



The State Bar of California

OPEN SESSION

AGENDA ITEM

JUNE 2024

LEGAL SERVICES TRUST FUND COMMISSION 3.4

DATE: June 21, 2024

TO: Members, Legal Services Trust Fund Commission

FROM: Members, Legal Services Trust Fund Commission Eligibility & Budget Review Committee

SUBJECT: 2025 IOLTA/EAF Late Application Submissions and Audit Extension Requests

EXECUTIVE SUMMARY

Interest on Lawyers' Trust Accounts (IOLTA) and Equal Access Fund (EAF) grants are awarded to approximately 110 qualified legal services projects (QLSP) or support centers (SC) each year to support the provision of free civil legal aid in California to indigent persons. These grants must comply with criteria set forth in Business & Professions Code (B&P) sections 6210-6228, State Bar Rules, and Eligibility Guidelines for Legal Services Projects and Support Centers.

This year, the Office of Access & Inclusion (OAI) received 119 applications for IOLTA/EAF funding for grant year 2025. There were 110 renewal applications and 9 new applications for funding. Ninety-seven applicants are seeking funding as QLSPs and 22 as SCs. Recommendations made by the Eligibility & Budget Review Committee (Committee) must be approved by the Legal Services Trust Fund Commission (LSTFC).

BACKGROUND

IOLTA and EAF grants are awarded annually to approximately 110 QLSPs and SCs. These organizations provide free civil legal aid in California to indigent persons, or legal training, technical assistance, and advocacy support to the organizations that directly serve indigent persons. Although IOLTA and EAF grants are separate sources of funding, there is one combined application for both IOLTA and EAF grants.

IOLTA funds are mainly generated from interest accrued on lawyers' trust accounts while EAF funds are included in the State's annual budget act, as part of the judicial branch budget. Business and Profession Code sections 6210-6228 (referred to here as the "IOLTA statute"), is the primary governing authority that defines how IOLTA funds are generated and distributed. The vast majority of EAF funds are also distributed using the IOLTA formula. IOLTA and EAF grants are both governed by the IOLTA statute, State Bar Rules, and Eligibility Guidelines for QLSPs and SCs. Organizations may apply for IOLTA and EAF funding as either an QLSP or SC.

PRIMARY PURPOSE

QLSPs must have a primary purpose to provide free civil legal services to indigent persons to be eligible for funding. QLSPs may apply for funding in each county in which they provide these services. IOLTA and EAF grant amounts are based on an QLSP's qualified expenditures (the amount spent on the delivery of free civil legal services to eligible individuals) from the previous fiscal year in each county for which it is applying for funding. If an QLSP's principal means of service delivery is through the use of pro bono volunteers, it may apply for an additional pro bono allocation for those counties.

SCs must have a primary purpose to provide legal support services to QLSPs and the broader legal aid community statewide to be eligible for funding. SCs apply for IOLTA and EAF grants on a statewide basis. The amount of IOLTA and EAF funds available for distribution to SCs each year is 15 percent of the total distribution amount. That amount is then split equally amongst all eligible SCs.

GRANT YEAR 2025 APPLICATION PROCESS AND NEXT STEPS

IOLTA/EAF funding applications were due on May 15, 2024, at 5:00 p.m., and staff is currently reviewing them. (See Attachment A for the list of IOLTA/EAF funding applicants for grant year 2025.) The purpose of the IOLTA and EAF application review is to determine if applicants:

- 1) meet primary purpose;
- 2) have identified appropriate qualified expenditures; and
- 3) have adequate quality control.

Staff completes an initial review of grant applications and presents recommendations to the Committee, which then makes recommendations to the LSTFC for a final eligibility determination.

Over the course of several meetings, the EBR Committee will determine eligibility recommendations to present to the LSTFC at its August 9 meeting. Once the LSTFC approves eligibility for 2025 grants, staff will run the IOLTA formula and release award allocations and budget applications on or around August 26.

RECENT CODIFICATION CHANGES

Last year, the State Bar Board of Trustees (BOT) approved proposed changes to the Rules of the State Bar related to grants administration; those rule changes became effective July 1, 2023. Changes include the treatment of late materials. Rule 3.680(F) allows staff to accept late materials—with the exception of late audits—up to one business day after a scheduled deadline.

In the event of a late audit, the LSTFC now has more latitude to approve an extension past the application deadline. The standard will remain a showing of extraordinary circumstances. However, if no extraordinary circumstances exist, the LSTFC will be able to approve an audit extension with conditions. (See Attachment B for the full text of the updated rule.)

DISCUSSION

After an initial review of applications, staff asked the Committee to consider the following issues late application submissions and audit extension requests.

LATE-SUBMITTED APPLICATIONS

State Bar Rule 3.680 requires applicants to submit “timely and complete” grant applications in the manner prescribed by the LSTFC. Updates to Rule 3.680(F) grants staff the authority to accept late application materials submitted up to one business day after the deadline and the LSTFC or a committee to accept, accept with conditions, or reject an application not accepted by staff or received beyond one business day after the deadline.

IOLTA/EAF grant applications were due on Wednesday, May 15, 2024, at 5:00 p.m. Four applicants submitted late applications, and all were received within one business day of the deadline:

1. Asian Pacific Islander Legal Outreach (APILO)
2. Senior Citizens Legal Services (SCLS)
3. Wage Justice Center (WJC)
4. Yuba-Sutter Legal Center for Seniors (Yuba-Sutter)

Staff have accepted the applications from SCLS, WJC, and Yuba-Sutter so no Committee action is required on those applications.

Staff requested the Committee’s input on APILO’s late application because the organization has recently demonstrated a pattern of late and incomplete submissions. While the organization’s 2025 IOLTA/EAF application was submitted within one business day of the deadline, the application was missing required fiscal information when initially submitted. APILO also submitted a late and substantially incomplete 2024 IOLTA/EAF budget last fall; at its November 3, 2024, meeting, the Committee approved that late submission with the condition that State

Bar staff send a letter to the organization about the importance of compliance with grant deadlines and with the mention that late submissions will be tracked for future accountability. APILO is also one of the organizations requesting an audit extension as part of their 2025 IOLTA/EAF application below.

Because APILO had a late submission accepted with conditions in the last year, the Committee recommended accepting APILO's late submission conditioned on a meeting between State Bar staff, APILO's Executive Director, and APILO's Board Chair on the importance of complying with grant deadlines.

AUDIT EXTENSION REQUESTS

Business and Professions Code section 6222 and State Bar Rule 3.680(E)(1) require organizations applying for IOLTA grants to submit "an audited financial statement by an independent certified public accountant for the fiscal year that concluded during the prior calendar year" as part of a "timely and complete" application. Organizations with gross expenditures of less than \$500,000 may submit a financial review in lieu of an audit. This is necessary to confirm the organization's qualified expenditures for the purposes of determining eligibility and ultimately the amount of any formula grant award. According to the Schedule of Charges and Deadlines, the audit or financial review is due "no later than May 1." (Attachment C.)

