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**TO:** Interested Parties

**FROM:** Lara Szent-Gyorgyi, Director, Determination of Need Program

**DATE:** March 8, 2021

**RE:** CPA report

The purpose of this memorandum is to provide interested parties with guidance on: determining the time frame for a forecast or projection as part of the required CPA report submitted with a Determination of Need (“DoN”) application to meet Factor 4.

The 2017 DoN regulation at 105 CMR 100.210 (4)(a) requires all applicants to include:

...a compilation of prospective financial information, such as a forecast or a projection, for the subsequent five-year period prepared in accordance with the attestation standards established by the American Institute of Certified Public Accountants...”

For the purposes of determining the five-year period, applicants shall 1) project a total of 60 months for the report, and 2) use the year following the projected first full year of operation of the project, or the beginning of the fiscal year immediately following the projected date of the application submission date, as appropriate, as the beginning of the five-year period for the projection, unless the end of the preceding fiscal year ends within 3 months of the projected application submission date, in which case the 60 month projection can begin with the current fiscal year.

In order to ensure that the projection includes a full five years, if submission of the application is delayed by more than three months from the originally projected date, and the current fiscal year began more than three months prior to the submission, the Applicant will be asked to include an additional fiscal year in the projection.

Please direct any questions or comments about this memorandum to the Determination of Need Program at [dph.don@state.ma.us](mailto:dph.don@state.ma.us).