



The How-To Manual for Starting a Pro Bono Legal Program for Entrepreneurs

Legal Services of Eastern Missouri, Inc.
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Executive Summary

This How-To Manual for Starting a Pro Bono Legal Program for Entrepreneurs is designed as a combined “how to” and best practices guide for any legal-based organization that is exploring the feasibility of starting an initiative to provide business legal assistance to entrepreneurs who are low-income or is managing an existing program. The benefits of pro bono legal programs¹ that serve entrepreneurs are numerous. Handling the legal work for a start-up or growing community based micro-business often is a critical factor in a business’ ultimate success. Legal work helps businesses prevent problems from arising and establish a solid foundation for growth². Creating sustainable businesses help households move from poverty and build wealth. In addition, by supporting businesses that provide goods, services and employment opportunities to local residents, these programs help build wealth and assets at the community level as well. These programs also increase pro bono involvement by providing opportunities for more business-oriented attorneys to use their transactional expertise to help others who cannot afford legal counsel. Moreover, these types of programs also create new funding opportunities for legal organizations, especially legal aid organizations that historically have engaged primarily in litigation strategies to improve the lives of their clients.

This manual covers the range of topics involved in starting and managing legal entrepreneur pro bono programs from eligibility and needs assessment, to fundraising strategies and staffing. While the Community Economic Development Program of Legal Services of Eastern Missouri is the author of this manual, the information contained herein is a compilation of information provided by 22 transactional pro bono programs from around the country. (See the Acknowledgments section at the end of this Manual for a list of participating programs).

Background

Founding Agency: Legal Services of Eastern Missouri

¹ Pro bono work is undertaken by a lawyer without charge, especially legal work for a client with a low household income.

² Community based micro-businesses have a similar range of legal needs as any other early stage business. Examples of legal work commonly performed include (i) forming and maintaining a separate legal entity; (ii) establishing employment policies and procedures; (iii) drafting or reviewing various forms of contracts with third parties; (iv) seeking a trademark, copyright or patent to protect valuable intellectual property; and (v) reviewing commercial leases and handling other real estate matters.

Since its inception in 1956, Legal Services of Eastern Missouri (LSEM) has provided civil legal assistance and advocacy to low-income clients in 21 counties in Eastern Missouri. In 2016, LSEM helped more than 12,000 people through direct client case work in completed cases and assistance to clients' families, plus over 17,000 more persons through community education, outreach, publications, and referrals. LSEM had a 96% success rate for completed full-service cases and obtained over \$10 million in monetary benefits for clients throughout the agency in 2015. LSEM leverages its resources and assists hundreds of these individuals and families every year through the work of its Volunteer Lawyers Program and its panel of almost 400 committed volunteer attorneys.

LSEM's holistic legal services are designed to help remove the legal barriers that often prevent low-income families from overcoming poverty and violence, maintaining or obtaining independence, and achieving self-sufficiency. LSEM provides free civil legal assistance in the following areas: (1) family law for domestic violence survivors, (2) special education and school discipline for children, (3) services for adults with mental health issues, (3) medical-legal project, (4) family court project, (5) health care, (6) housing, (7) immigration, (8) elder law, (9) public benefits, (10) consumer problems, (11) community economic development.

Community Economic Development at Legal Services of Eastern Missouri

In 2011³, after an extensive needs assessment that involved interviews with more than 60 area service agencies working with entrepreneurs and nonprofits, as well as meetings with other community stakeholders, the need for free legal assistance in the St. Louis area for entrepreneurs and fledgling businesses became clear. In response LSEM created the Community Economic Development Program (CED Program). The CED Program provides business legal assistance and education to low-income entrepreneurs starting or expanding community businesses, most of whom are minority, women and/or immigrant entrepreneurs. It also provides similar services to community-based nonprofit organizations. The CED Program serves a wide range of community businesses from technology, construction trades, consulting, retail, food and nutrition, general health and wellness, hair salons, transportation companies and daycare centers.

Since its launch over six years ago, several other legal aid organizations around the country

³ The Community Economic Development Program at Legal Services of Eastern Missouri was founded by Attorney Laurie Hauber in 2011. Laurie moved out of state in 2016, and Tracy James became the CED Managing Attorney.

have contacted the CED Program to inquire about the feasibility of establishing a similar program of their own and/or to seek guidance on best practices with a newly-created program. Given the similar information sought and questions asked, LSEM realized that a guide for start-up programs would be beneficial to legal aid organizations, as well as other nonprofit legal organizations and bar associations throughout the country that are considering the possibility of serving entrepreneurs. With a grant from the Legal Services Corporation's (LSC) Pro Bono Innovation Fund, and with their valuable input, LSEM decided to expand the efficacy of such a "how-to guide" by not simply sharing CED Program data and experiences, but by compiling information about structure and operations of other programs around the country and turning it into a best practices manual. By sharing best practices gathered from multiple established programs, this manual is relevant for organizations in the early development phase and also for established programs looking to evaluate and/or expand their operations. For those organizations starting and/or operating on a smaller scale without dedicated staff, the content of this manual can help determine how to prioritize who to serve and what services to provide, enabling the organization to accomplish the objectives of engaging under utilized volunteer attorneys and meeting an unmet demand among low-income entrepreneurs that exists in virtually every city and county in America.

The information contained in this manual reflects the best practices of all 16 pro bono programs around the country that work with entrepreneurs, including LSEM's CED Program. It also contains relevant information from six (6) CED programs run by legal aid organizations that provide legal assistance and education to local community based nonprofit groups. Much of the work of these legal aids that serve community nonprofits focuses on meeting the legal needs of local housing development nonprofits and neighborhood associations. We felt the work of this latter cohort of programs would be informative for legal entrepreneur pro bono programs as there is significant overlap regarding the types of legal work handled, range of services offered and practice areas of pro bono attorneys utilized by both sets of programs.

Methodology

In the first phase of interviews, LSEM contacted the 16 legal entrepreneur pro bono programs around the country. To identify these programs, we did an exhaustive search through internet research, professional connections, and referrals from other programs. All 16 programs completed the eight-page, 30 multi-part question, online survey we designed.

Following an initial analysis of these survey responses we then conducted individual phone interviews with 13 of the 16 respondents. These follow-up interviews went deeper into program information and further clarified initial answers.

In Phase Two, LSEM conducted similar surveys with six (6) of the ten (10) legal aid organizations around the country that we identified as having programs that provide legal assistance to nonprofit organizations. Two (2) of the programs, including LSEM, were included in Phase One as they serve both entrepreneurs and nonprofits. These two programs are counted only in Phase One to avoid duplicating overall statistics. Of the eight (8) remaining legal aids serving nonprofits that we identified, six (6) agreed to participate in the survey.

Introduction

The best practices information that follows covers the range of operational categories essential to any well-functioning legal entrepreneur pro bono program, including:

- 1) Program Needs Assessments
- 2) Client Recruitment
- 3) Eligibility
- 4) Client Services
- 5) Community Partners
- 6) Staffing
- 7) Volunteers
- 8) Financial Support
- 9) General Program Questions (i.e. successes, challenges, community impact)

Each of the nine (9) sections in this Manual contains an overview, along with a more detailed data analysis from all 22 programs, the sixteen (16) legal entrepreneur pro bono programs and the six (6) legal aids serving nonprofits. Where appropriate, data from the six (6) legal aids serving nonprofits is added as a final separate paragraph rather than incorporated into

the rest of the analysis.

Although this manual is written for organizations either starting or managing an existing legal entrepreneur pro bono program, we also included information from the legal-aids around the country that have programs that serve non-profits because the structure, policies and services of these programs are similar and in many respects can inform and be applied to legal entrepreneur pro bono programs. Additionally, in 2015 when this survey was administered, Legal Services of Eastern Missouri was one of only two LSC funded organizations in the country with a program serving entrepreneurs. We felt that information from more LSC funded organizations that had a program serving non-profits would be a helpful addition to the manual, especially for LSC organizations that were in the process of creating legal entrepreneur pro bono programs or ones in the exploratory stage.

We hope readers find this manual useful for creating, or sustaining and growing a program that serves entrepreneurs. You, as the reader, are invited to share this document with others, and comment, pose questions and suggest additional content and/or links to sample documents. (See Contact information at the end of this manual).

I. Needs Assessment

Overview of Needs Assessment

Before starting a program, most organizations seek to confirm the extent of the need for such a service in their community. Typically this is done by an informal or formal needs assessment to identify gaps in services in a particular area. This can be a formal approach, either through a written survey sent to relevant nonprofit, government and private sector community leaders and/or potential clients, or by conducting extensive interviews with these categories of stakeholders. Alternatively, organizations that are well established in communities may recognize the need based on their extensive ties and interactions and/or due to multiple requests for this type of legal assistance. Beyond confirming the need to ensure resources are allocated most efficiently within an organization, often funders require confirmation that the services to be provided will address a significant unmet need in the community. As part of a needs assessment, funders also typically will want to see that the organization has identified and met with key community partners and has determined how best to collaborate with existing service providers. These meetings have the added benefit of helping to build a network of client-centered collaborations and referral sources so the

program has a flow of clients when it launches. In addition to confirming the need for legal assistance for entrepreneurs more generally, the needs assessment should help the program identify more specifically the legal issues entrepreneurs most commonly face, along with the populations, geographic areas and/or specific industry sectors with the greatest need for free legal assistance.

Needs Assessment Data and Analysis

14 of the respondents, both legal entrepreneur pro bono programs and the legal aids serving nonprofits, first evaluated the need through some form of needs assessment, whether formal (3 programs) or informal (11 programs). Formal needs assessments were either conducted through written surveys or in-person interviews to all community services providers working with the target population.

[see resource section for sample needs assessment survey]

With respect to informal methods to assess the need, six (6) programs stated that their organization created a program in response to repeated requests for help with businesses made by individuals who were receiving legal services from the larger organization. The other five (5) programs identified a widespread need through other community work. For example, one (1) program discovered the need for transactional legal services to nonprofits through their organization's work with community groups. They then built the program to fit the needs of those community partners.

Only eight (8) of the 22 respondents did not perform a needs assessment or did not provide needs assessment information. Two (2) of these programs without needs assessments were initiated by a local private bar initiative and thus, the focus was on meeting attorney demand for transactional pro bono opportunities rather than confirming community needs.

Whether assessing the need formally or informally, connecting with a broad range of stakeholders during the development stage is important in creating a program that is sustainable long-term. Meeting with leadership of every organization that provides business support services to entrepreneurs is the obvious place to start. Through their relationships and credibility among their entrepreneur constituents, they can provide entrepreneurs to get their feedback on the needs they consider most pressing for their businesses, whether through focus groups or informal gatherings. It also is beneficial to meet with executive directors or other senior staff of the largest and most prominent social services agencies in a given area as these organizations tend to have a good sense of the

needs within communities given their strong ties and anchor role they play for residents. CRA and/or outreach officers at banks and the Federal Reserve (to the extent one exists in your city) can be knowledgeable about micro-business trends in an area. Community development offices and other government departments that are connected to entrepreneurs typically will have a sense of the needs among micro-enterprises, as will faculty at local community colleges and any four year institutions that teach entrepreneurship and/or direct on-campus institutes that promote entrepreneurship. City councilors and other local political leaders should not be overlooked as often they function as gatekeepers in neighborhoods and have access to resources that can be directed toward local businesses.