Staff typically has discretion to grant an extension through the date of the application deadline, which was May 15. Beyond that deadline, the LSTFC has the authority to grant an extension to submit the audited or reviewed financial statement "upon a showing of extraordinary circumstances." If no extraordinary circumstances are present, the LSTFC may grant such extensions "with conditions." Per the Schedule of Charges and Deadlines, the audit or financial review must be submitted before staff calculates grant allocations. This calculation will occur shortly after eligibility determinations are made by the LSTFC on August 9.

Audit or Financial Review Extension Requests for 2025 IOLTA/EAF Applicants

The audit or financial review is an important source in ensuring that each organization's qualified expenditures are correctly reported, which is the basis for evaluating whether the organization meets the primary purpose requirements and, for QSLPs, the basis for calculating grant awards. Incorrect qualified expenditures would not only impact the organization that reported them but, in the case of QSLPs, would affect other organizations providing services in the same county and their proportional share of the grant award.

Staff agreed to all extension requests through May 15 and informed grantees that the commission would have to approve any requests to submit an audit or financial review past that date (i.e., on or after May 16). In the meantime, applicants were instructed to submit a written explanation of the delay in their audit in lieu of the audit itself, along with the date they

anticipate the final audit will be ready, and details of the steps they are taking to submit a timely audit in the future. Thirteen organizations requested extensions:

Number	Organization	Anticipated Date of Submission
1	Al Otro Lado, Inc.	June 15, 2024
2	Asian Pacific Islander Legal Outreach	June 30, 2024
3	Bay Area Legal Aid	June 1, 2024
4	California Collaborative for Immigrant Justice	June 15, 2024
5	Capital Pro Bono Inc.	June 30, 2024
6	Centro Legal de la Raza	June 30, 2024
7	Eviction Defense Collaborative	Date not provided
8	Legal Services of Northern California	June 30, 2024
9	Open Door Legal	May 31, 2024
10	Public Law Center	June 15, 2024
11	United CORE Alliance	June 7, 2024
12	Wage Justice Center	May 31, 2024
13	Yuba-Sutter Legal Center for Seniors	May 31, 2024

The written requests and explanations from these organizations are found in Attachment C. If the extension requests are granted, grantees will submit their final audits once approved and update their applications, if necessary.¹ By the time of this meeting, about half of the applicants requesting extensions will have already submitted their final audit.

At the June 12, 2024, EBR Committee meeting, staff from Yuba-Sutter Legal Center for Seniors and Eviction Defense Collaborative provided public comment regarding ongoing challenges in completing their audits. After discussion, the Committee passed the following resolution:

RESOLVED, that the Eligibility & Budget Review Committee (committee) recommends that the Legal Services Trust Fund Commission (LSTFC) grant the audit extension requests of the organizations listed in the memorandum dated June 12, 2024, that have already been received;

And it is **FURTHER RESOLVED**, that the committee recommends that the LSTFC grant extensions for those that are still pending through the date requested by the organization except for United CORE Alliance which is extended to June 30, 2024;

And it is **FURTHER RESOLVED**, that the committee recommends that the audit extension requests for Eviction Defense Collaborative and Yuba-Sutter Legal Center for Seniors be approved through July 15, 2024, conditioned upon the organizations' responses to State

¹ In theory, if programs have adequate tracking and reporting systems in place, there should be no need to update the application after completion of the audit; the audit should simply confirm the information already provided.

Bar staff requests for additional information within the timeline identified by State Bar staff;

And it is **FURTHER RESOLVED**, that the committee recommends that State Bar staff include in the letters to Eviction Defense Collaborative and Yuba-Sutter Legal Center for Seniors the importance of complying with State Bar deadlines and a request for a written plan to avoid late audit submissions in the future.

RECOMMENDATION

Should the Commission concur with the recommendations, passage of the following resolution is recommended:

RESOLVED, that the Legal Services Trust Fund Commission (LSTFC) grant the audit extension requests of the organizations listed in the memorandum dated June 21, 2024, that have already been received;

And it is **FURTHER RESOLVED**, that the LSTFC grant extensions for those that are still pending through the date requested by the organization except for United CORE Alliance which is extended to June 30, 2024;

And it is **FURTHER RESOLVED**, that the audit extension requests for Eviction Defense Collaborative and Yuba-Sutter Legal Center for Seniors be approved through July 15, 2024, conditioned upon the organizations' responses to State Bar staff requests for additional information within the timeline identified by State Bar staff;

And it is **FURTHER RESOLVED**, that the committee recommends that State Bar staff include in the letters to Eviction Defense Collaborative and Yuba-Sutter Legal Center for Seniors the importance of complying with State Bar deadlines and a request for a written plan to avoid late audit submissions in the future.

ATTACHMENTS

- A. List of applicants for 2025 IOLTA/EAF funding
- B. Text of updated Rule 3.680 and accompanying Schedule of Charges and Deadlines
- C. Audit extension request letters

2025 IOLTA/EAF Applicants

#	Organization	Funding Opportunity	Note
1	Advancing Justice - Asian Law Caucus	IOLTA/EAF LSP	
2	Advokids	IOLTA/EAF LSP	New
3	Affordable Housing Advocates	IOLTA/EAF LSP	
4	Aids Legal Referral Panel	IOLTA/EAF LSP	
5	Al Otro Lado, Inc.	IOLTA/EAF LSP	
6	Alameda County Homeless Action Center	IOLTA/EAF LSP	
7	Alliance for Children's Rights	IOLTA/EAF LSP	
8	Asian Americans Advancing Justice Southern California	IOLTA/EAF LSP	
9	Asian Pacific Islander Legal Outreach	IOLTA/EAF LSP	
10	Bay Area Legal Aid	IOLTA/EAF LSP	
11	Bet Tzedek Legal Services	IOLTA/EAF LSP	
12	California Advocates for Nursing Home Reform	IOLTA/EAF SC	
13	California Collaborative for Immigrant Justice	IOLTA/EAF LSP	
14	California Indian Legal Services	IOLTA/EAF LSP	
15	California Rural Legal Assistance Foundation	IOLTA/EAF SC	
16	California Rural Legal Assistance, Inc.	IOLTA/EAF LSP	
17	California Women's Law Center	IOLTA/EAF SC	
18	Capital Pro Bono Inc.	IOLTA/EAF LSP	
19	Casa Cornelia Law Center	IOLTA/EAF LSP	
20	Center for Access to QDROs	IOLTA/EAF SC	New
21	Center for Gender and Refugee Studies - California	IOLTA/EAF SC	
22	Center for Human Rights and Constitutional Law	IOLTA/EAF SC	
23	Center for Immigrant Protection dba The LGBT Asylum Project	IOLTA/EAF LSP	
24	Center for Workers' Rights	IOLTA/EAF LSP	
25	Central California Legal Services	IOLTA/EAF LSP	
26	Centro Legal de la Raza	IOLTA/EAF LSP	
27	Child Care Law Center	IOLTA/EAF SC	
28	Coalition of California Welfare Rights Organizations	IOLTA/EAF SC	
29	Community Lawyers Inc.	IOLTA/EAF LSP	
30	Community Legal Aid SoCal	IOLTA/EAF LSP	
31	Community Legal Services in East Palo Alto	IOLTA/EAF LSP	
32	Contra Costa Senior Legal Services	IOLTA/EAF LSP	
33	Dependency Advocacy Center	IOLTA/EAF LSP	
34	Disability Rights California	IOLTA/EAF LSP	
35	Disability Rights Education and Defense Fund	IOLTA/EAF SC	
36	Disability Rights Legal Center	IOLTA/EAF LSP	
37	East Bay Community Law Center	IOLTA/EAF LSP	
38	Elder Law & Advocacy	IOLTA/EAF LSP	
39	Elder Law and Disability Rights Center	IOLTA/EAF LSP	
40	Elevate Community Center	IOLTA/EAF LSP	New
41	Eviction Defense Collaborative	IOLTA/EAF LSP	
42	Family Violence Appellate Project	IOLTA/EAF SC	
43	Family Violence Law Center	IOLTA/EAF LSP	
44	Greater Bakersfield Legal Assistance	IOLTA/EAF LSP	
45	Harriett Buhai Center for Family Law	IOLTA/EAF LSP	
46	Housing and Economic Rights Advocates	IOLTA/EAF LSP	
47	Immigrant Defenders Law Center	IOLTA/EAF LSP	
48	Immigrant Legal Defense	IOLTA/EAF LSP	
49	Immigrant Legal Resource Center	IOLTA/EAF SC	
50	Impact Fund	IOLTA/EAF SC	

