



NORTH CAROLINA
IOLTA

**NORTH CAROLINA
INTEREST ON LAWYERS' TRUST ACCOUNTS**
A program of the North Carolina State Bar
www.nciolta.org IOLTA@ncbar.gov
INVESTING IN JUSTICE FOR ALL NORTH CAROLINIANS

North Carolina Interest on Lawyers' Trust Accounts (NC IOLTA) provides access to justice by funding high-quality legal assistance. Due to limited resources and insufficient funding, only a fraction of North Carolinians have access to the critical legal services they need to thrive. As the philanthropic focus of the North Carolina State Bar, we work directly with lawyers and financial institutions to set up interest-bearing trust accounts. We use the funds generated to award grants to organizations that provide legal aid to individuals, families, and children, working toward a North Carolina where all can fairly navigate the justice system to have their basic needs met and rights protected.

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NC IOLTA Report to the North Carolina Bar Association January 2023

2023 Grants

North Carolina IOLTA makes grants to non-profit, charitable organizations for the following charitable purposes: (1) providing civil legal services to indigents, and (2) supporting programs designed to improve the administration of justice.

Requests for 2023 grant funding exceeded \$7.8 million. In December, the IOLTA Board of Trustees approved regular 2023 IOLTA grants totaling \$6,101,864. Grantmaking by category and source is as follows: \$4,957,500 to providers of direct civil legal aid to indigent clients, \$629,564 to volunteer lawyer programs facilitating pro bono legal services, and \$514,800 to projects to improve the administration of justice. Regular 2023 grantmaking increased by 43% over 2022 regular grant levels.

More information about grant awards can be found at <https://www.nciolta.org/grant-programs/what-we-fund/> including a list of all 2023 awards.

Client Impact

In 2021, NC IOLTA grantees provided services to individuals, families, and children in need in more than 31,000 cases impacting more than 91,000 household members.

Civil legal aid changes lives. Charlotte Center for Legal Advocacy shared the story of Moniek, who worked as a dental assistant while caring for her young daughter and parents. While preparing for her national dental board exams, her instructor raised concerns about whether her juvenile criminal record might impact her future employment. Moniek called Charlotte Center for Legal Advocacy, ready to get past the mistakes she made many years ago. A pro bono attorney helped Moniek get her juvenile record expunged, allowing Moniek to create a future she did not think was possible.



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Income

IOLTA is currently receiving December income from interest on lawyers' trust accounts. Because interest income is received in the month after it is earned, all income will not be received and entered until the end of January. For 2022, participant interest income to date exceeds \$6.4 million, with an additional \$175,000 in income from settlement agent accounts. Average monthly income received in 2022 will surpass revenue in 2021, when revenue from IOLTA accounts hit a historical peak of \$5.4 million.

NC IOLTA emphasizes the opportunity to support the program's mission by banking with Prime Partners and Benchmark Banks, financial partners that pay a more favorable rate. Steady interest rates are critical to sustaining grantmaking.

Lawyers can support the program's mission by banking with Prime Partners. **Prime Partners are banks that go above and beyond the IOLTA eligibility requirements to improve access to justice.** Prime Partners pay at least 75% of the Federal Funds target rate or .75%, whichever is higher. The following banks maintain Prime Partner status:

- Bank of Oak Ridge
- Blue Ridge Bank
- *Settlement agent accounts only:* Forbright Bank
- Providence Bank & Trust
- Roxboro Savings Bank
- US Bank
- Wells Fargo

State Funds

NC IOLTA administers state funding on behalf of the NC State Bar. Under the Domestic Violence Victim Assistance Act, a portion of fees assessed in civil and criminal court actions support legal assistance for domestic violence victims provided by Legal Aid of North Carolina and Pisgah Legal Services. So far in the 2022-23 state year, NC IOLTA has administered \$421,718 in funding for domestic violence legal services. IOLTA has also administered \$50,000 directed to Pisgah Legal Services for legal services for veterans.

Each year, NC IOLTA reports to the General Assembly on the use of funds under the Domestic Violence Victim Assistance Act. The 2021-22 report on funding administered under the Act is available now: <https://www.nciolta.org/media/730496/domestic-violence-report.pdf>