II. Client Recruitment

Overview of Client Recruitment

Program success is in large part due to the program's initial and ongoing efforts to reach clients. Typical forms of client recruitment are referrals from community partners (see Section V below for more details on community partners), attending community events, word of mouth by clients and former clients, website/social media, print media, and even pro bono attorneys. The key ingredient to developing and maintaining a robust flow of clients and making a meaningful impact is initial and ongoing community outreach efforts. Even in instances where a program has a sufficient number of clients based on staff and pro bono capacity, continued outreach and community engagement is imperative to ensure the program's resources are being allocated to serve the most viable clients and to ensure the program remains knowledgeable of the most important issues that entrepreneurs face in a given community. For this reason, it is important to prioritize the populations the program will serve based on both an initial needs assessment and through ongoing community outreach.

To the extent programs target immigrant communities with limited English skills, reaching out to the anchor non-profit organizations that serve these communities often is an important first step, particularly ones that provide support services for micro-enterprise development. Through staff leadership at these organizations, a larger outreach meeting with an organization's constituents can be held with a staff member who speaks the language of the target population acting as the interpreter (unless a legal entrepreneur pro bono program has staff fluent in the relevant language). Staff of the organization serving as

interpreters is most effective because they are trusted by the constituents, know the needs of their entrepreneur clients and also understand the legal services being offered. Please refer to direct client services, Part IV below, for more information on working with non-English speaking populations.

[See resource section for sample program brochures for clients]

Client Recruitment -- Data and Analysis

The most common forms of client recruitment for all programs interviewed-- legal pro bono programs for entrepreneurs and legal aids serving nonprofits-- include the following (percentages are based on the number of programs that utilize the individual recruitment strategies below):

- community partner referral (100%);
- word of mouth (63%);
- referrals from within the organization (36%); and
- website (22%).

Programs also mentioned social media, local outreach to city politicians, and outreach events where a program has a display table at a community event or fair and is able to outreach directly to potential clients. Several programs emphasized the importance of having strong relationships with community partners for client recruitment. In addition to direct referrals, community partners also can provide speaking opportunities to explain the legal entrepreneur pro bono program's services directly to potential clients or to other industry professionals who will later refer clients to the program. Seminars and clinics (see Section IV: Direct Client Services, below), many of which are hosted by community partners, typically generate clients.

In order to ensure the program reaches disadvantaged and marginalized potential clients, particularly ones who many not seek out the services of legal entrepreneur pro bono programs on their own but would greatly benefit from these services, ongoing and broad-based outreach is necessary beyond simply relying on community partners to make referrals. In addition to the strategies mentioned above, other recruitment outreach

opportunities include participating in community forums on particular issues that relate to business and community economic development, attending local chambers of commerce or other business association meetings, and neighborhood association meetings. In addition, attending resource fairs and related events, and holding outreach meetings with organizations that serve predominately low-income populations is important, as is attending task force and community meetings that address issues involving empowerment of marginalized groups, such as a coalition of taxi-cab drivers, issues sub-contractors in construction trades face, and coalitions of organizations to better meet the needs of recent immigrants.

LSEM has chosen to participate in certain city wide initiatives focused on high growth high-tech business. While the target population is not the entrepreneurs LSEM represents, our presence is a voice for the clients we serve so they are not overlooked as part of larger city wide or regional efforts to develop a thriving entrepreneurial ecosystem.

III. Client Eligibility

Overview of Client Eligibility

Establishing clear client eligibility guidelines is critical to program success and sustainability. With firm eligibility criteria, the program can more effectively target its outreach efforts with respect to geographic areas and community partners. Targeted outreach based on clear criteria also manages community expectations by minimizing the number of applicants who seek a program's services and do not qualify (e.g., exceeds income or assets limits). Moreover, pro bono attorneys rely on the program's eligibility and screening to ensure their valuable pro bono resources are being utilized for clients who truly cannot afford an attorney. Placing a client with a law firm or individual attorney that questions their financial situation can be very damaging to a program's credibility.

Typical eligibility factors include:

- financial means;
- community benefits;
- demographic limitations;

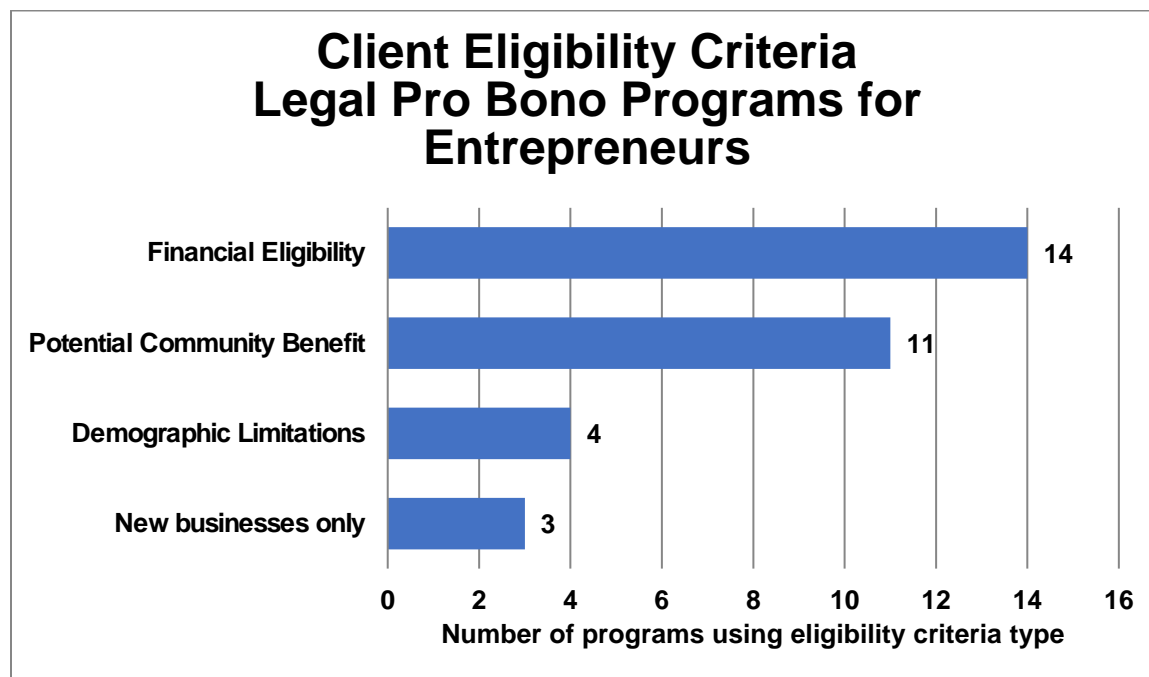
- restrictions as to the types of businesses eligible;
- and/or the stage of business development (e.g., only startups).

Criteria vary among programs, although every program surveyed uses some form of financial eligibility. Financial eligibility varies depending on whether LSC funding is used and often is based on location. Higher cost cities such as New York, San Francisco and Los Angeles typically have a higher income and asset threshold than smaller areas.

[See resource section for sample eligibility documents]

Client Eligibility -- Data and Analysis

Graph A: Eligibility



Most organizations determine financial eligibility based on the United States Department of Health and Human Services Federal Poverty Guidelines⁴. These annual Guidelines are based on household income and do not include business profits reinvested into the business. While

⁴ U.S. Department of Health and Human Services. *Poverty Guidelines* available at <https://aspe.hhs.gov/poverty-guidelines>.

below 300% of poverty is a common upper limit, there is a great deal of variability with respect to financial eligibility. For instance, one program limits household income to 200% of the poverty level for full representation, but will serve individuals with income up to 300% of the poverty level for legal clinics. Another program serves clients up to 300% of the poverty level, but will consider clients up to 500% of the poverty level if they can show a positive potential community impact. One program requires business clients to have already generated at least \$500 in business income to be eligible.

If an organization uses LSC funds to support a program's work, financial eligibility must be consistent with LSC's regulations on general eligibility requirements.⁴⁵ Essentially, this means a household's net income must be at 125% of poverty or below⁶ and the household assets must be under the organization's asset limit. Each LSC grantee defines a "household" and sets the asset limits. Where a program is part of a LSC-funded organization but the program does not use LSC funding, or the organization is non LSC funded, most programs that serve entrepreneurs limit household income to 300% of the poverty level. Whether receiving LSC funding or not, business assets do not apply to an organization's asset limit. only household asset.⁷

Beyond financial eligibility, two (2) programs had defined geographic restrictions, limiting their service areas to certain neighborhoods or zip codes to target low-income populations. In addition, some programs require, or at least take into consideration, the potential community benefit of a potential business or nonprofit client. Community benefit typically includes factors such as locating and/or offering needed goods and services in low-income neighborhoods, creating jobs for local residents, potential for growth, and environmental impact/"green businesses⁸."

⁵ 45 C.F.R. Part 1611 (Feb 12, 2017) *available at* <https://www.ecfr.gov/>. In addition to financial eligibility, LSC grantees must assess whether an applicant for legal assistance meets several other eligibility criteria, including citizenship or eligible non-citizen status, case type, and subject matter within the grantee's priorities. This manual is not meant to be a guide to LSC regulations. Any LSC funded program should use its own expertise on issues of LSC regulations and/or consult with LSC when considering eligibility of individual entrepreneurs or non-profit organizations.

⁶ Under LSC regulations, the gross household income cannot exceed 200% of poverty, in which case various allowed factors may reduce the net income to 125% of poverty or below.

⁷ 45 C.F.R. § 1611.3 (d)(1) (Feb 12, 2017) *available at* <https://www.ecfr.gov/> Assets used in producing income may be excluded.

⁸ "Green businesses" are defined as businesses with environmentally sustainable practices.

Screening

The process for determining the eligibility of clients typically involves some combination of the following measures:

i. Online, telephone or in-person assessment to determine whether the applicant is serious about, and ready for, legal assistance. This can be accomplished by an online application on the legal aid's website, or a telephone call by a staff member or student intern, or an in-person meeting. Typically, assessing whether the business or nonprofit is ready for legal assistance or if it would be better served by a Technical Assistance (TA) organization (see discussion of TA providers in Section V below)⁹ involves determining whether the potential client has a business plan and adequate financing to launch or pursue a proposed expansion plan. Referrals to Technical Assistance (TA) organizations to help with business planning and/or financing are made at this time if program staff determine a business or nonprofit is not yet ready for legal assistance. The applicant can reapply once they have completed their business plan or procured financing, if necessary. No legal advice is given at this point, and no attorney/client relationship is formed in assessing generally whether the applicant is ready for legal help.

ii. Written application: Many programs require a completed written application as the first step in the screening process. The information gathered ahead of time can make an initial face-to-face meeting more efficient and productive. Moreover, requiring a written application helps a program determine the level of seriousness of an applicant prior to spending valuable staff time in a longer in-person meeting.

[See resource section for sample written application forms from other programs]

iii. Phone (or online) intake by legal aid intake specialist to determine LSC eligibility: For programs that are part of a LSC-funded organization, once program staff briefly determines that the potential client meets their program criteria (e.g., readiness, viability, community benefit), the organization's intake specialist confirms that the individual meets the required income and asset limits and other eligibility requirements as listed above, and that there is no conflict of interest, for example, with a current client of another unit within the LSC-funded organization. Any program can conduct the eligibility screening first and then have the program staff determine if the potential client is ready for full representation. While it is

⁹ Technical Assistance providers are organizations that assist entrepreneurs with the practical aspects of starting a business (i.e. creating a business plan)

standard practice for LSC funded organizations to screen for eligibility prior to a substance matter assessment among all their units, programs that serve entrepreneurs and that are part of a LSC-funded organization have found it more efficient to assess briefly for readiness first. If the client does not meet income and asset limits, they should be referred to other organizations or reduced-fee attorneys for legal assistance.