51 Inland Counties Legal Services	IOLTA/EAFLSP	
52 Inland Empire Latino Lawyers Association, Inc.	IOLTA/EAFLSP	
53 Inner City Law Center	IOLTA/EAFLSP	
54 Justice & Diversity Center of the Bar Association of San Francisco	IOLTA/EAFLSP	
55 Justice in Aging	IOLTA/EAFLSP	
56 La Raza Centro Legal	IOLTA/EAFLSP	
57 LACBA Counsel for Justice	IOLTA/EAFLSP	
58 Law Foundation of Silicon Valley	IOLTA/EAFLSP	
59 Lawyers' Committee for Civil Rights	IOLTA/EAFLSP	
60 Learning Rights Law Center	IOLTA/EAFLSP	
61 Legal Access Alameda	IOLTA/EAFLSP	
62 Legal Aid at Work	IOLTA/EAFLSP	
63 Legal Aid Foundation of Los Angeles	IOLTA/EAFLSP	
64 Legal Aid Foundation of Santa Barbara County	IOLTA/EAFLSP	
65 Legal Aid of Marin	IOLTA/EAFLSP	
66 Legal Aid of Sonoma County	IOLTA/EAFLSP	
67 Legal Aid Society of San Bernardino	IOLTA/EAFLSP	
68 Legal Aid Society of San Diego	IOLTA/EAFLSP	
69 Legal Aid Society of San Mateo County	IOLTA/EAFLSP	
70 Legal Assistance for Seniors	IOLTA/EAFLSP	
71 Legal Assistance to the Elderly	IOLTA/EAFLSP	
72 Legal Link	IOLTA/EAFLSP	New
73 Legal Services for Children	IOLTA/EAFLSP	
74 Legal Services for Prisoners with Children	IOLTA/EAFLSP	
75 Legal Services for Seniors	IOLTA/EAFLSP	
76 Legal Services of Northern California	IOLTA/EAFLSP	
77 Los Angeles Center for Law and Justice	IOLTA/EAFLSP	
78 Loyola Marymount University	IOLTA/EAFLSP	
79 McGeorge Community Legal Services	IOLTA/EAFLSP	
80 Mental Health Advocacy Services	IOLTA/EAFLSP	
81 National Center for Youth Law	IOLTA/EAFLSP	
82 National Health Law Program	IOLTA/EAFLSP	
83 National Housing Law Project	IOLTA/EAFLSP	
84 Neighborhood Legal Services	IOLTA/EAFLSP	
85 Oasis Legal Services	IOLTA/EAFLSP	New
86 OneJustice	IOLTA/EAFLSP	
87 Open Door Legal	IOLTA/EAFLSP	
88 Prison Law Office	IOLTA/EAFLSP	
89 Public Advocates Inc.	IOLTA/EAFLSP	
90 Public Counsel	IOLTA/EAFLSP	
91 Public Interest Law Project	IOLTA/EAFLSP	
92 Public Law Center	IOLTA/EAFLSP	
93 Q.Me Place, Inc.	IOLTA/EAFLSP	
94 Riverside Legal Aid	IOLTA/EAFLSP	
95 Sacramento Justice League	IOLTA/EAFLSP	New
96 San Diego Volunteer Lawyer Program	IOLTA/EAFLSP	
97 San Joaquin College of Law	IOLTA/EAFLSP	
98 San Luis Obispo Assistance Foundation	IOLTA/EAFLSP	
99 Santa Barbara County Immigrant Legal Defense Center	IOLTA/EAFLSP	
100 Santa Clara County Asian Law Alliance	IOLTA/EAFLSP	
101 Santa Clara University Alexander Law Center	IOLTA/EAFLSP	
102 Senior Adults Legal Assistance	IOLTA/EAFLSP	

ATTACHMENT A

103 Senior Advocacy Network	IOLTA/EAF LSP	
104 Senior Citizens Legal Services	IOLTA/EAF LSP	
105 Social Justice Collaborative	IOLTA/EAF LSP	
106 Southern California Immigration Project	IOLTA/EAF LSP	
107 Step Forward Foundation	IOLTA/EAF LSP	New
108 UC Davis School of Law Legal Clinics	IOLTA/EAF LSP	
109 UnCommon Law	IOLTA/EAF LSP	
110 United CORE Alliance	IOLTA/EAF LSP	New
111 USD School of Law Legal Clinics	IOLTA/EAF LSP	
112 Ventura County Legal Aid, Inc.	IOLTA/EAF LSP	New
113 Veterans Legal Institute	IOLTA/EAF LSP	
114 Wage Justice Center	IOLTA/EAF LSP	
115 Watsonville Law Center	IOLTA/EAF LSP	
116 Western Center on Law and Poverty	IOLTA/EAF SC	
117 Worksafe, Inc.	IOLTA/EAF SC	
118 Youth Law Center	IOLTA/EAF SC	
119 Yuba-Sutter Legal Center for Seniors	IOLTA/EAF LSP	

Rule 3.680 Application for Trust Fund Program grants

To be considered for a Trust Fund Program grant, a qualified legal services project or qualified support center seeking a Trust Fund Program grant must submit a timely and complete application for funding in the manner prescribed by the Commission. The applicant must agree to use any grant in accordance with grant terms and legal requirements.

- (A) A qualified legal services project must meet statutory criteria.
- (B) A qualified support center must agree to offer support services in two or more of the following ways: consultation, representation, information services, and training. The board of directors of the support center must establish priorities for providing such services after consulting with legal services attorneys and other relevant stakeholders.
- (C) A support center not in existence prior to December 31, 1980 must demonstrate that it is deemed to be of special need by a majority of qualified legal services projects in accordance with Trust Fund Program procedures. Upon request, the Commission must make available to the applicant a list of all the names and addresses of qualified legal services projects.
- (D) A nonprofit corporation that believes it meets the criteria for a qualified legal services project and qualified support center may submit two applications, one as a project and one as a support center, indicating in each application whether it is to be considered the primary or secondary application. The Commission will consider the secondary application only if the primary application is not approved. No applicant may receive a grant as a qualified legal services project and as a qualified support center.
- (E) An application must include
 - (1) an audited financial statement by an independent certified public accountant for the fiscal year that concluded during the prior calendar year. A financial review by an independent certified public accountant in lieu of an audited financial statement may be submitted by an applicant whose gross corporate expenditures, excluding in-kind donated services, were less than the amount specified in the Schedule of Charges and Deadlines;
 - (2) information about the maintenance of quality service and professional standards and how the applicant maintains standards, such as internal

quality control and review procedures; experience and educational requirements of attorneys and paralegals; supervisory structure, procedures, and responsibilities; job descriptions and current salaries for all filled and unfilled professional and management positions; and fiscal controls and procedures.

