



**Request for Proposal
Annual Independent Audit and 990 Preparation
October 1, 2021**

Submission of Bid

Bids shall be submitted in accordance with the “Proposal Guidelines”. **Bids clearly labeled “Annual Independent Audit and 990 Preparation - Community Action” will be received by Community Action until October 15, 2021 by 3 p.m. No late bids will be accepted.** Bids should be sent to the Finance Manager, 175 Main St., Battle Creek, MI 49014 or by e-mail to accountspayable@caascm.org. All questions will be directed to Katherine McNally, Director of Finance at (269) 441-1614 or katherinem@caascm.org.

Right to Reject Bid

Community Action reserves the right to waive irregularities and to accept and/or reject any or all Bids. Community Action reserves the right to consider late proposals (i) if no other bid responses were received (ii) if there are no complete proposal responses received (iii) if Community Action received a complete proposal response, but they did not pass the evaluation process; or, (iv) if the award process fails to result in an award.

Community Action may consider an otherwise disqualified proposal response if no other qualified proposal responses are received. Further, Community Action may enter into negotiations with one or more businesses on price, terms, or other deliverables.

Funding Source and Percentage

Indirect cost pool 100%

Award

It is the intent of Community Action to award the Bid by October 31, 2021. Submission of a bid will be construed as a conclusive presumption that the bidder is thoroughly familiar with the “Proposal Guidelines” and that bidder understands and agrees to abide by each and all of the stipulations and requirements contained therein.

PROPOSAL GUIDELINES

TABLE OF CONTENTS

I. GENERAL INFORMATION

- A. Purpose
- B. Who May Respond
- C. Small and/or Minority-Owned Businesses
- D. Description of Entity and Records to be Audited

II. SPECIFICATION SCHEDULE

- A. Scope of a Financial and Compliance Audit
- B. Performance
- C. Delivery Schedule
- D. Price
- E. Payment
- F. Audit Review
- G. Exit Conference
- H. Workpapers
- I. Confidentiality
- J. AICPA Professional Standards

III. OFFEROR'S TECHNICAL QUALIFICATIONS

- A. Prior Auditing Experience
- B. Organization, Size, and Structure
- C. Staff Qualification
- D. Understanding of Work to be Performed
- E. Certifications

IV. PROPOSAL EVALUATION

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Proposal Evaluation
- D. Review Process

CERTIFICATIONS

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the following years: 01/01/21 – 12/31/21, 01/01/22 – 12/31/22, 01/01/23 – 12/31/23, 01/01/24 – 12/31/24, and 01/01/25 – 12/31/25.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Small and/or Minority-Owned Businesses

Efforts will be made by Community Action to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

D. Description of Entity and Records to be Audited

Community Action is a nonprofit organization which serves five counties in Michigan. Community Action has been determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is governed by a 15 member volunteer Board of Directors. Administrative offices and all records are located at 175 Main St., Battle Creek, Michigan. Other offices are located throughout the five county areas.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit, prepare the 990 and the license to solicit of Community Action.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards* and any other funder requirement.

B. Delivery Schedule

The audit timeframe is agreed upon each year but field work should be completed and a draft presented to the Chief Executive Officer by the 3rd week in April, with a final by the second week in May.

The Offeror shall present the audit to Community Action's Board of Directors at the May meeting of the Board (following the previous December year end) held on the fourth Monday of the month (or the third Monday if Memorial Day is on the fourth Monday).

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, Community Action may, by written notice of default to the Offeror, terminate the whole or any part of the contract to be entered into. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

C. Price

The Offeror's proposed price should be submitted with information indicating how the price was determined. Please include:

1. Entire cost of the annual independent general audit and the annual single audit (testing of 1-4 major programs) for each of the next five years – beginning with the year ended December 31, 2021. The number of major programs could change, please reflect how this would affect the price of the audit.
2. Amount of hours of service represented by this cost
3. Cost per hour of additional service (if needed) for completion of the audit
4. Separate cost of 990 and license to solicit preparation

D. Payment

Progress payments will be allowed to the extent that Community Action can determine that satisfactory progress is being made.

Should Community Action reject a report, Community Action's authorized representative will notify the Offeror in writing of such rejection giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the final reports to Community Action and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

It is understood that Community Action is a non-profit entity, and as such, is exempt from the payment of all State and Federal Taxes applying to the products specified in this document. Therefore, the prices quoted by the Bidder should not include any amount for taxes.

E. Audit Review

All audit reports prepared under this contract will be reviewed by Community Action and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate audit guides.

F. Exit Conference

An exit conference with Community Action's representatives and the Offeror's representatives will be held at the conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with Community Action. It should include internal control and program compliance observations and recommendations.

G. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Community Action.

H. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. The Offeror agrees to immediately notify, in writing, Community Action's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

I. AICPA Professional Standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, at a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including and provide at least 3 references to similar organizations. Experience should include the following categories:

1. Prior experience auditing Community Action Agencies.

2. Prior experience auditing similar programs funded by the State of Michigan.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing nonprofit organizations.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. Offeror should include a copy of the most recent Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Prior experience of the individual audit team members.

Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

The following items must also be included in your proposal:

1. Dates of availability of auditors for audit performance
2. Projected date of final report issuance
3. Any specific work paper formats used by the auditing organization
4. The attached bid proposal sheet

B. Nonresponsive Proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General.

C. Evaluation

Evaluation of each proposal will be based on the following criteria:

Factors	Point Range
1. Prior experience auditing accounting systems.	
a. Prior experience auditing Community Action Agencies	0-10
b. Prior experience auditing similar programs funded by Michigan	0-5
c. Prior experience auditing programs financed by the Federal Government	0-5
d. Prior experience auditing nonprofit organizations	0-5
<i>Community Action</i> will contact prior audited organizations to verify the experience provided by the Offeror.	
2. Organization, size, and structure of Offeror's firm. (Considering size in relation to audits to be performed.)	
a. Adequate size of the firm	0-5
b. Minority/small business	0-5
3. Qualifications of staff to be assigned to the audits to be performed.	
a. Audit team makeup	0-10
b. Prior experience of the individual audit team members	0-10
4. Offeror's understanding of work to be performed, prior experience with our organization	
a. Dates of availability of offeror's staff	0-5
4. Amount of organization staff time needed for auditor requests	0-10
5. Price	0-30
MAXIMUM POINTS:	110

D. Review Process

The Community Action may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Community Action reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Community Action contemplates award of the contract to the responsible Offeror with the highest total points.

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. *Government Auditing Standards* (Yellow Book)
 - 2. OMB Guidance 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
 - 3. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services*
 - 4. *Not-for-Profit Organizations* (AICPA Audit Guide)
- K. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

L. It is also understood that if a vendor is submitting a bid to Community Action, they are guaranteeing that they are not on the federal listing of Debarred or Suspended Organizations.

M. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state or local government. (If the Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

BID PROPOSAL SHEET

Community Action
REQUEST FOR PROPOSAL – Audit

Bid Submitted for: _____

Name of Bidder: _____

Address: _____

Phone: _____

e-mail: _____

Contact Name: _____

Audit Purchase Price (detail by year): _____

Price for 990 & License to Solicit (detail by year): _____

Total Cost (detail by year): _____

Please explain any additional costs stated above. _____

Circle if you are: Women Owned Minority Owned Small Business

Please attach 3 references to this page

Do you have a relative employed at Community Action: Yes No

I agree to abide by all the terms of this request for proposal unless otherwise stated in my bid proposal.

Authorized Signature

Date

Print Name, Title

Return form and information for bid to: Bernadette Johnson, 175 Main St. Battle Creek, MI 49014

