



A Program of the Center for Civic Values

IOLTA News

An Update from the New Mexico Interest on Lawyer Trust Accounts Program

Grant Committee

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The Hon. Patricio M. Serna

New Mexico Supreme Court

TBA

TBA

Calendar

- October 1, Grant Applications Available (online at www.civicvalues.org)
- November 1, Grant Applications Due
- November 17, Grant Committee Meeting
- December 14, CCV Board Review of Grant Committee Recommendations
- January 1, Deadline for Submission of Opt Out Letters to State Supreme Court
- February 1, Deadline for Submission of Trust Account Certification Forms to State Bar of New Mexico

What is IOLTA?

IOLTA is an idea that originated in British, Canadian and Australian jurisdictions in the 1960s. In the United States, IOLTA was pioneered in Florida and now exists in every state in the country.

The New Mexico IOLTA program was approved by the State Supreme Court in 1984 and is now one of the largest non-governmental funders of civil legal services for poor people in the state. Through IOLTA, attorneys and firms may pool otherwise unproductive client funds in interest-bearing accounts.

Only those funds that are either *nominal in amount or held for a relatively short period of time* (making investment on the client's behalf impractical) are eligible to earn interest for the IOLTA program. That interest is then paid to the Center for Civic Values, the administrator of IOLTA, for distribution to programs that provide civil legal services to poor people, public law-related education or improvements in the administration of justice.

Participation in IOLTA is free and doesn't affect the administrative duties of managing a trust account.

When converted to an IOLTA account, the *only* change that will occur is that the trust account will generate interest, and the bank statements for the account will reflect the interest earned and paid to the IOLTA program.

Additionally, **there are no tax consequences for the financial institution, the law firm or the client.** Interest earned and paid on IOLTA accounts is reported to the Internal

Revenue Service via a Form 1099 generated by the financial institution and bearing CCV's taxpayer identification number.

Enrolling in IOLTA is easy! By completing a simple form, attorneys can instruct their financial institutions to convert their existing trust accounts to interest-bearing IOLTA accounts. If an attorney doesn't currently have a trust account, by completing the same easy form, s/he can establish an IOLTA account. Nearly all New Mexico financial institutions are cooperating partners in the IOLTA program. However, if an attorney wants to open an IOLTA account at a non-participating institution, CCV's staff would be happy to help.



DID YOU KNOW . . .

- Nearly \$3.3 million in IOLTA grants has been distributed to New Mexico non-profits?
- More than 350,000 New Mexicans are helped each year by IOLTA-funded programs?
- An average of 81% of all IOLTA funds distributed have gone to provide free civil legal services for those who cannot afford to hire an attorney?

State Supreme Court Approves \$155,000 in Grants

The State Supreme Court approved distribution of \$155,000 in IOLTA grants to seven nonprofit organizations that provide a wide variety of services to the citizens of New Mexico. The 2005 distribution brings the total awarded by IOLTA to nearly \$3.3 million since the first grants were given in 1987.

In September 2004, funding applications were distributed to New Mexico 501(c)(3) organizations that met the established IOLTA criteria. Completed applications were due in October, and the grant committee met in November to review them. The group's recommendations were submitted first to the CCV Board of Directors for review and then to the Court for its approval.

The grant committee is composed of seven members who are appointed to three-year terms by the Supreme Court, the State Bar of New Mexico and CCV.

Nationwide, IOLTA programs contribute more than \$100 million dollars each year to fund programs that provide legal services for the poor, law-related education for the public or improvements in the administration of justice. And, while many IOLTA programs have had to reduce grant budgets in response to rising bank charges and falling interest rates, the New Mexico program has maintained a steady budget for the past few years, and was even able to increase a little for 2005.

Applications for 2006 funding will be available on the CCV website on October 1. Call 764-9417, extension 12, for more information or visit IOLTA on the web at www.civicvalues.org.

Honor Roll of Financial Institutions

Sincere thanks to the financial institutions below. Because they **waive minimum balance requirements**, **waive processing charges** to CCV or **offer competitive interest rates**, several thousand additional dollars are available annually to help the nearly 1/2 million New Mexicans who benefit from services provided by IOLTA-funded organizations.

1st National Bank in Las Cruces

Access Bank

AmBank

Bank 1st

Bank of Los Alamos

Bank of the Rio Grande

Bank of the Southwest at Roswell

Bank of the Southwest at T or C

Charter Bank

Citizens Bank of Las Cruces

Community Bank of Santa Fe

Community First National Bank

Compass Bank

First Bank of Clovis and Portales

First Federal Bank

First Financial Credit Union

First National Bank in Las Vegas

First National Bank of Alamogordo

First National Bank of Artesia

First National Bank of New Mexico

First National Bank of Santa Fe

First Savings Bank of Deming

First State Bank

First State Bank of Albuquerque

First State Bank of Santa Fe

First State Bank of Socorro

Four Corners Community Bank

Gallup Federal Savings Bank

Grants State Bank

Lea County State Bank

Los Alamos National Bank

New Mexico Bank & Trust

New Mexico Bank & Trust in Clovis

New Mexico Educators Federal Credit Union

Peoples Bank

Pioneer Savings & Trust

Portales National Bank

Ranchers Bank

State National Bank of El Paso

State National Bank of Las Cruces

State National Bank of Ruidoso

State National Bank of T or C

Sunrise Bank of Albuquerque

Union Savings Bank

US New Mexico Federal Credit Union

Valley Bank of Commerce

Valley National Bank

VectraBank

Western Bank of Alamogordo

Western Commerce Bank

Remember: Enrolling in IOLTA is free and easy. Complete a simple form, take it to your bank and that's it.

There are no tax consequences for you or your clients. Call 764-9417, extension 19, to request an enrollment package.