- (3) a budget and budget narrative, which must be submitted within thirty days of receipt of a notice of tentative allocation, explaining how funds will be used to provide civil legal services to indigent persons, especially underserved client groups such as, the elderly, the disabled, juveniles, and non-English-speaking persons within the applicant's service area; and
 - (4) information about program activities, such as substantive practice areas, extent and complexity of services, a summary of litigation, and populations served.
- (F) State Bar staff may accept application materials, except for audited financial statements or financial reviews, which are addressed in Appendix A of these Rules, submitted up to one business day after the posted deadline. The Commission or a committee of its members may accept, accept with conditions, or reject application materials that are submitted beyond one business day after the posted deadline or that are submitted up to one business day after the posted deadline but not accepted by State Bar staff. Factors that the Commission or committee may consider when determining whether to accept a late application include, but are not limited to
- (1) how late after the deadline the submission was received;
 - (2) the completeness of the submission;
 - (3) the reasonableness of the applicant's explanation for the delay;
 - (4) any mitigating factors that the applicant provides to the committee; and
 - (5) the number of late application or reporting submissions made by the applicant in the preceding three years.

Rule 3.680 adopted effective March 6, 2009; amended effective January 25, 2019; amended effective July 1, 2023.

TITLE 3, DIVISION 5, CHAPTER 2 LEGAL SERVICES TRUST FUND

Fees previously adopted by the Board of Trustees or mandated by statute.

Amended effective March 2, 2012; amended effective January 25, 2019; amended effective July 1, 2023.

<i>Rule</i>	<i>Description</i>	<i>Amount</i>	<i>Deadline</i>
3.680(E)(1))	<p>Threshold amount of gross corporate expenditures, excluding in-kind donated services, requiring submission of an audited financial statement.</p> <p>Deadline for applicant to submit an audited or reviewed financial statement for the fiscal year that concluded during the prior calendar year.</p>	\$500,000	<p>Not applicable</p> <p>Promptly when available, and no later than May 1. Upon written request, an extension up to the application deadline may be granted by the State Bar staff. Upon a showing of extraordinary circumstances, the Commission may grant an extension beyond the application deadline. If no extraordinary circumstances exist, the Commission may grant an extension with conditions. Under no circumstances shall such extension be granted beyond the date upon which grant allocations are determined.</p>

April 29, 2024

Dear Legal Services Trust Fund Commission Eligibility & Budget Review Committee,

On behalf of Al Otro Lado, we would like to formally request an extension to submit our audit for the 2025 IOLTA/EAF Application process. As instructed, below you will find details and information pertaining to this request. Should you have any questions or concerns please feel free to reach out.

Details surrounding the delay in submitting a timely audit/financial review:

The delay in submitting the audit/financial review was primarily due to a serious and unexpected disruption in our organization's expense reporting software, Tallie, during the fourth quarter of 2023. Despite numerous attempts to work with their support team, Tallie's integration capabilities with our accounting software, QuickBooks, were significantly affected, leading to an inability to properly export and record transactions in our accounting software. This issue resulted in a significant delay in recording expenses, as we were often required to manually input hundreds of submitted and approved expenses into QuickBooks. Moreover, extensive time was spent meticulously reviewing our books and balance sheet to rectify any transactions that were duplicated in the failed export attempts. These unanticipated software bugs necessitated increased hours for both our external accounting firm and internal finance staff, contributing to the delay in the audit/financial review submission.

Explanation of "extraordinary circumstances":

Al Otro Lado considers the aforementioned challenges as constituting extraordinary circumstances due to their unprecedented nature and significant impact on our financial reporting process and timing. The disruption caused by the malfunctioning of our organization's expense reporting software, Tallie, during the fourth quarter was unforeseen and severe. Despite being in continuous contact with Tallie's support team, the issues persisted, necessitating extensive manual intervention and review to rectify the situation. The unexpected nature of the software bugs and their profound effect on our ability to record and reconcile expenses in a timely manner were beyond our control and posed a substantial challenge to our finance team and external accounting firm. These extraordinary circumstances required a considerable reallocation of resources and time to address, contributing to the delay in the close of our 2023 books and start of our audit.

Steps Al Otro Lado plans to take to avoid future delays:

To prevent similar delays in the future, Al Otro Lado has implemented several proactive measures. Firstly, in response to the challenges encountered with Tallie in 2023, we have transitioned to a new expense reporting software, Spend Clarity, effective in 2024. Spend Clarity offers improved integration capabilities with our accounting software, QuickBooks, and is designed to streamline the expense reporting process, reducing the likelihood of similar disruptions.

Additionally, we have expanded our internal capacity by growing our finance team. In January 2024, we successfully onboarded an internal staff accountant, a new position for Al Otro Lado. This strategic expansion of our team enhances our internal capacity and expertise, particularly in financial management and compliance matters. We believe that having an internal staff attorney dedicated to bookkeeping and other financial affairs will provide valuable support in ensuring timely financial closings and addressing any regulatory complexities that may arise.

By leveraging Spend Clarity for expense reporting and growing our finance team, Al Otro Lado is proactively strengthening its operational processes and capacity to meet financial reporting deadlines in the future. These strategic initiatives underscore our commitment to continuous improvement and adherence to best practices in financial management.

Anticipated date for finalizing the audit/financial review:

Currently, our auditing firm has our audit slated for completion on May 30, 2024. However, Al Otro Lado contracts an external accounting firm that provides controller oversight for our accounts. We have recently been informed that the controller assigned to our account is undergoing a transition out of their firm. As a result, we are actively engaged in the process of onboarding the accounting firm's new controller to ensure continuity and efficiency in our financial reporting procedures.

Given these circumstances, we kindly request an extension to submit the audit by **June 15, 2024**. This additional time will allow us to facilitate a smooth transition between controllers and ensure that the audit process proceeds without any interruptions or delays. We are committed to working closely with our auditing firm and external accounting firm to expedite the completion of the audit while upholding the highest standards of accuracy and compliance.

We appreciate your understanding and cooperation in granting this extension, which will enable us to finalize the audit thoroughly and in accordance with regulatory requirements.

Thank you for your time and consideration,
Al Otro Lado Inc.



Asian Pacific Islander Legal Outreach
1121 Mission Street
San Francisco, CA 94103

May 1, 2024

Dear Eligibility and Budget Review Committee,

We are writing to request an extension for the submission of API Legal Outreach's audit report. Due to recent staff turnover within our finance team, we have encountered unforeseen delays in the completion of the report.