By way of example, Legal Services of Eastern Missouri intake and screening process for potential entrepreneur clients is as follows:

- 1) Potential clients speak with paralegal directly to request assistance. Paralegal has brief conversation to assess how far along the business is and whether the person is ready to work with a lawyer (NO LEGAL ADVICE IS GIVEN). Often a business plan is requested, particularly if it is a start-up.
- 2) Paralegal speaks with the program's managing attorney to decide if the client should continue with the intake process.
- 3) Potential clients whose businesses are ready for legal advice are asked to call LSEM's intake line to assess eligibility.
- 4) Potential clients who are determined not ready for legal assistance by the managing attorney are provided with local resources to help create a business plan and further develop their business idea.
- 5) When a client meets LSEM's eligibility requirements, the paralegal calls the client to set up an initial meeting.
- 6) Potential clients who are ineligible (e.g., household income exceeds maximum) are provided with a list of low-cost attorneys.
- 7) Initial meetings are held weekly at LSEM's office with a pro bono attorney to learn more about their business and more thoroughly assess the legal needs of their business. At the end of the meeting, the process and timing regarding placement with a pro bono attorney is explained to the client in order to set reasonable expectations.
- 8) Following this meeting, a case summary is written that includes an overview of the business, potential community benefit and summary of the

client's business legal needs. These summaries are usually written by a volunteer law student in attendance or the paralegal.

- 9) Clients are then either assisted in-house or sent to an email distribution list for an outside pro-bono attorney

[See resource section for protocol document]

Legal Aids Serving Nonprofits Programs -- Information for Client Eligibility

To determine eligibility for nonprofit groups or organizations seeking legal assistance provided with LSC funds, a program must consider (i) whether the group can afford legal counsel; and either (ii) whether the group is primarily composed of individuals who would be financially eligible for LSC-funded legal assistance, or (iii) the group has as a principal activity the delivery of services to those persons in the community who would be financially eligible for LSC-funded legal assistance and the legal help sought relates to such service. The regulations do not provide further detailed guidance as to how to apply these aspects of the rules. Thus, individual LSC organizations serving nonprofits with LSC funds have established guidelines specific to the client populations they serve, consistent with the LSC regulations.

Beyond following the LSC regulations when applicable, the main criteria that legal aids serving nonprofits use for eligibility include non-profit revenue and potential community benefit. . Most of the programs apply subjective financial eligibility criteria¹⁰ and attempt to understand a nonprofit's overall financial health, restricted grant funds, and whether paying for an attorney would negatively impact the nonprofit's programming. One program limits annual revenue to \$750,000 per year and another accepts nonprofits with annual revenue up to 5 million dollars based on their assessment of the nonprofit's overall financial health and whether the nonprofit has the means of obtaining funds to retain private counsel. Other factors include (i) personal income (2 programs); and demographic limitations (2 programs).

[See resource section for sample written application forms from other programs and written

¹⁰ Bank account statement, recent balance sheet and year end financials are most often the financial proof submitted. If the budget has a line item for attorney fees, then the non-profit likely should not qualify for free services. D

program guidelines]

IV. Direct Client Services

Overview of Services

The principal legal services that programs provide to support small businesses include: one on one representation, legal clinics, community seminars, client education material, trainings for business counselors at partner agencies and client advocacy.

In many areas, language interpretation is an essential part of providing services to entrepreneur clients. Direct legal services can be delivered to clients through a language interpretation line or in-person language interpreters (in-person preferable over language line as it is easier on the client, but more expensive and can be more difficult to access), or by pro-bono attorneys who speak the relevant languages. If there is a large population of potential clients seeking services with limited English skills, hiring staff members with fluency in one or more target languages is ideal. Client materials should be translated into the language or languages that are common in your area. If you have enough clients speaking the same language, consider holding business legal seminars in this language, and/or legal clinics. Pro bono attorneys who speak the relevant language/s are an excellent resource to teach seminars and conduct individual clinic sessions in that language. For legal seminars, business counselors at the organization who work with the attendees can serve as an effective interpreter.

One on One Representation is provided by staff attorneys or handled by pro bono attorneys. (For more information on utilization of volunteer attorneys, see Section VII below). Almost all programs conduct an initial face-to-face meeting to understand an entrepreneur's business and assess whether he/she is ready for one on one representation (sometimes these initial meetings reveal that the entrepreneur needs additional assistance with his/her business plan from a Technical Assistance (TA) provider). If it is determined that the entrepreneur is ready for legal assistance, meets the program's eligibility guidelines and there is no conflict with an organization's existing clients, the client's legal work either is handled by a staff attorney in-house or placed with pro bono attorneys. Client work kept in-house typically is done so either because the legal matters require a quick turnaround, the legal matter/s fall outside the expertise of pro bono attorneys, especially ones at large firms, or the client is challenging. To maintain support and credibility with law firms, pro bono

programs must be sensitive to how demanding a client will be.

Clients are placed with pro bono attorneys most commonly through blast emails with general information about the client's business and legal needs, and placed on a first come first serve basis. These emails are sent to the pro bono coordinators or other designated person at each participating law firm and in-house corporate department, along with any participating solo practitioners. If more than one attorney responds, that person/s gets priority with the next case to be placed. Alternatively, if a case is not picked up through the blast email, programs contact individual attorneys and/or pro bono coordinators to place. While some programs contact individual law firms or even individual attorneys to place cases, the majority find it more time effective to distribute more broadly. An added benefit is that it is another way to maintain the interest of participating attorneys by seeing pro bono opportunities frequently.

In general, legal entrepreneur pro bono programs use their pro bono volunteers more than in-house staff for one on one representation. In fact, among ten (10) of the legal entrepreneur pro bono programs, 90% or more of one on one representation is handled by pro bono attorneys. At LSEM, on average, 75% of available matters are handled by volunteer attorneys. With most programs, pro bono attorneys have primary responsibility for the representation and the program's ongoing involvement is limited to periodic check-ins and back up support when needed. One (1) program works with clients in a co-counsel capacity, attending all meetings and working on legal matters together.

[See resource section for sample placement documents for attorneys and clients]

Legal Information Clinics are one on one brief counseling sessions where entrepreneurs meet with an attorney to seek general advice on legal issues they confront in the development of a new business or the management of an existing small business. Some programs include start up and existing nonprofit organizations provided they have staff and/or volunteer attorneys with the requisite legal expertise. These clinics provide only legal information and do not create attorney/client relationships unless a full intake is done, and the business person is eligible for legal assistance. The most common model is 30-minute individual sessions with each attorney meeting with three (3) to four (4) attendees over a two-hour period. 13 of the 14 programs that hold legal clinics utilize pro bono attorneys to handle most of the meetings. These pro bono attorneys are either from a pro bono pool or from a specific firm (or in-house legal department). Commonly, attorneys like to interview as a team of two. Where a program staffs clinics with individual law firms

and/or in-house legal departments, it typically is done on a rotating basis so each firm only hosts a few times per year. Other times an individual law firm or in-house counsel department agree to sponsor a clinic and staff it regularly.

Clinics are most often held at the host community partner's location or the program's office, and in a few instances, a law firm or library. Two (2) programs hold clinics at law firms and reported that this was preferable to community partners because the space is better and attendance tends to be better as well. Marketing is normally handled by the hosting community partner, and often the program conducts supplemental marketing through social media, word of mouth and in-person outreach events. Where a community partner or law firm hosts the clinic, they typically handle the scheduling. Only one (1) program holds drop-in clinics without scheduling attendees in advance.

These clinics are beneficial for legal entrepreneur pro bono programs in multiple ways, including as an effective avenue to attract clients and serve as a screening mechanism for potential clients. To the extent it is determined that an attendee needs follow up legal work, LSEM's CED Program advises the attendee to contact LSEM's intake department to assess eligibility. Two weeks following the clinic CED Program staff contact anyone who needed follow up and did not yet contact LSEM. These clinics also are a great way to involve lawyers as it is a finite amount of time, and the attorney is not obligated to take on any follow up representation that a clinic attendee may need. Also, since these clinics often are held at a community partner's location, this offers another way to strengthen the program's relationship with the partner and reminds the partner's staff of the benefits of legal assistance to clients.

One major obstacle with legal clinics is the likelihood of no-shows among those programs that require advance sign-up. Multiple programs mentioned an almost 50% no-show rate. Common strategies to address this problem include contacting attendees the day before and managing the expectations of pro bono attorneys so they are prepared for no-shows. One program requires attendees to sign a basic contract in advance promising to show up. Another program has a two-strike policy: after two no-shows and no calls to explain, the individual cannot receive legal services for a year.

The role of program staff at the clinics varies. Staff of some programs only perform a coordinating role at the clinic -- greeting each attendee, having them sign the necessary documents, introducing them to the pro bono attorneys and clinic attendees and debriefing following the meeting. Other programs have staff attorneys conduct the one on one sessions

or conduct part of the sessions along with the pro bono attorneys.

[See resource section for legal clinic documents given to attendees and materials given to participating pro bono attorneys]

Office Hours are a newer variation of the legal information clinic and are patterned off of law firms that provide office hours at start up for-profit business incubators. The idea is to offer legal information to entrepreneurs at community partners' locations who have their own startup incubators with their low-income business clients. Program staff are given office space to use. There is a split in how community partners have set them up but often it is divided by set appointment times versus walk-in times. Meetings vary from one thirty (30)-minute session to forty-five (45) minutes, and client intake can be done on-site or simultaneously by phone or online. Office hours also vary in duration from 4-7 hours and are often held biweekly, depending on the community partners' needs. With LSEM, it is staffed by LSEM's CED attorneys with the goal of having a law firm or in-house legal department staff it once it becomes more established. Usually the community partner prepares or presents those entrepreneurs who are ready for legal help and often govern no-show policies themselves as well as publicize the office hours to their business community. The no-show rate is less than a normal legal clinic as these are current business clients of the community partner and in some instances they already are located at the incubator.

Business Legal Seminars are taught to startup and existing businesses and nonprofit organizations on various legal topics relevant to business ownership and nonprofit management. They are held either onsite at a program's office or at a community partner location, and are taught by a pro bono attorney or a program staff attorney. Seminar topics range from general business legal issues to more specific matters such as entity creation, intellectual property, social media use, employment, commercial leases and construction law basics for subcontractors. The curriculum is developed either by the staff member teaching the seminar or in collaboration with the pro bono attorney delivering the seminar.

[See resource section for materials for specific classes, including general business legal issues class]

Business legal seminars offer benefits to the program similar to legal clinics. Typically at least a few attendees contact a program seeking legal representation. It also provides a way to engage pro bono attorneys who prefer to teach rather than handle legal work for an individual client. It also is another way to strengthen a relationship with the host community partner and educates the community partner's staff who are at the seminar (typically at least

one opens and closes the seminar as the host).

Client Educational Materials on specific business legal topics are services that ten (10) of the programs provide. Three (3) programs use pro bono volunteers to create these materials and the other seven (7) draft them in-house. All programs share these materials in print form, and one program also provides access to this information online.

[See resource section for sample client materials]

Business Counselor Trainings are similar to business legal seminars, with the primary difference is that they are held for business counselors at collaborating organizations rather than client communities. The purpose is to educate business counselors so they recognize the business legal issues that their entrepreneur clients confront and make timely referrals to avoid a crisis. A secondary benefit is that it is another way to help strengthen the relationship between the legal entrepreneur pro bono program and the community partner.