Are YOU in Compliance?

17-204. Required records.

(B) Certificate of compliance. On forms to be prescribed by the Disciplinary Board, every attorney subject to these rules shall annually submit to the state bar the attorney's certificate of compliance with this rule and Rule 16-115 of the Rules of Professional Conduct. Such certificate shall be submitted to the state bar with the registration statement filed pursuant to Rule 17-202. The state bar shall forward the original of each certificate of compliance to the Disciplinary Board and a copy of each certificate of compliance to the Center for Civic Values.

(C) Applicability of rule. This rule shall not apply to any attorney whose entire compensation derived from the practice of law during the year preceding the filing of any registration statement was received in the attorney's capacity as an employee handling legal matters of a corporation or an agency of the federal, state or local government. Any such attorney shall, in lieu of the required certificate, certify on the same form provided by the clerk that the attorney has not had in possession any funds, securities or other properties of the client.

16-115 (D) Safekeeping property.

7. Every lawyer subject to these rules shall include in the annual certificate of compliance required by Rule 17-204 of the Rules Governing Discipline that all clients' funds which are nominal in amount or to be held for a short period of time are deposited in an IOLTA account unless the lawyer or the law firm with which the lawyer is associated declines by January 10 of the calendar year to maintain an IOLTA account for the calendar year.

8. A lawyer or law firm may decline to maintain an IOLTA account by submitting in writing a letter to the clerk of the Supreme Court on or before January 10 of each calendar year the lawyer wishes to decline participation in the IOLTA program.

2005 Grantees

Advocacy, Inc. Guardianship Program \$10,000

Advocacy, Inc. will assist children whose parents are unable or unwilling to care for them by keeping them out of the foster care system and helping them to achieve long-term stability.

Dismas House \$10,000

Dismas House, a program that reintegrates non-violent parolees into the community, will purchase a van to transport residents.

Legal FACS \$10,000

Legal FACS (Forms and Courthouse Services) will provide legal services to low-income civil litigants in Bernalillo County, develop and distribute stand forms and instruction materials and give pro bono referrals to the disabled and victims of domestic violence.

New Mexico Center on Law and Poverty \$70,000

NMCLP will supply advocacy services for low-income persons throughout the state and will provide technical assistance and training to others who advocate for New Mexico's poor.

New Mexico Environmental Law Center \$5,000

NMELC will offer free legal representation to low-income, minority communities that are facing environmental justice, degradation and health issues.

New Mexico High School Mock Trial \$10,000

The New Mexico High School Mock Trial program will educate high school students about real-life issues in a courtroom setting.

The New Mexico Center on Law and Poverty

“has, without doubt, contributed in great measure to our ability to serve low-income New Mexicans. I salute them for their effectiveness, dedication, and hard work, and I thank them for their efforts.

Kathryn Falls, Director
Income Support Division
NM Human Services
Department

New Mexico State Bar Foundation Bridge to Justice Legal Helpline \$10,000

The Bridge to Justice Legal Helpline will assist the working poor of New Mexico by providing legal information, advice, issue assessment and brief services.

Pegasus Legal Services for Children \$5,000

PLSC will improve child well-being through legal advocacy by providing services to children who are vulnerable due to violence, abuse and neglect, poor health or disability.

Office of Catholic Social Ministry \$10,000

The Family Unity & Citizenship Program will assist immigrant families by offering non-religious education and immigration services to low-income residents of southern New Mexico.

Senior Citizens' Law Office \$15,000

SCLO will provide a Health Care Rights project by advocating for and educating senior citizens in managed health care plans in Bernalillo County.

Grant Funding History-Inception to Date (1987-2005)

DELIVERY OF LEGAL SERVICES	2005	Total
Advocacy, Inc.	10000	57375
Catholic Charities of NM		77100
DNA - People's Legal Services		254078
Family & Children's Court Services		6750
Indian Pueblo Legal Services		98237
Lawyer Referral for the Elderly (Note 1)		192500
Lea County Legal Services		3000
Legal Aid of Albuquerque		168593
Legal FACS	10000	223874
NM Center on Law and Poverty (Note 1)	70000	825040
NM Enviromental Law Center	5000	15000
NM PIRG Foundation		2230
NM Bar State Foundation Bridge to Justice Helpline	10000	10000
Northern NM Legal Services		227136
Office of Catholic Social Ministry	10000	34375
Pegasus Legal Services for Children	5000	5000
Protection and Advocacy System (Note 1)		37240
Senior Citizens' Law Office	15000	192138
Southern NM Legal Services		219020
Young Lawyers AIDS Law Panel		4700
Young Lawyers Homeless Legal Clinic		1200
Subtotal	135000	2654586
LAW-RELATED EDUCATION/ADMINISTRATION OF JUSTICE	2005	Total
Albuquerque Mediation Center		10000
Albuquerque Literacy Program		20300
Alternatives to Trial		15000
Chaves County CASA		20000
Community Against Domestic Violence		3000
Court Update (Note 1)		500
Domestic Violence LEGAL HELpline (Note 1)		14100
DISMAS House (Note 1)	10000	21555
El Puente del Socorro		3000
National Judicial College		3000
NM CASA Network (Note 1)		20000
NM High School Mock Trial (Note 1)	10000	275313
NM Law-Related Education (Note 1)		187300
NM PIRG Foundation (Note 1)		5000
NM State Court of Appeals		10000
NM Trial Lawyers Foundation (Note 1)		6250
Northwest NM Arts Council		930
Options, Inc. CASA		7000
Self-Help, Inc.		2000
Women's Community Association		10736
Women United for Youth		3000
Subtotal	20000	637984
TOTALS	155000	3292570



Advocacy, Inc.



Legal FACS



High School Mock Trial

Note 1 - Program with statewide impact and services.