We are committed to ensuring the accuracy and thoroughness of the audit report, and regrettably, the transition period resulting from the staff changes has impacted our timeline. Extending the deadline until the end of June would allow us the necessary time to complete the report to the high standards expected.

We apologize for any inconvenience this may cause and assure you that we are working diligently to finalize the audit report promptly. In the future, we will ensure timeliness of our audit report by dedicating appropriate resources in the finance team. Your understanding and consideration regarding this matter are greatly appreciated.

Please let us know if an extension until the end of June (June 30, 2024) is feasible. We are more than willing to provide any additional information or clarification required.

Thank you very much for your attention to this request. Please feel free to contact us at dit@apilegaloutreach.org, cespiritu@apilegaloutreach.org, and grants@apilegaloutreach.org.

Sincerely,
Dean Ito Taylor
Executive Director, (415) 567-6255

Charity Espiritu
Director, (415) 567-6255



GENEVIEVE RICHARDSON
EXECUTIVE DIRECTOR

April 23, 2024

Eligibility & Budget Review Committee
Legal Services Trust Fund Commission
State Bar of California
180 Howard St.
San Francisco, CA 94115

To the Eligibility & Budget Review Committee:

In anticipation of applying for 2025 IOLTA and EAF grants, Bay Area Legal Aid is mindful of the upcoming May 1 deadline to provide our 2023 audit to the State Bar. Due to extraordinary circumstances, we are requesting approval from the Legal Services Trust Fund Commission to upload the audit via the SmartSimple platform by June 1, 2024.

As a recipient of significant federally sourced funding, BayLegal is independently audited on an annual basis under the strict guidelines and compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, and in accordance with GAAP standards. Following best practices, BayLegal engaged a new firm to conduct our audit for the fiscal year ending December 31, 2023, having worked with our previous auditors for a number of years.

The Audit Committee of BayLegal's Board of Directors interviewed prospective firms and selected a new auditor, Baker Tilly, in January 2024. As a consequence, the timeline for the 2023 financial statement audit was delayed compared to the timeline in a typical year. Understandably, it has taken Baker Tilly some time to become familiar with BayLegal's structure, systems, and practices. Moreover, Baker Tilly is fulfilling its responsibilities as a new auditor by performing extensive transactional testing, which pushed the timeline out further than anticipated.

Meanwhile, there were other exceptional circumstances that diverted finance staff from annual audit preparations. During the first quarter of 2024, BayLegal worked on implementing a transition to Paycom, an online platform that, once fully operational, will significantly streamline our in-house payroll process. In addition, BayLegal received notice that we were required to prepare and submit an in-depth financial review of one of our major Alameda County programs by February 21, 2024. Despite these labor-intensive projects pulling focus from the audit, we are confident of having accurate audited figures ready in time for the 2025 IOLTA/EAF grant application deadline of May 15. It is only the final report and management letter that will be delayed. Again, because Baker Tilly is conducting BayLegal's audit for the first time, it is reasonable to expect the firm to take added time and care with these documents.

BayLegal consistently meets State Bar grant deadlines for applications, reporting, and other requests for information, making this request for an extension highly unusual. As Baker Tilly continues working with BayLegal as our auditors over the next few years, we anticipate the process will become more efficient. Similarly, Paycom will make document production for next year's audit easier, and it is unlikely in the

BayLegal's activities are regulated under federal law by the Legal Services Corporation Act of 1974, as amended, and related regulations, guaranteeing that no funding will be used for any prohibited purpose.

Serving the counties of Alameda ♦ Contra Costa ♦ Marin ♦ Napa ♦ San Francisco ♦ San Mateo ♦ Santa Clara
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future that a burden like the Alameda MAA audit would again be placed on our finance team's shoulders in the midst of annual audit prep. Finally, BayLegal is currently in the process of hiring an additional accountant, which will increase the finance team's overall capacity. We hope the Commission will take the exceptional conditions surrounding our 2023 audit process into consideration and grant BayLegal approval to submit our audit to the State Bar by June 1, 2024.

Respectfully,



Burt Thompson

Director of Finance and Administration



CCIJ | CALIFORNIA
COLLABORATIVE
FOR IMMIGRANT JUSTICE

✉ info@ccijjustice.org
🔗 www.ccijjustice.org

May 13, 2024

Legal Services Trust Fund Commission
Eligibility and Budget Review Committee

Re: Request for Extension – 2023 Audited Fiscal Statement

I write on behalf of the California Collaborative for Immigrant Justice to request an extension until June 15, 2024 to submit a 2023 Audited Fiscal Statement.

An extension is needed because CCIJ switched auditors this year, which delayed our fiscal statement preparation longer than expected. Due to issues with our previous auditor, we contracted in February with a new audit firm, Perrotti & Carrade. Unfortunately, the transfer of information from our prior auditor took longer than anticipated.

Because of that, our draft audit report will not be available until May 31, 2024. We will then need to obtain approval from the Board of Directors, upon which the final report will be delivered within a few days. See attached letter from Perotti & Carrade.

This unforeseen delay was a one-time occurrence based on the change in auditor. CCIJ will continue working with Perrott & Carrade on future audits and we are confident of meeting the May 15th deadline in future years.

Sincerely,

Edwin Carmona-Cruz
Co-Executive Director
California Collaborative for Immigrant Justice
1999 Harrison Street, Suite 1800
Oakland, CA 94612



May 10, 2024

Edwin Carmona-Cruz, Co-Executive Director
California Collaborative for Immigrant Justice
1999 Harrison St, Suite 1800
Oakland, CA 94612

Dear Edwin,

The purpose of this letter is to update you on our progress and expected completion date of the audit of California Collaborative for Immigrant Justice for the year ended December 31, 2023.

We have made good progress on the audit so far and we expect to have a draft of the audit report to you no later than May 31, 2024, barring any unforeseen difficulties. This estimate assumes that we will continue to receive full cooperation from management and prompt responses on any questions that we may have.

The final audit report will be delivered to you within a few days of approval of the draft audit report by management and/or the Board of Directors of California Collaborative for Immigrant Justice.

Very truly yours,

Bradley Levine

Bradley Levine, CPA



May 15, 2024

Legal Services Trust Fund Commission
Eligibility & Budget Review Committee
Danielle MacRae, Lead Program Analyst
danielle.macrae@calbar.ca.gov
Helen Yu, Senior Program Analyst
helen.yu@calbar.ca.gov

Re: Centro Legal Audit Extension Request

Dear Ms. MacRae and Ms. Yu,

We write to request that the deadline to submit Centro Legal de la Raza's Fiscal Year 22-23 audited financial statements be extended to June 30, 2024. We understand that a request of this nature is extraordinary and would like to take the opportunity to provide an explanation as to the extenuating circumstances leading to this one time request, as well as to assure the Commission that all possible steps have been taken to ensure that this will not happen again.

Like many of our partner legal service providers, Centro Legal stepped up during the pandemic to partner with local governments in utilizing federal COVID-relief funds to prevent homelessness. For instance, utilizing American Rescue Plan Act funds, Centro Legal de la Raza stood up temporary large-scale homelessness prevention programs in Alameda County and Unincorporated Alameda County. We also partnered with our county to administer our county's Emergency Rental Assistance Program (ERAP). We are proud to say that we were able to administer over \$32M in Emergency Rental Assistance last fiscal year, reaching thousands of unstably housed low-income tenants, and providing them with legal resources, legal information, and legal referrals. This effort was a crucial preemptive step in mitigating the impacts of the post-moratorium eviction waves seen across the nation.

