



Request for Proposal for Audit and Tax Services

(Amendment)

For the period of July 1, 2016 to June 30, 2017

Proposals should be directed to:

Cynthia Foskey
Executive Administrator
Southeastern Community & Family Services, Inc.
foskeyc@scfnsc.org
910/277-3500

Due Date: delivered or postmarked on or before
August 10, 2017

Request for Proposal for Audit and Tax Services

General Information

A. Purpose

This Request for Proposal (“RFP”) is to contract for a financial and compliance audit and tax services for the year ending June 30, 2017. The proposal includes options for 2 additional years.

Professional audit services to be completed in accordance with generally accepted Auditing Standards, and Single Audit Act and set forth by the American Institute of Certified Public Accountants. In addition, to comply with Governmental Audit Standards established by GAO and Uniform Grant Guidance. To perform work to allow the expression of an opinion on the financial statements and to determine if the Agency has complied with legal provision.

To draft the annual financial statement according to reporting and disclosure standards as they exist for the period under audit. To include the necessary financial statements, disclosures and supplementary information.

A draft of the report is to be presented to management and/or the board of directors before final publication.

Certified Public Accountant (“CPA”) will present the audit to the Finance Committee and to the Board of Directors.

Will produce the number of reports required to meet the needs of the Agency. Will furnish the Agency’s accounting staff with adjusting journal entries (if any) and their explanations, and be available to review the adjustments.

Will be available throughout the year to consult with staff regarding organization of accounting systems to ensure a compliant fiscal management system and to explain auditing practices to regulatory agencies.

B. Who May Respond

Licensed Certified Public Accountants.

C. Instructions on Proposal Submission

Submit written bid to Southeastern Community & Family Services, Inc.'s administrative headquarters by 4:30 p.m. on or before the due date August 10, 2017

- Email submissions will not be accepted
- Three (3) copies of proposal
- Provide non-profit audit client references

Inquiries: Inquiries concerning this RFP should be submitted in writing to: foskeyc@scfsnc.org
Cynthia Foskey, Executive Administrator or Liying Reeder, Chief Financial Officer reedeli@scfsnc.org .

Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Prospective Contractor (“Offeror”) and will not be reimbursed by Southeastern Community & Family Services, Inc.

Instructions to Offeror:

Your proposal should be addressed as follows:
Southeastern Community & Family Services, Inc.
Cynthia Foskey, Executive Administrator
Post Office Box 1025
Lumberton NC 28358

It is important that the Offeror’s proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for Proposal
Sealed Proposal For Audit Services

Failure to do so may result in premature disclosure of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by Southeastern Community & Family Services, Inc. by the date and time specified above.

Late proposals will not be considered.

Right to Reject: Southeastern Community & Family Services, Inc. reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

Small and/or Minority-Owned Businesses: Efforts will be made by Southeastern Community & Family Services, Inc. to utilize small businesses and woman- or 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 (2 CFR Part 200.321).

Notification of Award:

- It is expected that a decision selecting the successful audit firm will be made within three (3) weeks of the closing date for the receipt of proposals.
- Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this Request for Proposal will be informed, in writing, that an award has been made.
- It is expected that the contract shall be a one-year fixed price contract with options for two additional one-year periods.

D. Description of Entity and Records to be audited:

Southeastern Community & Family Services, Inc. (Agency) is a North Carolina nonprofit public benefit corporation recognized by the Internal Revenue Services as a charitable, tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code. The Agency was founded in 1964 with a defined mission to focus attention on the problems of the disadvantaged and to develop and administer programs utilizing all available resources from agencies, corporations, foundations, and public and private groups funded through federal and state grants. The Agency is operating as a Community Action Agency (CAA) under the auspices of county, state, and federal governments. It is authorized to conduct programs in Bladen, Brunswick, Columbus, Hoke, Pender, Robeson and Scotland Counties in North Carolina through its having been designated as a CAA by the county commissioners of those counties. The conditions of the grants received require that an annual audit be performed.

Audit should include a statement of financial position for Southeastern Community & Family Services, Inc. and related statement of activities, functional expenses and cash flows for the fiscal year then ended.

Southeastern Community & Family Services, Inc. Fiscal Information:

- Fiscal Year: July 1 to June 30
- Annual operating budget: approximately \$15,000,000
- Grant Years: variable
- Funding: Federal, State, Local, Private, Donations, Fundraising
- Automated Accounting System: Grants Management System – accrual basis
- Type of funds: Unrestricted, Temporarily Restricted, Permanently Restricted
- Number of Employees: 175 to 200
- Payroll (automated): in-House by Automatic deposit, Bi-weekly
- Checking accounts: General, Accounts Payable, Payroll

Upon request, Southeastern Community & Family Services, Inc. will make records to be audited available for review by the Offerors prior to proposal submission.

E. Tax Services

The Offeror will prepare federal informational returns and supporting schedules for Southeastern Community & Family Services, Inc. for 2016 and subsequent years (if contract is extended).

