## 

SANTA CLARA AND SAN BENITO COUNTIES

## Subject: STATUTORY REQUIREMENT TO OBTAIN AN INDEPENDENT AUDIT OR REVIEW OF FINANCIAL STATEMENTS

Dear Service Provider,
This letter is to remind you of the statutory requirement to obtain an independent audit or review of your financial statements pursuant to Welfare \& Institution Code (WIC), Section 4652.5.

San Andreas Regional Center (SARC) reports the status of the vendors' compliance of the above requirement to the Department of Developmental Services (DDS). Per WIC Section 4652.5 (a)(3)(c) "Regional centers shall take appropriation action, up to termination of vendorization, for lack of resolution of issues".

For your reference, detailed rules are enclosed regarding the requirements for each fiscal year your organization received payments from the regional center(s).

Note that organizations who have submitted audit/review reports for fiscal years ending on or after June 9, 2016 can request a 2 year exemption from audit/review requirements if the reports resulted in an unmodified opinion, no material issues were identified and corrective actions have been implemented for any issues detailed on the management letter.

Please forward a copy of your independent audit/review report to SARC AND the management letter within 30 days of receipt of the final report. You may send the report by mail or by email in pdf format to the address below:

## San Andreas Regional Center

6203 San Ignacio Avenue, Suite 200
San Jose, CA 95119
Attention: Karla Cruz, CPA - Senior Accountant Email: kcruz@sarc.org

Please also complete and return the attached information request form to San Andreas Regional Center.


Greg Hoffman


Chief Financial Officer
San Andreas Regional Center

Audit/ Review Requirements for Regional Center Vendors SAN
ANDREA $-\infty+x$

REGONAL For Fiscalyears that ended before June 9, 2016
CENTER

SANTA CLARA AND SAN BENITO COUNTIES

6203 San Ignacio Avenue
Suite 200
San Jose, CA 95119
P.O. Box 50002

San Jose, CA 95150-0002
Tel: 1(408) 374-9960
Fax: 1(408) 281-6960

MONTEREY COUNTY
1370 S. Main Street Salinas, CA 93901
Tel: 1(831) 900-3636
Fax: 1(831) 424-3007

SANTA CRUZ COUNTY
1110 Main Street
Suite 8 Watsonville, CA 95076
Tel: 1 (831) 900-3737
Fax: 1(831) 728-5514
www.sarc.org

Member of the Association of Regional Center Agencies

STAY CONNECTED

- Independent Financial review required if vendor receives between $\$ \mathbf{2 5 0 , 0 0 0}$ and $\mathbf{\$ 5 0 0 , 0 0 0}$ from all regional centers.
- Independent Financial Audit required if vendor receives more than $\$ 500,000$ from all regionals centers
- The amount received is based on the vendor's fiscal year
- Reports must be submitted to SARC within 9 months of the end of the vendor's fiscal year.

For Fiscal Years that end on or after June 9, 2016

- Independent Financial review required if vendor receives between $\$ 500,000$ and $\$ 2,000,000$ from all regional centers
- Independent Financial Audit required if vendor receives more than $\$ 2,000,000$ from all regionals centers
- The amount received is based on the vendor's fiscal year
- Reports must be submitted to SARC within 9 months of the end of the vendor's fiscal year.
- If report is an unqualified one or lists no material issues, the vendor may request a two year exemption from the independent audit/review requirement.

For Fiscal Years that end on or after January 1, 2018

- Independent Financial review required if vendor receives between $\$ 500,000$ and $\$ 2,000,000$ from all regional centers
- Independent Financial Audit required if vendor receives more than $\mathbf{\$ 2 , 0 0 0 , 0 0 0}$ from all regionals centers
- The amount received is based on the state's fiscal year
- Reports must be submitted to SARC within 9 months of the end of the vendor's fiscal year.
- If report is an unqualified one or lists no material issues, the vendor may request a two year exemption from the independent audit/review requirement.

Organizations who have submitted audit/review reports for fiscal years ending on June 6, 2016 onward can request a 2 year exemption from audit/review requirements if the reports resulted in an unmodified opinion or have no material issues identified.

Vendor\#: $\qquad$

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6203 San Ignacio Avenue Suite 200
San Jose, CA 95119
P.O. Box 50002

San Jose, CA 95150-0002
Tel: 1(408) 374-9960
Fax: 1(408) 281-6960

## MONTEREY COUNTY

1370 S. Main Street Salinas, CA 93901 Tel: 1(831) 900-3636 Fax: 1(831) 424-3007

SANTA CRUZ COUNTY
1110 Main Street Suite 8
Watsonville, CA 95076
Tel: 1(831) 900-3737
Fax: 1(831) 728-5514
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Member of the Association of Regional Center Agencies

Vendor Name: $\qquad$

Tax ID \#: $\qquad$

Contact person: $\qquad$

Email Address: $\qquad$

Telephone Number: $\qquad$

Mailing Address: $\qquad$
$\qquad$
$\qquad$
$\qquad$

Amount Received from SARC during the Fiscal Year: $\qquad$

Organization Fiscal Year End: $\qquad$