While we are incredibly proud of the impact made by our organization, exponentially scaling up our ability to process the volume of financial transactions sufficient to meet the community need, virtually overnight, was a herculean effort. The impacts of rapid financial transaction scaling were exacerbated by the following additional challenges:

- Staffing. Like many legal service providers and non-profits generally, Centro Legal experienced challenges in recruiting and retaining finance and accounting staff. Given the high cost of living in our area and the challenges involved in scaling up so rapidly, these challenges were exacerbated for us.
- Loss of Finance Director. Our long-time Finance Director, Cecilia Dowd, went out on an extended medical leave in September, 2023, then departed the organization in January 2024.

- New Accounting System. The complexity of our grants and the limitations of Quickbooks necessitated a more powerful accounting system that could do grant based accounting. While dealing with an increased strain on the finance team, the planned installation of the new accounting system, Intacct, was pushed through to be live as of July 1st, 2023, requiring the organization to switch to that system from the Quickbooks Enterprise platform.

Centro Legal has taken numerous steps to shore up our finance and accounting department over the past year:

- Audit Support. To bring additional bandwidth to the accounting team, the organization hired Bicycle Accounting in August 2023 to do the FY 23 audit, with our auditor's, Perotti and Carrade.
- Engaging Dakin Ventures Consulting Group. In October 2023, the organization hired Dakin Ventures to do an initial review of the accounting team's work, focus on FY 24 and build out the Intacct general ledger system to function as it had been intended.

Staff turnover was shown to be a big hindrance in the work to get the proper documentation for the FY 23 audit, to then be put on pause by the auditor as they focused on tax season. The auditor is now picking up the work on Centro Legal again to make the 990 deadline and then continue with the single audit and audited financials.

At this time, the Intacct accounting system is almost completely built out, regular reporting is happening, new systems and processes have been instituted, and staffing is stabilized. Documentation of processes is being strengthened and new ways of collaborating between the accounting and other teams at Centro Legal are being practiced. We do not anticipate a delay in the Fiscal Year 23-24 audit due to the changes that have been made over the last half year.

We are confident that the steps taken by the organization over the past year to improve our finance and accounting infrastructure and processes will set the organization up for success for years to come. Per the auditor's last estimate, we should have the Fiscal Year 22-23 audit completed within the next six weeks. As such, we respectfully request that the deadline to submit Centro Legal de la Raza's Fiscal Year 22-23 audited financial statements be extended to June 30, 2024.

Sincerely,

A handwritten signature in blue ink that reads "Monique Berlanga". The signature is fluid and cursive, with the first name "Monique" being more prominent than the last name "Berlanga".

Monique Berlanga, Executive Director

April 2, 2024

Legal Services Trust Fund Commission
c/o Doan Nguyen
State Bar of California
180 Howard St.
San Francisco, CA 94105

Re: Request for Extension on Submission of 2023 Audit

Dear Commission Members:

Due to extraordinary circumstances, I am writing to request an extension to June 30, 2024 for Capital Pro Bono to submit its 2023 Audit. This request mirrors the same request made last week on behalf of CPB's sister organization, Legal Services of Northern California (LSNC) whose Finance Unit undertakes all the financial and accounting work for CPB as well as LSNC.

While our Finance Unit is actively engaged with its auditors, Baker Tilly, and is working as quickly as possible to provide all requested materials and samples, the staff has been unavoidably delayed in completing this work due to the unanticipated absence of key staff and staff vacancies, which are described below.

LSNC's long-time Finance Director, Sharon Hulett, announced last year that she would retire in mid-2024. She also gave notice of a scheduled medical procedure that would require her absence for two months in early 2024. To prepare for her retirement and extended absence, LSNC/CPB began a search for a new Finance Director in mid-2023. In January 2024, LSNC/CPB hired Erika Trujillo, a former LSNC/CPB Finance Unit employee who was chief financial officer for several non-profit organizations after she left LSNC in 2006. Erika started in early February 2024 and had several weeks shadowing Sharon and beginning work on the annual audit. Sharon began her medical leave in early March.

Very unexpectedly and after six years on the transplant registry list, on March 19 Erika received a call that a donor kidney was available for transplant the following day. With just a few hours' notice, Erika had to travel to Omaha, Nebraska for the transplant. She expects, based on her doctors' reports, that she will be unable to work for several weeks, after which she will be able to work on a limited basis for several more weeks until she is back full-time in May 2024.

Currently, LSNC/CPB has one experienced accounting manager and one new accounting manager, who just assumed her position at the end of 2023. There are currently two full-time accountants, one accounts payable specialist and one payroll/HR specialist in the unit, in addition to one part-time accountant. There are currently two full-time accountant vacancies in the unit and one accounts payable specialist vacancy (which will be filled in mid-April). The absence of the Finance Directors, who lead the audit in ordinary years, has significantly impeded the process

of the audit which was scheduled for March 18 through April 5, 2024. Baker Tilly has informed us that they could not complete the audit on time, even though our Finance staff are working overtime to comply with audit-related requests.

Last week, immediately after Erika's departure, and on the advice of Baker Tilly, we requested that the federal Legal Services Corporation provide LSNC an extension for submitting our audit, due to them by April 29. Legal Services Corporation granted an extension to June 30, 2024.

Baker Tilly will have to assign other audit teams to work on CPB's audit for the parts that they are unable to complete this week. Their availability is limited due to scheduled audits with other organizations. However they assured us that if we continue to produce items responsive to their requests, the audit can be completed by June 30, 2024. They have made no findings of concern at this stage – the delays in no way reflect any problems with LSNC/CPB's financial operations during 2023.

This is a unique set of circumstances, and it is difficult to imagine a similar situation occurring again. However, unexpected illness or absence can occur, which is why LSNC/CPB is committed to cross-training its Finance staff to be prepared to fill-in for absent colleagues when necessary. In addition, after this year, the two accounting managers will have gained hands-on audit experience so that if a similar event occurred in future years, they would be prepared to step into the Finance Director role (in the context of the audit).

LSNC/CPB was reluctant to make this request given its commitment to fulfill all of its obligations as grantees of State Bar administered funds. The Finance Unit is still hopeful it can complete the audit much sooner than June 30. As soon as it is complete, we will provide it to the State Bar.

I am available to answer any questions from the Commission members. You can reach me at (916) 551-2111 or via email at gsmith@lsnc.net. Thank you for your consideration of this request.

Sincerely,



Gary F. Smith
Executive Director

cc: Heather Tiffie, CPB Managing Attorney



May 14, 2024

Legal Services Trust Fund Commission (LSTFC)
Eligibility & Budget Review Committee
180 Howard Street
SF, CA 94105

Subject: Request for Audit Extension Deadline

Dear Members of the Legal Services Trust Fund Commission (LSTFC) Eligibility & Budget Review Committee,

I am writing on behalf of Eviction Defense Collaborative (EDC) to formally request an extension of the deadline for the submission of our audited financial statements. We understand the importance of adhering to deadlines and sincerely apologize for any inconvenience our delay may cause. Per your requirements, I am providing the following information:

Details Surrounding the Request:

Our new audit firm (O'Connor & Company) has informed us that our audit will be completed by mid-July or early August. However, we have informed them of the urgency for it to be completed by early June. To this end, we have engaged a CPA firm to assist in this process.