[See resource section for sample business counselor training materials]

Connection To Resources so clients have access to the financial and business consulting services needed to develop and grow sustainable enterprises. Through the relationships programs have established with Technical Assistance (TA) providers, programs often refer clients back to the referring agency or to a second agency to get additional non-legal support, such as assistance finalizing a business plan, enhancing credit, creating accurate financial projections, general consulting services for existing businesses and access to a micro-loan.

[See resource section for sample list of referral sources]

Community Advocacy/Organizing are services provided by four (4) programs, two (2) of these programs are legal-aids working with nonprofits (consistent with LSC regulations where applicable). One (1) of the LSC programs provides board training, collaboration and strategic planning for nonprofits in rural areas and also negotiates with local government on behalf of their clients. The other two (2) programs provide advocacy on behalf of low-income entrepreneurs.

Rural Access One program, LegalCORPS in Minnesota¹¹, found a way to provide services to more rural areas of their state by utilizing telecommunication technology in 10 (ten) sites around the state. The sites include small business development centers, community colleges,

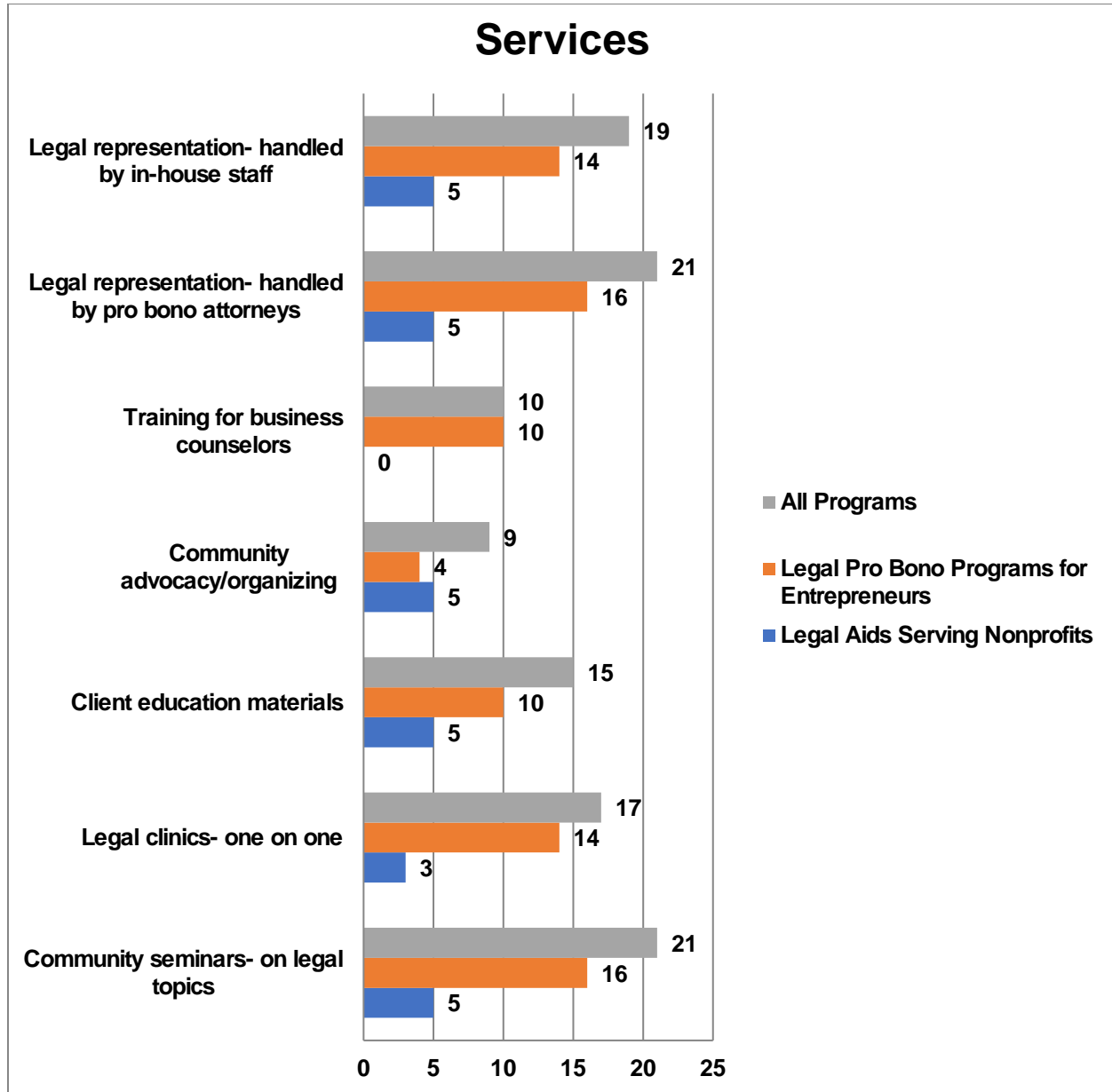
¹¹ For more information on Legal Corps' rural clinics, visit <http://legalcorps.org/small-businesses/eligibility/advice>

and economic development centers. The program provides a 30-minute video conference for prospective clients with volunteer lawyers. For those potential clients too remote to even travel to one of these ten (10) sites, the program offers thirty (30) minute phone call consultations if necessary.

Financial Planning One (1) program provides financial planning in addition to the legal services necessary to starting a business. This unique model includes thirty (30) hours per year of financial planning and legal services to each one on one client. The program employs both attorneys and financial planners to deliver the services.

Services Data and Analyses

Graph B: Services



One on one legal representation: All programs provide direct legal representation and serve

between 5 and 300 clients¹² each year, with an average of 123 (median 30).

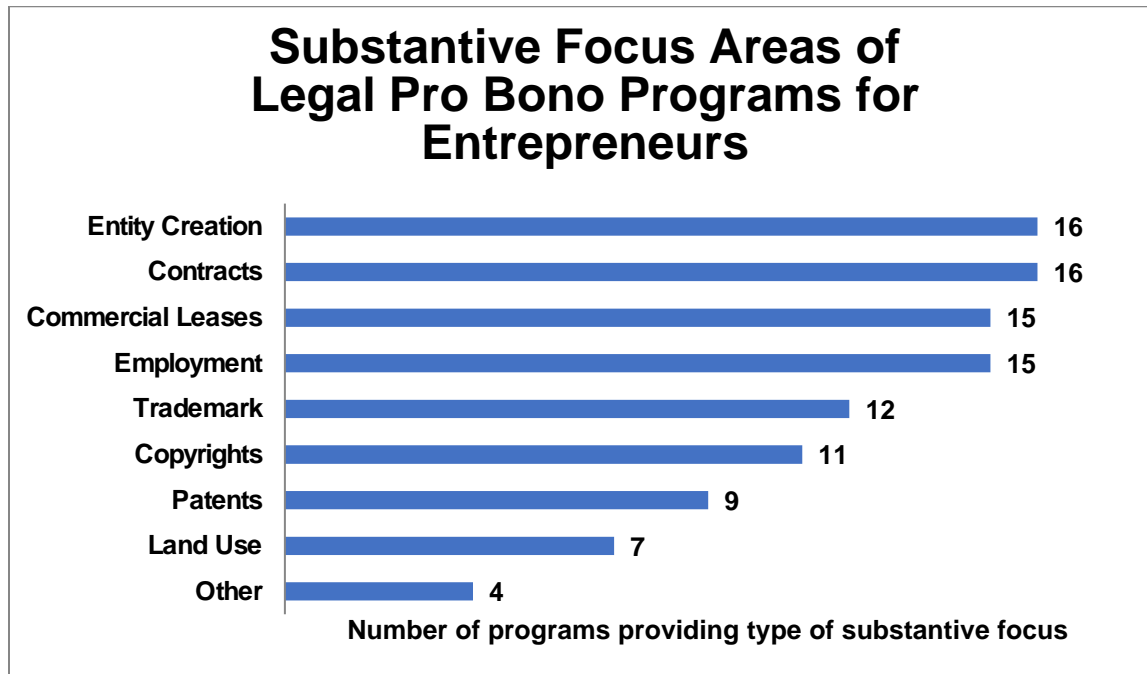
The number of attorney hours provided to each client varies. Ten (10) hours per case is the average, however, some programs estimate up to thirty (30) hours, and in a few instances, 200 hours were devoted to the legal work for an individual client.

Community seminars: All programs teach community seminars, ranging from as few as 2 each year by one program to as many as 50 community seminars each year by another, with an average and median of 20. Seminar attendance typically ranges between 10-20 participants, with an aggregate average and median of 15.

Legal clinics: Of the 17 programs that offer legal clinics, programs held between 5 and 50 clinics yearly, with an average of 16 (median 10). 70% of the programs that offer clinics hold 10 or fewer per year. Clinic attendance ranges between 5-20 participants, with an aggregate average of 12 (median 10).

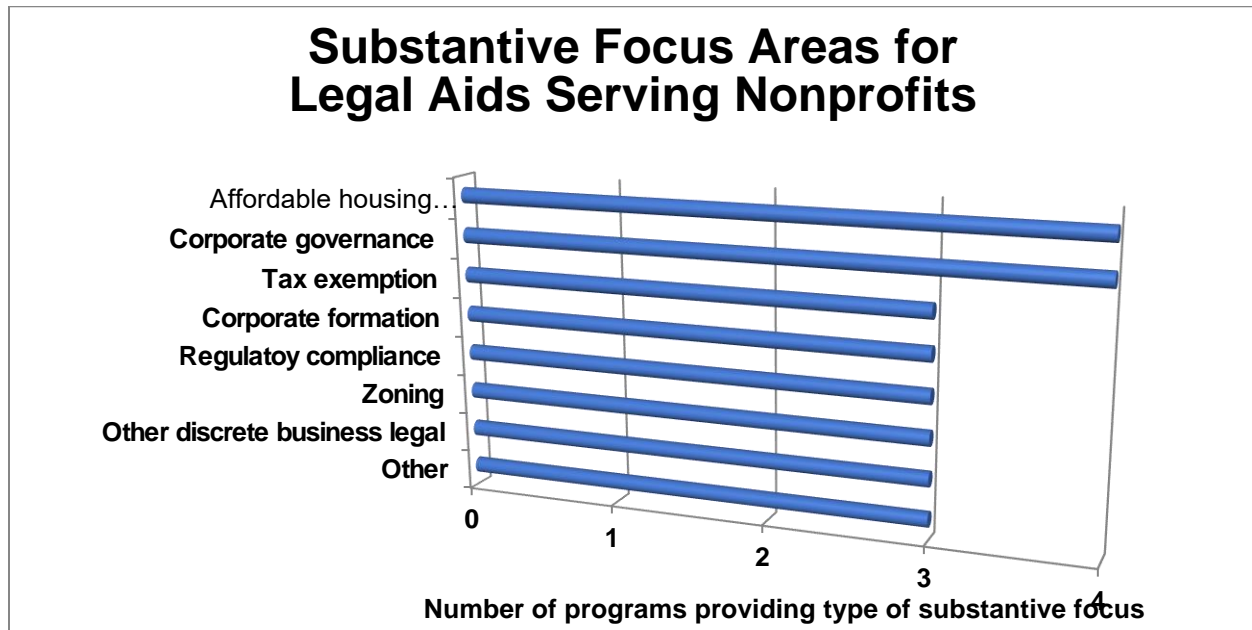
Graph C: Substantive Focus Areas of Legal Pro Bono Programs for Entrepreneurs

¹² This represents the number of different clients rather than the total number of legal matters as individual clients often have multiple legal matters, e.g., contracts, entity formation, employment.



