of student legal work to public service organizations; and
- provide some compensation to students who work for public interest organizations that otherwise cannot pay for their assistance.

Summer internships funded by IOLTA grants to NC law schools may only be undertaken at organizations approved by the Board. An approved list of internship placements will be kept current in the IOLTA office and will be sent to the law schools after each annual grant making Board meeting.

Requests for additions to the Approved Placement List must come from the law school(s) and not from the individual agency or organization. All approved organizations must be in the state of North Carolina and the student's work must be carried out in the state of North Carolina. The organization must provide an opportunity for the student to do legal work with appropriate supervision. The Board will not approve internship programs that are operated by the law schools that are making the internship placement decisions.

IOLTA funds may not be used for lobbying. Therefore, though IOLTA funded interns may work for organizations that do lobbying work, the students may not participate in lobbying work while paid by IOLTA funds.

After the school determines its placements for the year and before the first grant check is mailed, each school will send a list of its placements to the IOLTA office. At the end of each summer the law schools will submit a final report that evaluates the student experience, the placement and the procedures in place based on criteria provided by the IOLTA office.

The grant funds for the stipends will be paid to the law schools for distribution to the students. Because the Internship Program was established to create additional opportunities for paid employment in public service organizations, recipients of IOLTA public service internships through the North Carolina law schools are prohibited from receiving any additional salary or grant from any public service organizations that receive IOLTA funding. IOLTA does not pay FICA costs.

The student interns will be chosen by the Law Schools according to a procedure described in their final report.