ABA Policies on IOLTA

Prepared by the ABA Commission on IOLTA

As early as 1978, ABA staff began monitoring the development of IOLTA programs in this country and foreign jurisdictions. With the creation of the first U.S. IOLTA program in Florida in 1981, greater national interest prompted the ABA to create the IOLTA Advisory Board and Task Force. The Task Force prepared and submitted a report to the Board of Governors in July 1982. As a result, the ABA enacted the first of three policy statements supporting the creation of state IOLTA programs in 1983.

ABA policy statements on IOLTA are as follows:

BE IT RESOLVED, the American Bar Association approves in principle the concept of state programs, where authorized by the law of that state, for the use of interest on lawyer trust funds for the support of law-related public service activities.

BE IT FURTHER RESOLVED, that the American Bar Association recognizes that such programs must be tailored to the requirements of each jurisdiction and that certain legal questions as noted in the report of the ABA Task Force on Interest on Lawyers’ Trust Accounts (IOLTA) must be considered in the design phase. There is a continuing need to supplement the federal commitment to funding programs for delivery of legal services to the poor; however, the allocation of funds to law-related public service activities should be determined by each jurisdiction in light of its own needs and priorities.

- adopted by the ABA Board of Governors, April 1983

BE IT RESOLVED, that the American Bar Association encourages each state which has a voluntary Interest on Lawyers’ Trust Accounts (IOLTA) program to convert to and adopt a comprehensive IOLTA program in which all lawyers in the state who are required to maintain trust accounts will be required to participate.

- adopted by the ABA House of Delegates, February 1988

BE IT RESOLVED, that the American Bar Association reaffirms its support for state programs which generate interest on lawyer trust account funds for the support of law-related public service activities, primarily civil legal services to the poor.

BE IT FURTHER RESOLVED, that funds generated by IOLTA programs should not be used as a substitute for public funding for obligations of government arising under the Constitution, statutes, or otherwise, and that the allocation of such funds should be determined in each state by an independent body, in light of that state’s needs and priorities.

- adopted by the ABA House of Delegates, February 1991