Other substantive focus areas include: project financing, tax and regulatory matters, real estate, and sustainable development. Programs generally do not engage in litigation, although a few do on a limited basis for existing clients.

Graph D: Substantive Focus Areas for Legal Aids Serving Nonprofits



Other substantive areas include board training, strategic planning facilitation, abandoned housing and problem real estate.

V. Community Partners

Overview of Community Partners

Establishing relationships with an extensive network of technical assistance (TA) providers is the most effective way to reach a wide range of disadvantaged entrepreneurs and build trust in communities. These community partners offer various support beyond simply the client referrals that they provide. Many engage in joint programming, as discussed in greater detail below; they give programs credibility and entrée among targeted client populations and neighborhoods that programs serve or are trying to serve; and they share information that enables programs to provide more effective legal assistance to individual clients. Moreover, by working in tandem with a TA provider, clients have a greater likelihood of success. Through these relationships, a program can connect its clients to the financial and business consulting services needed to develop and grow sustainable enterprises – including technical assistance (TA) and access to micro-loans.

The importance of working with community partners was emphasized by almost all

programs interviewed as one of the most important components to success. One organization stated, “Our motto is, “*Always* have a partner.” Another stated, “Our deep ties with community partners have been a primary ingredient to the success of our CED program for over 40 years.” A third stated, “Working with community partners is critical to our success in the microenterprise space.”

Community Partners Data and Analyses

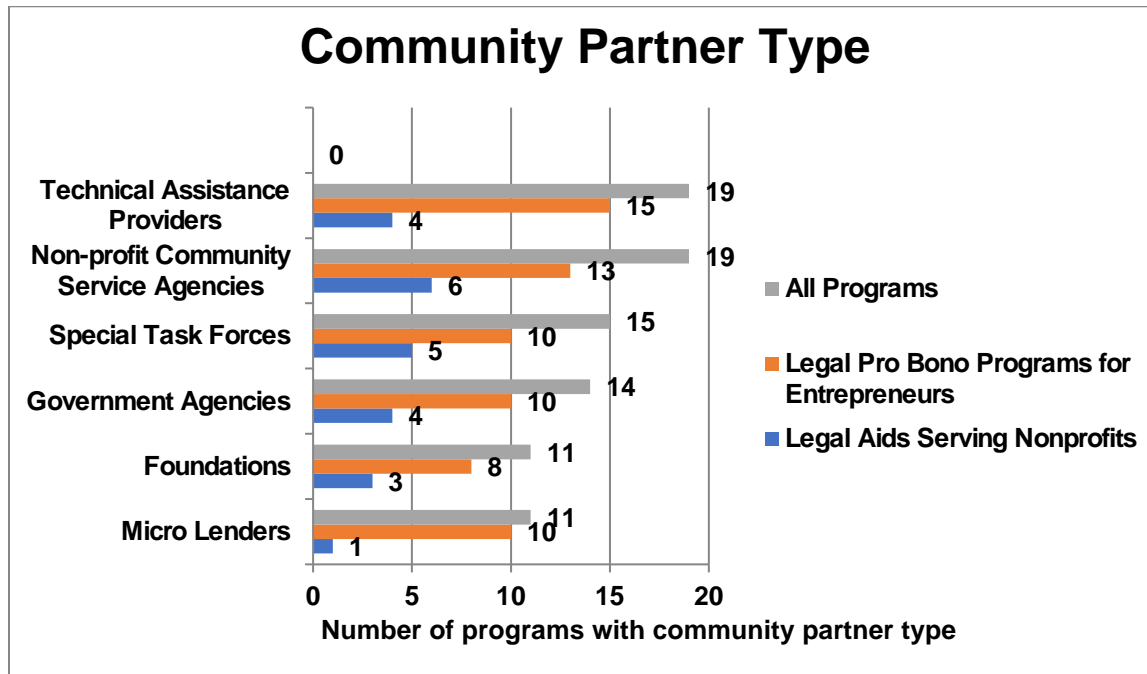
The most common community partner for all programs surveyed (86% of respondents) is technical assistance (TA) providers and non-profit community service agencies. TA providers are outside organizations that help strengthen small businesses, usually through entrepreneur classes, the development of business plans for start-ups, one-on-one counseling, mentor programs and in some instances, micro-loans. In addition to stand-alone nonprofit organizations that are the most common TA providers, most medium to large cities have a Small Business Technology and Development Center, which is a creation of the U.S. Small Business Administration and typically is affiliated with a local university or community college.¹³ Non-profit community service agencies are organizations that provide any type of assistance to low-income populations, such as immigrant services, housing programs, family assistance or workforce development.

Additional community partners include special task forces, government agencies, and local foundations. Special task forces are a group of service providers and community members who come together to better understand and work on a shared community concern. As such, the task force can be a useful source for community partner relationships. Government agencies such as the Business License or Tax Collector’s office can also serve as a community partner with a common goal of helping businesses succeed. Area foundations such as the local United Way or community foundation can be good client referral sources. In addition, some have resources to provide event space and even funding.

Below, please see the different types of community partners for all 22 programs interviewed (both entrepreneur programs and legal aids serving nonprofits).

Graph E: Community Partner Type

¹³ For more information about SBTDC’s around the country, see <https://www.sba.gov/offices/headquarters/osbdc/about-us>



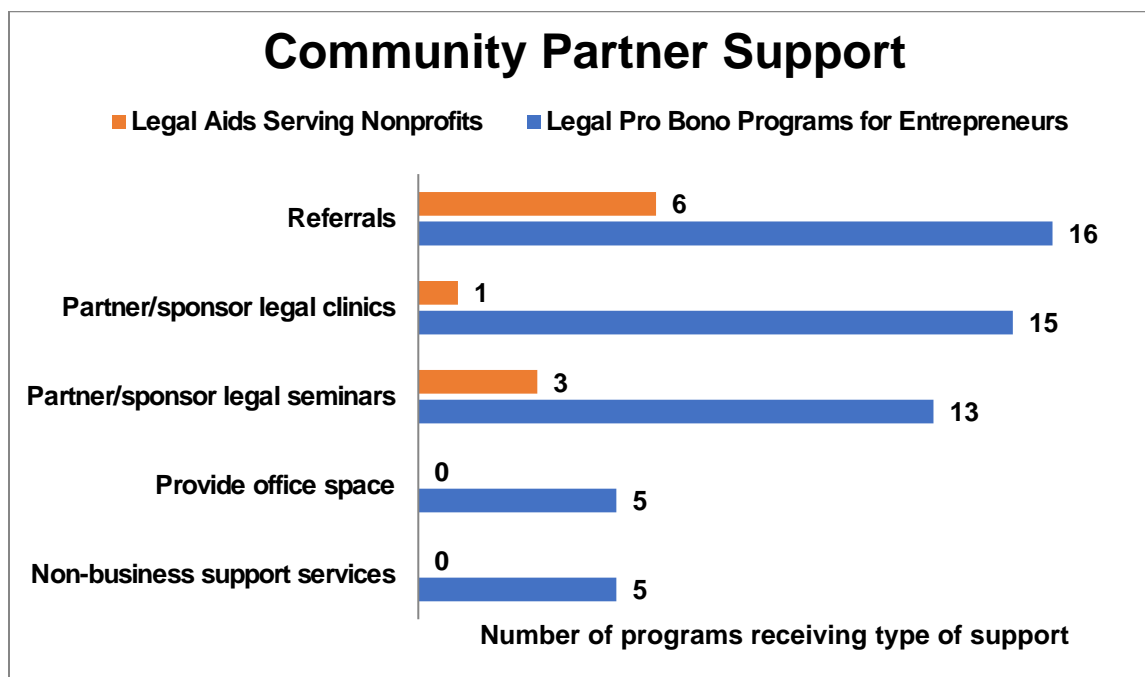
In addition to the community partners listed above, in cities with multiple nonprofit-legal service providers that work with entrepreneurs and/or law school small business clinics, programs engage in cross referrals and joint programming with these entities.

As evidenced by Graph C and discussed in Section IV above, Direct Client Services, these community partners collaborate with pro bono transactional programs in a variety of ways, including making client referrals, sponsoring legal clinics and seminars, providing office space to individual programs, and in some instances, providing other non-business supportive services for clients.¹⁴

[See resource section for community partner marketing materials]

Graph F: Community Partner Support

¹⁴ Other non-business supportive services include housing, emergency financial assistance, and help with other basic needs.



VI. Staffing

Overview of Staffing

Staffing among both legal entrepreneur pro bono programs and legal aids serving nonprofits programs include a combination of attorneys, paralegals, law clerks, outreach workers, social workers, and administrative staff. Of the 16 legal entrepreneur pro bono programs, ten (10) report having dedicated non-legal staff. With two (2) exceptions, program staff consists of more attorneys than non-attorney staff. The typical attorney to support staff ratio is 2:1. (2:1 means two (2) attorneys and one (1) paralegal or one (1) attorney and one (1) half-time administrative staff.) The most common personnel combination is two (2) attorneys and either a paralegal or other administrative staff person. Two (2) programs have both a paralegal and a separate administrative staff member, and one (1) program has an administrative staff person along with a half-time outreach person.

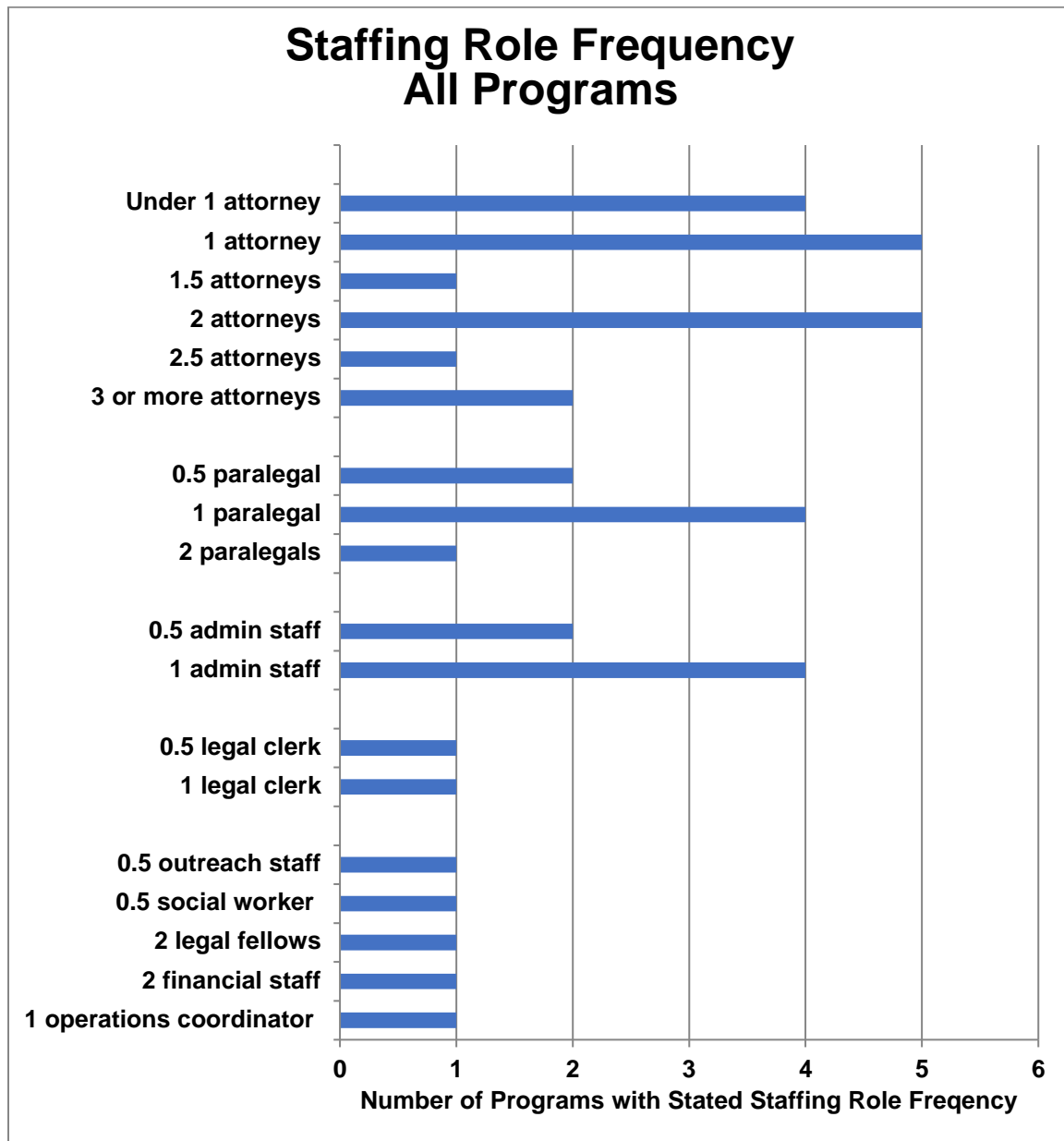
The staffing needs of these programs extends beyond the direct client work, and programs have found unique ways to fulfill these functions. For instance, in order to devote adequate time and effort to outreach, one (1) program has a dedicated outreach worker, and another utilizes a social worker. Four (4) programs share staff members from other programs within