F. Options

At the discretion of Southeastern Community & Family Services, Inc., this audit/tax preparation contract can be extended for two additional one-year periods. The cost for the option periods will be agreed upon by Southeastern Community & Family Services, Inc. and the Offeror. It is anticipated that the cost for the optional years will be based upon the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

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 of Southeastern Community & Family Services, Inc.

To perform an audit in accordance with Government Auditing Standards, to perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit that includes on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit that also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

An audit to review Southeastern Community & Family Services, Inc.'s internal control over financial reporting and tests of its compliance with certain provisions of laws, regulations and contracts and grants.

To provide a schedule of expenditures of federal awards as required by U.S. Office of Management and Budget uniform grant guidance, Audits of States, Local Governments, and Nonprofit Organizations.

Government Audit Standards, states:

Financial statement audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and (2) whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Description of Programs/Contracts/Grants

Southeastern Community & Family Services, Inc. currently has the activities are listed below. This list may not be comprehensive as additional funds are received throughout the year.:

Federal Programs:

U.S. Department of Health and Human Services (HHS)

N.C. Department of HHS, Child and Adult Care Food Program (CACFP)

N.C. Department of HHS, Division of Social Services, Office of Economic Opportunity

U.S. Department of Housing and Urban Development (HUD)

C. Performance

The Southeastern Community & Family Services, Inc.'s records should be audited through June

30, 2017.

The Offeror is required to prepare audit reports in accordance with the Government Audit Standards, Federal Head Start Program required compliance audit steps, understanding and documentation of internal controls, overview and application of Head Start compliance supplement and Head Start reporting.

D. Delivery Schedule

Audit is to be performed after the closing of the Agency's fiscal year. The fiscal year ends June 30th. Audit is to commence not later than September. Actual audit dates will be determined by the Fiscal Director and Offeror not later than December 31. Interim reports shall be made to the Chief Executive Officer and Chief Financial Officer. Auditor will present the audit to the Finance Committee and to the Board of Directors. The 990 will be completed and filed by the required due date.

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, Southeastern Community & Family Services, Inc. may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when Southeastern Community & Family Services, Inc. has determined that the total work effort has been satisfactorily completed. Should Southeastern Community & Family Services, Inc. reject a report, Southeastern Community & Family Services, Inc.'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.

Progress payments will be allowed to the extent that Southeastern Community & Family Services, Inc. can determine that satisfactory progress is being made. This should be scheduled as part of the contract – or Offeror should propose a payment schedule. In the event of termination of this contract by Southeastern Community & Family Services, Inc. for cause, all progress payments will be returned within 30 days of written notice of termination to offeror.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Southeastern Community & Family Services, Inc. and its funding sources to ensure compliance with General Accounting

Office's (GAO) Government Audit Standards and other appropriate audit guides.

H. Work papers

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

I. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Southeastern Community & Family Services, Inc., the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis.

The Offeror agrees to immediately notify, in writing, Southeastern Community & Family Services, Inc.'s authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

J. 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.

Offeror's Technical Qualifications

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

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include any of the following categories:

1. Prior experience auditing an organization operating with multiple funds.
2. Prior experience auditing a Community Action Agency that receives Federal funds
3. Prior experience auditing a Head Start program that receives Federal Funds.
4. Prior experience auditing programs financed by the Federal Government.
5. Prior experience auditing similar county or local government activities.
6. 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 woman- or minority-owned business. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review. Offeror may not be disbarred from receipt of federal funds as indicated in the SAM.gov registry.

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. Overall supervision to be exercised
3. Prior experience of the individual audit team members.
4. Head Start audit experience.

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 as well as information about tax services.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by Southeastern Community & Family Services, Inc., because Southeastern Community & Family Services, Inc. desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of the

pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

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 does not include the Certifications.
4. 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.

D. Review Process

Preference will be given to Offerors with Head Start audit experience.

Southeastern Community & Family Services, Inc. may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, Southeastern Community & Family Services, Inc. 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.

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
2. 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.
3. 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.
4. 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.
5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.

6. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before (date of licensing).
7. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standards.
8. 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.
9. 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.
10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - Government Auditing Standards (Yellow Book)
 - Uniform Grant Guidance, Audits of Institutions of Higher Education and Other Nonprofit Institutions
 - Uniform Grant Guidance - Compliance Supplement
 - Uniform Grant Guidance, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
 - Uniform Grant Guidance, Cost Principles for Nonprofit Organizations
 - 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
 - Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)
 - Audits of Certain Nonprofit Organizations (AICPA Audit Guide) (NOTE: If the entity is a unit of government, replace 4-8 above with the following :)
 - Audits of State and Local Units of Government (AICPA Audit Guide) (Note: The RFP should also list any regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, the Offeror should be familiar with 2 CFR 910, DOE's administrative requirements, and 2 CFR 200, DOE's weatherization program requirements.)
11. 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.

12. 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 _____, 2017.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)