Explanation of Extraordinary Circumstances:

EDC has encountered significant leadership changes over the past year, leading to unavoidable disruptions in our operations. Additionally, we have recently transitioned our financial software from Quickbooks to Blackbaud's Financial Edge NXT and have embarked on a multi-system software integration project to support our deliverables-based allocation model. This integration aims to enhance our time and effort record keeping and ensure compliance with regulatory requirements. Furthermore, as this is the first year of collaboration with our new auditing firm, their comprehensive auditing process has extended beyond our initial expectations.

Steps to Avoid Future Delays:

To mitigate future delays in audit/financial review submissions, EDC is committed to implementing several proactive measures. These include:



- Engaging a CPA firm to support the completion of the audit and to provide an oversight review of our finance department to ensure accuracy and thoroughness.
- Providing ongoing training and support to staff members to ensure proficiency in using Financial Edge NXT and other integrated systems.
- Establishing clear communication channels with our auditing firm to streamline the auditing process and identify any potential bottlenecks in advance.
- Conducting regular internal audits to identify and address any issues promptly, thereby facilitating smoother external audits in subsequent years.

Anticipated Timeline for Finalizing Audit/Financial Review:

We are mindful that the LSTFC cannot approve any extensions beyond the date on which grant allocations are determined. Therefore, in alignment with this requirement, **we are diligently working towards finalizing our audited financial statements**. We will ensure that our submission to the LSTFC Eligibility & Budget Review Committee will precede the critical allocation determination meeting.

In conclusion, EDC acknowledges the importance of complying with deadlines and deeply regrets any inconvenience caused by our delayed submission. We are committed to ensuring a prompt and thorough completion of our audit/financial review and appreciate your understanding and consideration of our request for an extension.

Should you require any further information or clarification, please do not hesitate to contact me. Thank you for your attention to this matter.

Sincerely,



Daniel Casanova

Executive Director

danielc@evictiondefense.org

(818) 384-6348

March 26, 2024

Legal Services Trust Fund Commission
c/o Doan Nguyen
State Bar of California
180 Howard St.
San Francisco, CA 94105

Re: Request for Extension on Submission of 2023 Audit

Dear Commission Members:

Due to extraordinary circumstances, I am writing to request an extension to June 30, 2024 for Legal Services of Northern California to submit its 2023 Audit.

While LSNC's Finance Unit is actively engaged with its auditors, Baker Tilly, and is working as quickly as possible to provide all requested materials and samples, the staff has been unavoidably delayed in completing this work due to the unanticipated absence of key staff and staff vacancies, which are described below.

LSNC's long-time Finance Director, Sharon Hulett, announced last year that she would retire in mid-2024. She also gave notice of a scheduled medical procedure that would require her absence for two months in early 2024. To prepare for her retirement and extended absence, LSNC began a search for a new Finance Director in mid-2023. In January 2024, LSNC hired Erika Trujillo, a former LSNC Finance Unit employee who was chief financial officer for several non-profit organizations after she left LSNC in 2006. Erika started in early February 2024 and had several weeks shadowing Sharon and beginning work on the annual audit. Sharon began her medical leave in early March.

Very unexpectedly and after six years on the transplant registry list, last Tuesday, March 19, Erika received a call that a donor kidney was available for transplant the following day. With just a few hours' notice, Erika had to travel to Omaha, Nebraska for the transplant. She expects, based on her doctors' reports, that she will be unable to work for several weeks, after which she will be able to work on a limited basis for several more weeks until she is back full-time in May 2024.

Executive Office:
517 12th Street
Sacramento, CA 95814
P: 916.551.2150
F: 916.551.2195
www.lsnc.net

A Legal Services Corporation Program 

Currently, LSNC has one experienced accounting manager and one new accounting manager, who just assumed her position at the end of 2023. There are currently two full-time accountants, one accounts payable specialist and one payroll/HR specialist in the unit, in addition to one part-time accountant. There are currently two full-time accountant vacancies in the unit and one accounts payable specialist vacancy (which will be filled in mid-April). The absence of the Finance Directors, who lead the audit in ordinary years has significantly impeded the process of the audit which was scheduled for March 18 through April 5, 2024. Baker Tilly informed me today that they could only complete the audit on time if the Finance Unit could provide all requested documents and samples by March 29. I do not believe that is possible given the inexperience of the accounting managers and the inaccessibility of the Finance Directors to guide them. Two accountants and the accounting managers worked throughout the weekend to respond to audit requests.

Last week, immediately after Erika's departure, and on the advice of Baker Tilly, I requested that the federal Legal Services Corporation provide LSNC an extension for submitting our audit, due to them by April 29. Legal Services Corporation granted an extension to June 30, 2024.

Baker Tilly will have to assign other audit teams to work on LSNC's audit for the parts that they are unable to complete next week. Their availability is limited due to scheduled audits with other organizations. However they assured us today that if we continue to produce items responsive to their requests, the audit can be completed by June 30, 2024. They have made no findings of concern at this stage – the delays in no way reflect any problems with LSNC's financial operations during 2023.

This is a unique set of circumstances, and it is difficult to imagine a similar situation occurring again. However, unexpected illness or absence can occur, which is why LSNC is committed to cross-training its Finance staff to be prepared to fill-in for absent colleagues when necessary. In addition, after this year, the two accounting managers will have gained hands-on audit experience so that if a similar event occurred in future years, they would be prepared to step into the Finance Director role (in the context of the audit).

LSNC was reluctant to make this request given its commitment to fulfill all of its obligations as grantees of State Bar administered funds. The Finance Unit is still hopeful it can complete the audit much sooner than June 30. As soon as it is complete, LSNC will provide it to the State Bar.

LSNC's Executive Director, Gary Smith, has been traveling and away from the office during the last two weeks, however, he returns this week and is available to answer any questions from the Commission members. You can reach him at (916) 551-2111 or via email at gsmith@lsnc.net. Thank you for your consideration of this request. If you have questions for me, you can reach me at (916) 396-2098 or via email at jaguilar@lsnc.net.

Sincerely,

/s/

Julie Aguilar Rogado
Deputy Director



May 28, 2024

Dear Legal Services Trust Fund Commission Eligibility & Budget Review Committee:

The reason for the delay is due to this also being a time in which we transitioned to a new audit firm. We and the new auditors agreed that the final audited financial statements would be available by May 15, 2024. However, we encountered some challenges in regards to the previous auditors transferring documents to the new firm, which contributed to a slower start/onboarding than anticipated. Additionally, bringing on a new audit team meant that they had to gain access to prior year workbooks, as well as review and sign off on the prior year audited financial statements provided by the previous auditors.

Unfortunately, it wasn't until May 13, 2024 when it was clear that only drafted financials would be available on May 15, 2024. We were also under the impression that in prior years, draft audited financial statements were submitted, then quickly followed by final audited financial statements when then they became ready.