their organization to provide administrative support and in one instance, assistance with legal matters. (See Graphs G & H for more information).

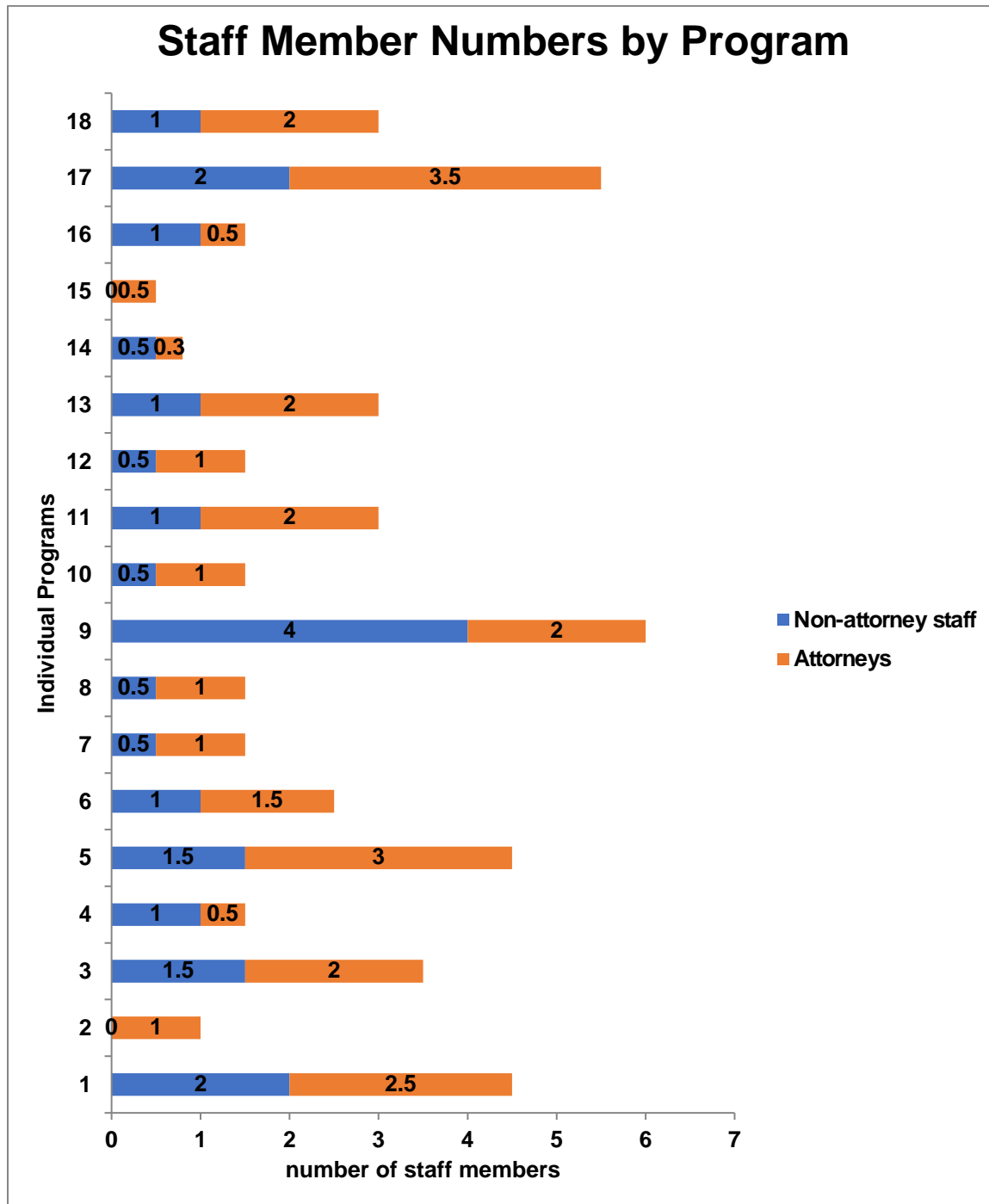
Staffing can be a challenge due to fluctuating funding. One (1) program mentioned they are at capacity and need more staff members, but do not have the funding. They instead rely on legal interns to perform many of the functions that could be handled more effectively by dedicated staff. Another program uses full-time VISTA volunteers to operate.

Relative Data for Staffing

Graph G: Staffing Role Frequency, All Programs



Graph H: Staff Member Numbers by Program



Staffing data is based on the eighteen (18) programs that provided complete staffing information (both entrepreneur and legal aids serving nonprofits). Non-attorney staff includes: paralegals, administrative staff, outreach staff, social workers, financial advisors, operations coordinators, and law clerks.

All 22 programs, including the four (4) that provided incomplete information, have at least a part-time attorney on staff¹⁵. Of the 18 programs whose responses are reflected in this analysis, the FTE number ranges from 0.3 to 3.5 full-time staff attorneys, with the most common being one (1) staff attorney (5 programs) or two (2) staff attorneys (also 5 programs). Three (3) programs have more than two (2) attorneys and two (2) have less than a full-time attorney. Seven (7) programs also have a paralegal and six (6) programs reported having a part-time or full-time administrative person (one program employs both an administrator and a paralegal). One (1) program also employs a half-time outreach person, another utilizes two (2) part-time legal fellows, and four (4) programs use volunteer in-house attorneys when available.

One (1) program interviewed has on-site financial staff as part of its service delivery model. They employ two financial staff, as well as two attorneys and two legal fellows (mentioned above). The financial staff persons provide financial business planning workshops and financial guidance for their clients.

VII. Volunteer Recruitment and Maintenance

Overview of Volunteers

With limited staff, pro bono attorneys are essential for programs to serve clients and often are a key ingredient to the overall program sustainability. As mentioned in Section IV above, Direct Client Services, 60% of the legal entrepreneur programs use pro bono attorneys for 90% or more of the one on one representation provided to individual clients. Extensive pro bono involvement allows programs to serve a much larger number of clients than it otherwise could, which increases a program's impact in the communities it serves. While the primary role of pro bono attorneys is to provide one on one representation to individual clients, as discussed in Section IV, many programs involve pro bono attorneys in multiple

¹⁵ One program is directed by a non-attorney with supervision from an attorney who works in another unit of the organization.

aspects of their work, including seminars (11 programs), clinics (13 programs), client education materials (3 programs).

In addition to a program's ability to maximize its resources through the involvement of pro bono attorneys, it also gives programs credibility with funders and community stakeholders more generally to show that the largest and most well-respected law firms are connected to a program. Moreover, involving a new pool of attorneys can lead to additional financial support from some of these participating attorneys and their law firms, and/or from corporate foundations, whose in-house legal departments of the corporation participate in the program.

While law firm attorneys have been, and continue to be, the primary pro bono resource for legal entrepreneur pro bono programs, there is growing interest around the country among in-house attorneys at corporations. Whether an in-house counsel department of a Fortune 500 company with 50 attorneys located at the headquarters in a particular city, to smaller companies with 1-5 attorneys, there are strategies/opportunities to involve this wide spectrum of pro bono resources. If a local chapter of the Association of Corporate Counsel (ACC), which is comprised of attorneys working for in-house corporate legal departments, exists in your city, initial contact with them often is the best entre to individual in-house departments. To the extent a local chapter exists, it typically includes a pro bono committee that is eager to partner with legal programs that provide pro bono opportunities that fit the skill set of their members. With respect to joint programming, we suggest a two pronged approach – create programming directly with the local ACC chapter, while at the same time work directly with larger in-house counsel departments. This two part strategy maximizes in-house counsel participation as there are many within a corporation who are not ACC members.

Below are examples of specific programming involving in-house attorneys that have been successful among existing legal entrepreneur pro bono programs:

- Volunteer attorneys from in-house counsel departments regularly staff legal information clinics for potential entrepreneur clients. This includes three-way collaborations among a legal entrepreneur program, a TA provider partner of the program and an in-house counsel department where in-house attorneys staff regular (e.g., bi-monthly or twice each year) legal clinics at the TA provider's location. In addition to staffing the clinics, with at least one program, this three-way

collaboration includes the corporation's marketing department designing the flyers that the TA provider uses to market the clinic. The in-house counsel often provides follow up legal representation to the entrepreneurs who need additional legal work and meet the program's eligibility requirements, although that never is a requirement.

- Similar to above, except the three-way collaboration is with the pro bono committee of a local ACC chapter rather than a local in-house counsel department.
- Through the local ACC chapter and/or individual in-house corporate departments, engage attorneys to teach seminars on topics within their areas of expertise.

Teaching seminars and staffing clinics often are the most effective way to engage in-house counsel. Holding a CLE training to the local chapter and any larger sized in-house corporate departments on the legal issues that entrepreneurs served by the program typically confront is the best first step for in-house counsel to feel prepared to engage in these activities.

Establish a partnership between the local ACC chapter or an individual in-house corporate department and a law firm or a few law firms that are active participants in the legal entrepreneur pro bono program. In-house counsel often feel more comfortable taking on the legal representation of a small business client if they have back up support from a law firm to help with legal research, access to legal forms and/or substantive areas of expertise that an in-house department may not have.

