



The North Carolina State Bar

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NC State Bar to Implement Comprehensive IOLTA

(Raleigh, NC) - At its annual meeting on October 19, 2007, the North Carolina State Bar proposed rules to implement the comprehensive IOLTA program ordered by the North Carolina Supreme Court on October 11, 2007. The Supreme Court's order was in response to a petition filed by the State Bar seeking to place North Carolina in line with the overwhelming majority of states that have mandatory programs. The Court's order requires all lawyers maintaining general trust accounts to establish those accounts as interest-bearing IOLTA accounts, from which banks forward the interest net of service charges to the State Bar's IOLTA program. This interest income is disbursed in grants to fund law-related charitable causes, primarily civil legal services for North Carolina's poorest citizens.

The IOLTA program, which has operated on the basis of voluntary participation since its inception in 1983, has distributed more than \$50 million in grants to improve the administration of justice in North Carolina. It expects to make grants in excess of \$4 million from earnings in 2007.

Although the Supreme Court's order requiring a mandatory IOLTA program takes effect on January 1, 2008, the proposed rules, which must also be approved by the Court, actually

contemplate the determination of compliance on or before June 30, 2008, the deadline for paying the annual membership fee or “dues.” Every active member of the Bar will be asked to certify as to his or her compliance when paying the dues, and will be required to make such a certification on or before June 30, 2008.

Newly installed president of the North Carolina State Bar, Irvin W. (Hank) Hankins, III of Charlotte, praised the Court’s action in imposing the new professional obligation. “I am convinced that the Court’s action will generate significantly more revenue that can be used by IOLTA to increase access to justice for our most vulnerable citizens. Every North Carolina lawyer can be proud that the profession is responding in such a positive and effective way. “

Evelyn Pursley, executive director of the State Bar’s IOLTA program, agreed with Mr. Hankins. “Although we can’t be sure exactly how much additional interest will be generated through universal participation, we are confident that revenues will increase considerably.” She added that IOLTA’s Board of Trustees, which is responsible for the program’s administration, is “committed to making the transition as smooth and easy as it can possibly be for those lawyers who have not previously participated. We will be providing all the required information and forms on the State Bar’s Website, and the staff will be very accessible through telephone and e-mail to answer questions and to facilitate the transition. It should be a relatively painless process for all concerned.”

For information concerning the new requirements and the program’s administration, please visit the program’s website at www.ncbar.gov or call 919/828-0477.