We certainly plan to submit timely final audited financial statements in the future. Now that the new audit firm has been onboarded and experienced working through a full auditing cycle with us, they will be more familiar with our organizational processes and operations. This will be key in allowing us to start the annual audit cycle much earlier in the year. We anticipate finalizing the audited financial statements by the end of day on May 31, 2024.

Thank you for your consideration and we welcome any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Harris", with a stylized flourish at the end.

Victoria Harris
Director of Finance
Open Door Legal



May 31, 2024

Via email to jennifer.zelnick@calbar.ca.gov

Dear Jennifer:

I would like to amend our request for an additional extension for our final audit submission. As I mentioned previously, our CFO, Jeff Bolton, joined our staff almost a little over one year ago, on May 2, 2023. Previously, the finances at our organization were handled by my predecessor, Ken Babcock, and one staff accountant, neither of whom were CPAs. They worked very hard, but there's no question that they relied on a very manual, decentralized record-keeping system, and that much of the historical knowledge remained in their heads. This has made it very challenging for Jeff and me to take over. In addition, Jeff is our only finance person on staff, so even though he is very diligent and hard-working, there is only so quickly that he can work while still managing all of the Accounts Payable and Receivable for our staff of approximately 70.

Furthermore, in 2022, the last year of my predecessor's and the prior staff accountant's tenure, our organization's receipt of federal grant funds exceeded \$750,000 for the first time, which triggered the requirement for a Single Audit. The Single Audit is a more in-depth, specialized financial audit required under federal regulations. As a result, in 2023, not only did Jeff and I have to complete the usual financial audit required under California law as new members of the organization's leadership team, we also had to complete a Single Audit for the first time in our organization's history.

As we soon discovered, the Single Audit was significantly different and more time-consuming in nature than our usual financial audit under California law. Our auditors were at last able to finalize the Single Audit Report on April 16, 2024, about 2-3 months later than anticipated.

This pushed back our start date to working on the 2023 general financial audit, as well. The auditors were committed to helping us meet the extended audit deadline of May 15, 2024, and we developed a very tight workplan to make this happen. Unfortunately, our auditing firm informed me yesterday (May 30th) that while we have all been working around the clock on this, they need several more items of documentation from us before they can complete our 2023 audit. They prepared a draft audit report for us on May 23, 2024, which we could upload now if you wish, but they inform me that we will likely require 2 weeks to finalize it.

As a result, we would like to amend our request for an extension to submit our final financial audit until June 15, 2024 at 5pm. We understand that the Legal Services Trust Fund Commission will have discretion over whether or not to approve this additional extension. Given the circumstances I have described above, we hope that the Commission will see fit to grant us this extension.

I'm happy to schedule a call to discuss further or provide any additional information as needed. Thank you for all you do.

Sincerely,

A handwritten signature in black ink, appearing to read "Monica Eav Glick", with a long horizontal flourish extending to the right.

Monica Eav Glick
Executive Director and General Counsel



Khalil Ferguson
President and CEO

6700 Freeport Blvd STE 205
Sacramento, CA 95822
Khalil@united-core.org

May 20, 2024

Eligibility and Budget Review Committee
Legal Services Trust Fund Commission
The State Bar of California
845 South Figueroa Street
Los Angeles, CA 90017

RE: REQUEST FOR FINANCIAL STATEMENT EXTENSION

Dear Eligibility and Budget Review Committee,

On behalf of the Board of Directors of United CORE Alliance (UCA), we humbly submit this request to extend the deadline to submit our reviewed financial documents. UCA is a four-year old non-profit organization that has been served the Sacramento community with diligence even with limited resources. As such, our revenue has not required us to have a financial review conducted by a Certified Public Accountant (CPA). We submitted our application, along with what we believed were the necessary financial documents reviewed by a certified tax preparer and bookkeeper, who conducted a fiscal review of our finances and accounting practices. UCA's Board of Directors prides itself on being prompt and diligent in our work. Moving forward, we will incorporate in our bylaws annual financial audits regardless of the income earned in the fiscal year. We have already engaged a CPA firm – S.E. Owens Company – who will begin reviewing our financials and will produce the relevant financial documents to ensure our eligibility. We expect to have our financial review complete and submitted by Friday, June 7, 2024.

If you have any questions or concerns, please do not hesitate to reach out to me.

Sincerely,

A handwritten signature in black ink that reads 'Khalil J. Ferguson'.

Khalil J. Ferguson
President & CEO

The Wage Justice Center

*A California Nonprofit Organization
Dedicated to Enforcing the Basic Rights of California's Workers*

May 15, 2024

RE: Wage Justice Center's Audit Extension May 31, 2024

Dear Legal Services Trust Fund,

The Wage Justice Center hereby submits a request for an extension to submit its FY 2023 (January-December) Audit until May 31, 2024. Concurrently, we submitted our IOLTA/EAF 2024 application on the due date of May 15, 2024, accompanied by a copy of our unaudited Profit and Loss financial statement. I am confident that the unaudited financials accurately reflect the Center's financial position, and we anticipate no material deviations from these figures in the final audit report expected on May 31, 2024. The unaudited financial reports have been diligently prepared by our trusted bookkeeping services provider, Briones Bookkeeping Services.

The reason for this extension request lies in an inadvertent delay caused by the center's bookkeeping review process to prepare for the audit which led to the audit commencement being behind schedule. I have taken proactive measures by outlining a comprehensive internal timeline in collaboration with Briones Bookkeeping Services to ensure no delays with the May 1, 2025 State Bar Audit Deadline.

The Wage Justice Center remains unwavering in its commitment to our mission of combating wage theft and championing economic justice for low-wage workers who have been unjustly deprived of their hard-earned wages. Our dedicated team has been tirelessly working to uphold this cause, and the continued funding from IOLTA/EAF is instrumental in sustaining our efforts.

I kindly request your understanding and approval of this extension request. Your support will enable us to maintain our focus in our fight against wage theft.

Thank you for your consideration, if you have any questions, please contact me at 213-332-0747 or tania@wagejustice.org.

Sincerely,



Tania Millan
Executive Director

**YUBA-SUTTER
LEGAL CENTER
FOR SENIORS**

725 D STREET
MARYSVILLE, CA 95901
(530) 742-8289

May 17, 2024

To:

Legal Services Trust Fund Commission Eligibility and Budget Review Committee

Dear Committee,

I would like to request a late submission for our financial audit due to an unforeseen situation. Our auditor discovered several reversing entries that our prior bookkeeper had made and there were no footnotes explaining these ledger entries. This has resulted in our auditor not releasing the audit without further clarification of these entries. We have taken all steps possible to contact our prior bookkeeper for clarification on the above referenced reversing entries so we can finalize our audit. Unfortunately, we have not been successful in receiving a response from her. We are working diligently with the auditor to get these issues resolved as soon as possible, and our auditor believes that this can be resolved and finalized by May 31, 2024.

We stopped using this bookkeeper last fall and will never use her services again, and should we ever use external bookkeeping or similar services in the future we will not allow such accounting entries without approval from the Directing Attorney or the manager responsible for financial reporting at the legal center, and this will ensure that no such future event or circumstance will affect our ability to provide timely accurate submissions of our financials for our auditors and for our mandatory reporting.

Sincerely,



E. Joseph Carrico

Directing Attorney