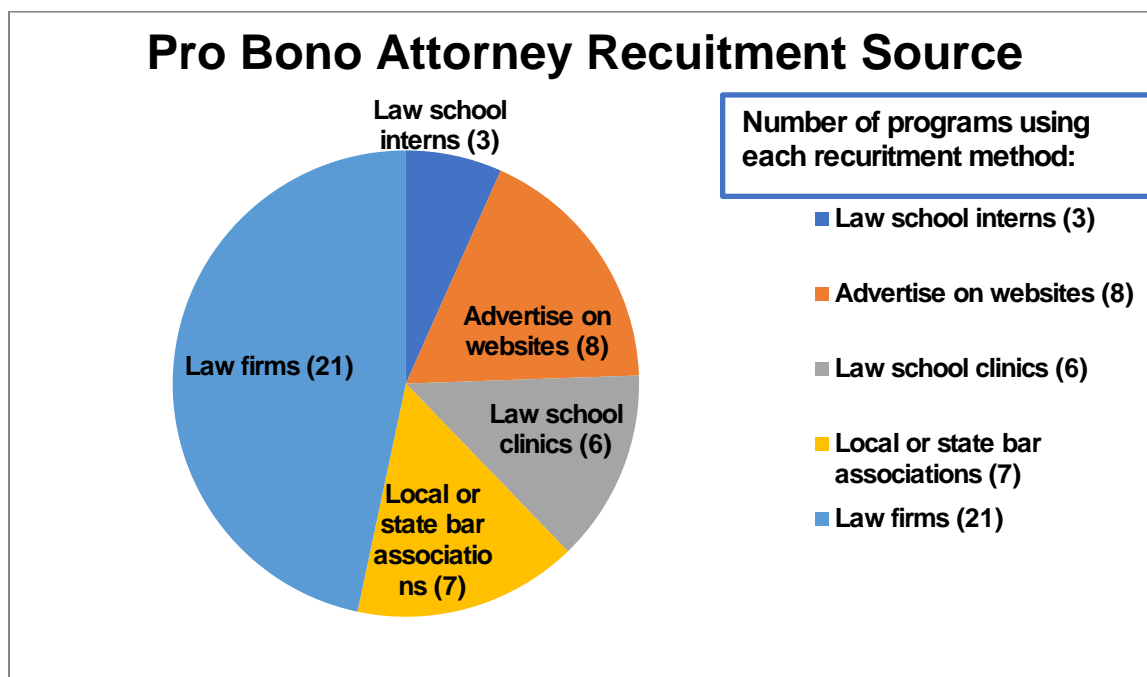
Other avenues to reach transactional attorneys include outreach to the transactional committees of the local bar and, if appropriate, the state bar. Also, solo practitioners can have an interest in participating in anticipation of some businesses turning into paying clients as they grow and experience success.

Volunteer Data and Analysis

Recruitment of attorneys most often is an "easy sell," particularly in large cities where the fees charged by lawyers are clearly not affordable to lower income entrepreneurs. Historically, the overwhelming majority of pro bono opportunities for attorneys helping low-income persons has been limited to representing clients in litigation matters. For many attorneys in business law practice areas, this is the first opportunity to use their expertise to

help others who cannot afford legal counsel. Programs seek the involvement of pro bono attorneys through a variety of strategies. Where a legal aid program runs its own volunteer lawyer program (VLP), coordination between the VLP and the community economic development program is essential and very valuable. All programs recruit attorneys through relationships with existing law firms and through outreach to new law firms. The graph below shows the different avenues programs employ to reach pro bono attorneys.

Graph I: Pro bono Recruitment



In addition to pro bono attorneys, law student interns (with adequate supervision), can serve as an additional resource to handle individual client matters, conduct discrete legal research projects, handle potential client assessments/screening and help prepare curriculum for seminars. Four (4) of the entrepreneur programs utilize law student interns, and four (4) of the legal aids serving nonprofits utilize law student interns. One (1) program even stated they could not function without their law student interns because they use them in the daily functioning of the program. For programs that engage in longer term ongoing representation of community nonprofits, the lack of continuity as law students change every semester can be a limiting factor.

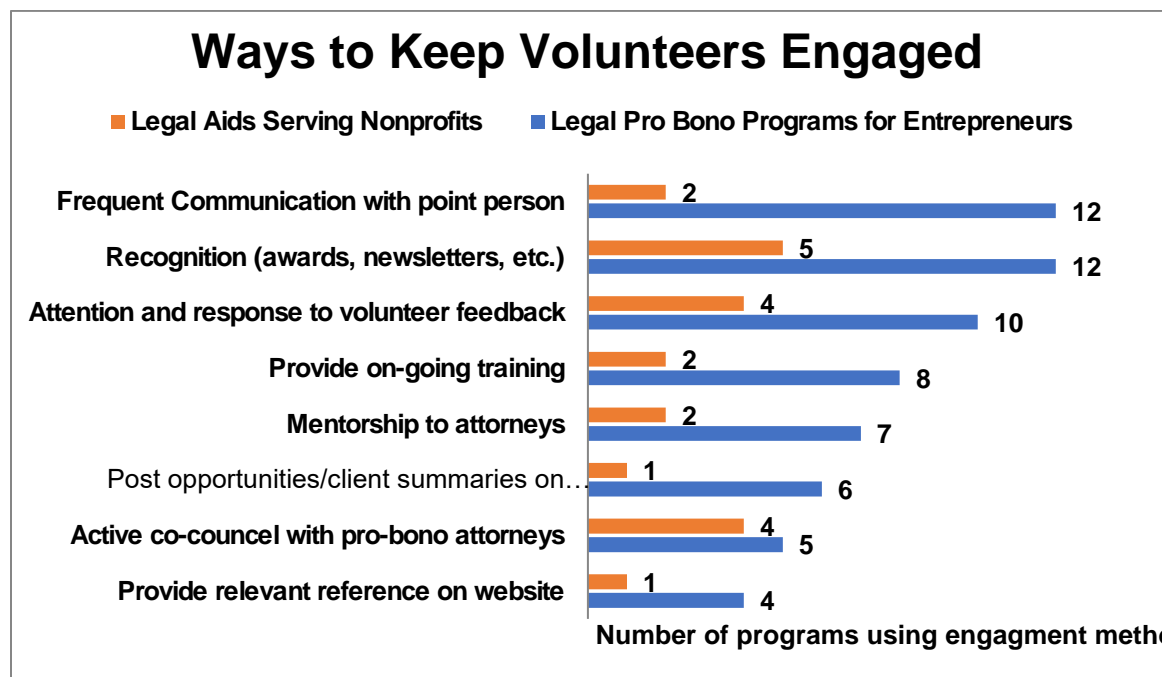
Of the six (6) programs that track the number of volunteers, between 200 and 450 (average of 288) per year were engaged on a pro bono basis.

Specific Examples of Volunteer Utilization

Four (4) programs utilize non-attorney volunteers, including CPAs, human resource specialists, insurance brokers, business planning experts, or financial advisors to assist with their clients' non-legal business needs. These services are provided either one-on-one or in a seminar.

One (1) organization mentioned an overabundance of volunteers because there are fewer opportunities for pro bono attorneys to do transactional work. Also, many attorneys are attracted to this kind of work because the legal information clinics and workshops are a finite time commitment.

Graph J: Ways to Keep Volunteers Engaged



Much of the information in this Graph J is self-explanatory. As the graph indicates, several programs recognize their volunteers in a formal way. This is typically done through awards and/or periodic newsletters. For instance, LSEM holds an annual “For the Common Good Reception” to recognize the contributions of volunteer attorneys, community partners and donors. While LSEM’s CED Program is only one of many units involved in this organization-wide, VLP driven event, attorneys who volunteer with the CED Program are active participants in the event and often receive an award for their efforts.

With each client placed with a pro bono attorney, many programs check in with each attorney bi-monthly or more often depending on the nature of the legal work. At the completion of the representation many of the respondents send the attorney/s a formal closing letter thanking them along with a satisfaction survey. Most programs also maintain frequent contact with the point person at each law firm and in-house counsel department. The CED Program, for instance, coordinates with LSEM’s VLP to meet periodically with individual firms and in-house departments to check in and explore additional ways the CED Program could collaborate with their firm. Many programs hold CLE trainings, sometimes to a large audience through the local bar or a local law school event. In addition, programs

hold trainings in response to a request by a specific law firm. In many instances before a law firm or in-house counsel department staffs its first legal information clinic it often requests a training on the legal issues they most likely will encounter. From a pro bono program's perspective, a training is highly recommended so attorneys know what to expect and so they have the comfort and confidence they need to meet with an entrepreneur.

VIII. Financial Support

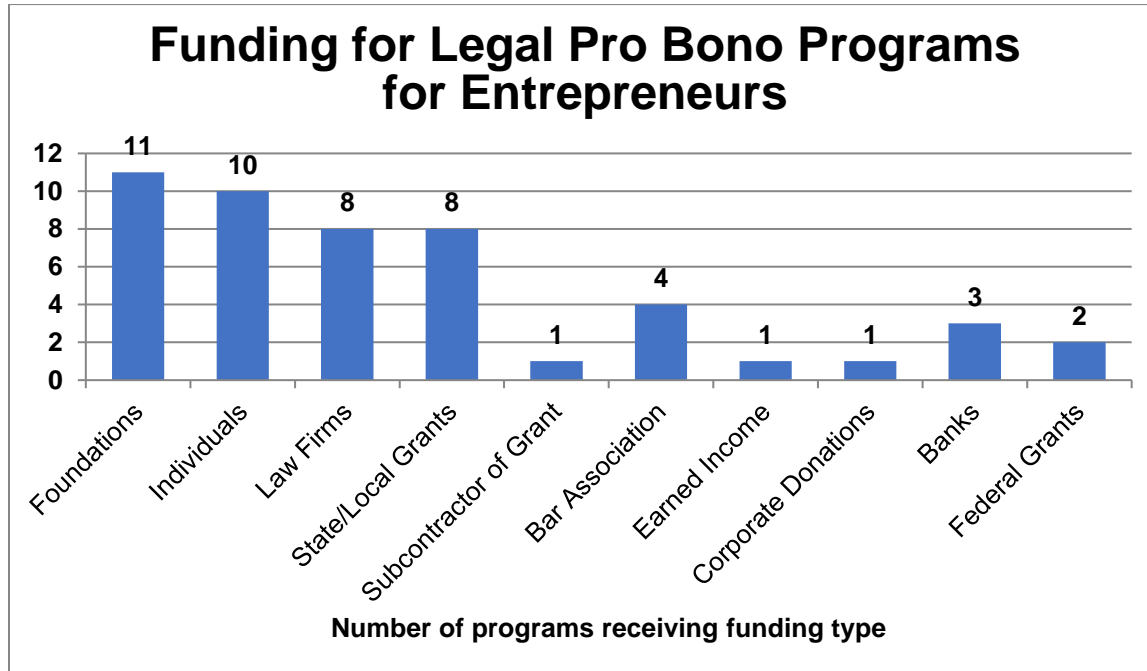
Overview of Financial Support

Financial support for these programs comes in many forms, from grants to individual donors. Helping community businesses owned by individuals who are low-income and where many are minorities, women and/or immigrants, can provide access to new funding sources such as banks, city or regional economic development departments, and foundations that focus on economic development and entrepreneurship, and/or economic justice. Legal entrepreneur pro bono programs often are an excellent fit among funding sources with these focus areas because of the populations a new program intends to serve or an existing program serves. A compelling case can be made that these programs help break the cycle of poverty and promote economic inclusion by helping to create and build the capacity of businesses owned by historically disadvantaged entrepreneurs. Building capacity includes the need to establish a strong legal foundation and ensure business owners understand the legal aspects of managing their operations. In turn, the growth of microbusiness ownership among women and minorities is an effective means to combat poverty and increase economic stability in low-income areas. These communities, where opportunities for advancement or consistent employment are limited, benefit greatly from the economic mobility created by microbusiness development.

Access to new funding sources is particularly relevant for programs operating within a larger organization such as a legal aid office. For these programs, that typically are only one of multiple programs that serve low-income populations, targeting new sources is imperative to avoid competing with other programs within their own agency.

Financial Support for Entrepreneur Programs -- Data and Analyses

Graph K: Funding Entrepreneur Programs



The above graph shows only number of programs that receive each type of funding. The percentage of funding for each type of financial support varies. For instance, individuals are a funding source for 12 of the 22 programs. However, individual contributions comprised a small percentage of overall funding for most programs. Foundations, law firms, and state or local grants are the main sources of funding for most programs. Four (4) of the programs rely on foundations for 30% or more of their funding, four (4) of the programs receive 30% or more of their funding from state or local grants, and three (3) of the programs receive 30% or more of their funding from law firms.

The programs receiving individual donations report the bulk of the donations come from individuals connected to the organization (i.e. friends and family, pro bono attorneys). One (1) program's primary source of funding is contributions from the state's annual attorney bar dues. To the extent individual attorneys donate directly to a legal entrepreneur pro bono program, this fundraising is conducted as a supplement to a larger fundraising effort that targets the private bar. Individual non-attorney donors for these types of transactional programs tend to be successful business owners and others who focus their philanthropic efforts on community economic development efforts.

With respect to banks, the incentive to fund typically is driven by the bank's CRA

requirements. Funding from some banks comes through the bank's foundation and with others it is directed from different discretionary sources.

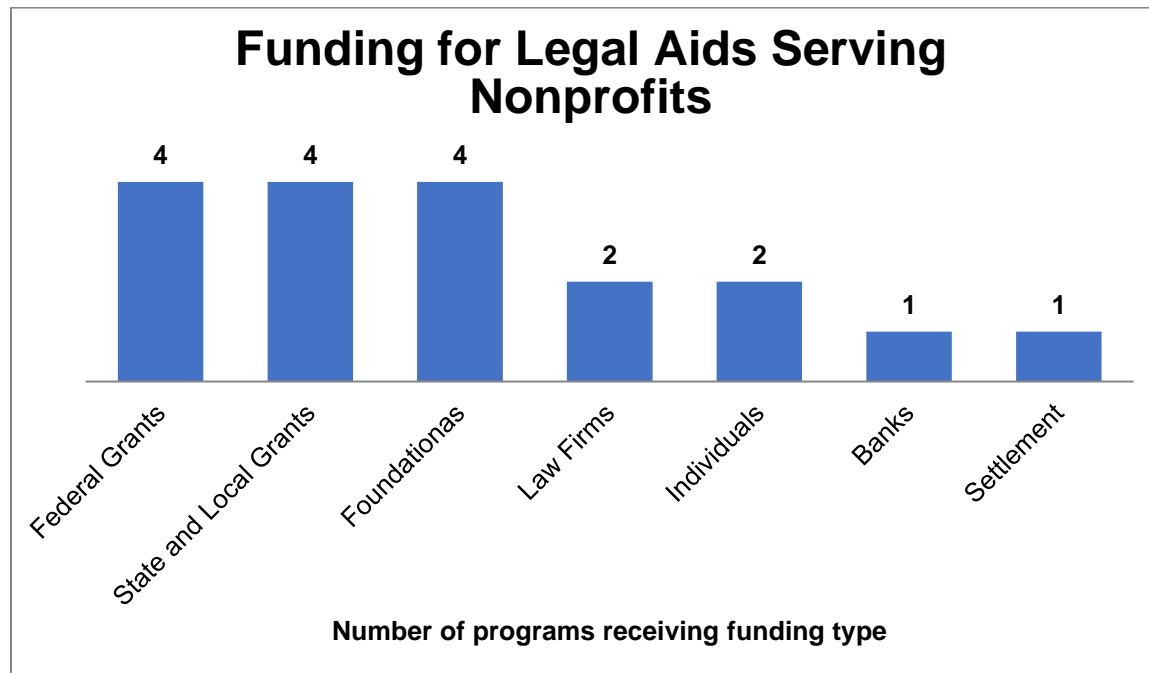
State or local grants include community development block grants (CDBG), grants from state or local community economic development departments, IOLTA, and the local city office of consumer protection.

Two approaches are recommended when a program seeks funding from large corporations located in the program's geographic area. One approach is to seek funding as part of their supplier diversity efforts. The other is to target those corporations that have in-house counsel who participate in the legal entrepreneur pro bono program. With this second approach, identifying one corporation to act as the "champion" to encourage others to participate as a group funding strategy can be more effective in leveraging funding. Local and regional foundations to target are ones that fund entrepreneurship and community development.

[See resource section for funding documents]

Legal Aids Serving Nonprofits Information

Graph L: Funding for Transactional Programs



The above depicts the number of transactional programs at LSC-funded organizations receiving each type of funding. The amount of each funding type varies significantly among programs. Two (2) programs are mainly funded by federal grants, two (2) by foundations, and one (1) by law firms. Five (5) of them receive some kind of LSC funding for the program.

IX. Program Successes and Challenges

All participating programs shared what they consider to be key strengths and challenges of their programs, along with suggestions for start-up programs. In addition, they discussed the impact they see their programs making in the communities they serve. Below is a summary of the most salient information, separated by legal entrepreneur pro bono programs and legal aids serving nonprofits programs, as some of the successes and challenges differ.

Legal Entrepreneur Pro Bono Programs

Program Success: When asked about current successes, six (6) programs highlighted pro bono attorney recruitment, four (4) mentioned successful legal information clinics, and two (2) mentioned success with community partners. Other program successes include a large demand for services from clients and also a large demand for volunteer opportunities from law firms.

Program Challenges: Not surprisingly, the most common challenges expressed by programs include funding and staffing/capacity. Other challenges mentioned include the need for a better client tracking system, and difficulty finding clients and maintaining a consistent flow of referrals. One (1) program struggles to reach clients at the right time, often clients come to them before they are ready for legal assistance (e.g., they are in the early stages of developing their idea and need to focus on business development before seeking legal assistance), or they come after a serious problem has arisen, and there is no legal remedy.

One (1) program has confronted resistance among attorneys to provide pro bono work to businesses due to the erroneous view that these programs may take away from paying clients. Another stated that the funding for transactional programs is especially challenging because it's new and not traditionally part of legal services to low-income people. Another program is simply uneasy about having to continually search and ask for multiple sources of funding.

General Advice: When asked about advice for new programs, five (5) current programs stressed the importance of community partners and collaboration. Three (3) programs stressed the importance of adequate planning before beginning to provide services, emphasizing considerations such as having a clear mission, confirming the need for the program's services upfront, identifying the target populations and any geographic areas.

One (1) organization gave a list of advice for new programs:

- "Have technical systems in place to track clients.
- Be sure to train community partners and pro bono attorneys about program and expectations.
- Keep a pulse on community concerns relating to small businesses.
- Build a list of volunteers for quick questions and brief assignments."

Impact on Community: While there are many challenges to creating and maintaining these programs, the community impact is clear. Below are responses regarding the impact individual programs are making on their communities:

Our program has given entrepreneurs and small businesses in the (area) the opportunity to stabilize their businesses and defy the odds. Most small businesses fail within the first few years, we believe with legal advice and representation, small businesses can thrive. We have also been able to support businesses at risk of displacement due to the impact of gentrification.

(We are) empowering small businesses that are driving development in their communities.

We do know that after 6 months, 62% of businesses working with us grow, 50% of people are more financially secure, and business revenue is up 11% on average.

We're helping folks who likely have no other option. Our counseling brethren are not qualified to give legal advice, much like I'm sorely unqualified to give business planning assistance. I'm happy we can fill this gap.

We have helped hundreds of low-income entrepreneurs and small businesses that

cannot otherwise afford legal services. These services have helped enable business owners to support themselves and their families, as well as contribute to the economic stability of their communities.

Access to affordable legal services for starting and growing a business provides entrepreneurs with the ability to focus on the business planning and business growth that they need to address.

Staff and pro bono attorneys are inspired and passionate about the work they are able to do. They are not only helping the individual client but connecting with the community through partnerships or coalitions.

Since its launch in Fall 2011, our program has served over 3,600 individuals, approximately 85% of whom have been ethnic or racial minorities and 65% have been women. 440 businesses and nonprofits have received one on one representation (342 have been entrepreneurs), helping to create or retain over 320 jobs. In addition, more than 620 individuals have received legal counseling and appropriate referrals to other technical assistance (TA) providers. Over 1,840 individuals have attended one of our 125 community education seminars we have taught since the Program's inception. In 2015 alone, 10 clients secured funding, 8 launched their start-up enterprise, 12 expanded their businesses, and more than \$580,000 in funds gained and debts avoided.

General Information -- Legal Aids Serving Nonprofits Programs

Program Success: The legal aids serving nonprofits programs most common successes include: helping area nonprofits, high volume and capacity with minimal staff, working well with community based partners to come up with creative solutions, willing volunteer lawyers, and helping to change public policy (consistent with LSC regulations when applicable).

Challenges include: Not having enough staff and conflict of interest with volunteer firms. More than one (1) program stated they at one time became overwhelmed with the amount of work they were attempting to do. They overcame this challenge by expanding use of volunteer firms, limiting eligibility for services by area of focus, and one created an advice line clinic, which provides legal information by phone.

General Advice: Have top-quality software, limit the focus to what the program does best and leverage partners for the rest, and "just 'jump-in' because your community needs you."

Client/Community impact: Individual programs provided the following responses:

Good impact. Folks feel empowered to accomplish things in their community.

The successful outcomes have a visual impact on the community but also allow clients to feel empowered to address their problems on their own with our support.

We provide pro bono services where they would otherwise not exist. With our help, our partner organizations, foundations and other volunteers in the community have a place to get answers and direction.

We have been there for community-based partners who are driving alternatives and finding creative ways to address... the lack of wealth-building opportunities in the communities we serve.

Acknowledgements

Thank you to all of the programs that participated in our project and to Legal Services Corporation for providing funding for the creation of this manual as part of a Pro Bono Innovation grant. We greatly appreciate the time these participating programs gave to help us complete this project. Their contributions make this manual a much more useful tool for all startup and existing programs that serve entrepreneurs.

Participating organizations:

Legal Entrepreneur Pro bono Programs

Brooklyn Legal Services Corporation A
City Bar Justice Center (CBJC) (New York)
Community Development Project of Urban Justice Center (New York)
East Bay Community Law Center (Berkley)
Lawyers Committee for Civil Rights and Economic Justice (Boston)
Lawyers' Committee for Civil Rights of the San Francisco Bay Area
LegalCorps (Minneapolis)
Philadelphia VIP/LawWorks Project
Public Council (Los Angeles)
Start Small Think Big (New York)
Texas RioGrande Legal Aid - Texas C-BAR (Austin)
The Law Project of the Chicago Lawyers' Committee for Civil Rights

Volunteers of Legal Service (New York)
Wayfind (Seattle)

Legal Aids Serving Non-profits Programs

Georgia Legal Services (Atlanta)
Legal Aid Foundation of Los Angeles
Legal Aid of Western Missouri (Kansas City)
Legal Services of Greater Miami
Legal Services/Judge Don Castor Community Law Center (Tampa)
South Brooklyn Legal Services

Resource Section

All documents referenced in this manual are posted on our manual webpage. If you received a hard copy of this manual, please use the contact information below to request access to the referenced documents.

Contact Information

We hope this document can be updated and improved with new information from exciting and new programs. If you have additions or feedback, please contact Legal Services of Eastern Missouri, Community Economic Development Program.

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