

MCADSV – Montana Coalition Against Domestic and Sexual Violence

Request for Proposal

For audit services

For the period

January to December 2019

Inquiries and proposals should be directed to:

Name: Kim Ranger

Title: Administrative Director

Entity: MCADSV

Address: PO Box 818, Helena, MT 59624-0818

Phone: 406-443-7794 ext 111

Table of Contents

General Information

- A. Purpose
- B. Who May Respond
- C. Bidder's Conference
- D. Instructions on Proposal Submissions
 - 1. Closing Submission Date
 - 2. Inquiries
 - 3. Conditions of Proposal
 - 4. Instructions to Prospective Contractors
 - 5. Right to Reject
 - 6. Small and/or Minority-Owned Businesses
 - 7. Notification of Award
- E. Description of Entity and Records to be Audited
- F. Options

Specification Schedule

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

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

Proposal Evaluation

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

Certifications

General Information

A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending **2019**. The proposal includes options for two additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Bidder's Conference

Not applicable

D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on October 21, 2019.
2. Inquiries: Inquiries concerning this RFP should be directed to Kim Ranger, Administrative Director, MCADSV, PO Box 818, Helena, MT 59624-0818, 406-443-7794 ext. 111.
3. Conditions of Proposal: All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by MCADSV.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Kim Ranger

Title: Administrative Director

Entity: MCADSV

Address: PO Box 818, Helena, MT 59624-0818

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

4:30 p.m. October 21, 2019

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 MCADSV by the date and time specified above. If you are concerned about the deadline, an email with required documents may also be submitted to kranger@mcadsv with the proper hard copies following in the mail.

Late proposals will not be considered.

5. Right to Reject: MCADSV 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.

6. Small and/or Minority-Owned Businesses: Efforts will be made by MCADSV 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).

7. Notification of Award:

- It is expected that a decision selecting the successful audit firm will be made within six (6) 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, of the name of the successful audit firm.
- It is expected that the contract shall be a one-year fixed price contract with options for two additional one-year periods.

E. Description of Entity and Records to be Audited

MCADSV is a nonprofit organization, which serves 56 counties in Montana. MCADSV is a private, nonprofit corporation and 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 11-13 member volunteer Board of Directors. Administrative offices and all records are located at 7 West 6th Avenue, Suite 3A, Helena, MT. No other offices are located throughout the area. MCADSV currently maintains one checking account and one savings account. The records to be audited are all federal grants and the agencies books for the annual 990 Report. MCADSV uses an automated accounting software, Abila MIP Fund Accounting including a payroll module and allocation module. MCADSV operates on an accrual basis of accounting and writes less than 1,000 checks per year. MCADSV has one primary checking account for administration of all activities, in addition to one low activity savings account that was set up for MCADSV's Cafeteria Plan. MCADSV will provide prior copies of the agency's Annual Audit or 990 report upon request.

F. Options

At the discretion of MCADSV, this audit contract can be extended for two additional one-year periods. The cost for the option periods will be agreed upon by MCADSV 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 MCADSV.

Government Audit Standards, states on page 14 GAO-12-331G Government Auditing Standards Chapter 2 Standards for Use and Application: of GAGAS

Financial Audits 2.07 Financial audits provide an independent assessment of whether an entity's reported financial information (e.g., financial condition, results, and use of resources) are presented fairly in accordance with recognized criteria. Financial audits performed in accordance with GAGAS include financial statement audits and other related financial audits:

B. Description of Programs/Contracts/Grants

MCADSV is currently funded by two primary federal agencies:

1. Department of Justice – Office of Violence Against Women (DOJ/SASP) 9/1 - 8/31 annual award period, Legal Assistance for Victims (LAV) 10/1 - 9/30 award period,
2. Department of Health and Human Services – Administration of Children and Family Services – FVPSA (HHS), 10/1 – 9/30 annual award period,

MCADSV has an annual operating budget of between \$800-\$1,000,000 dollars but typically exceeds the \$750,000 threshold for a Single Audit, prior year audited expenditures were \$859,000. The contract periods for the federal funds received vary by award. MCADSV receives small supplemental contracts through various state entities, but they are not guaranteed funding on an annual basis. In the past MCADSV has applied and received foundation grants, some of which are currently active, but again these are not guaranteed funding on an annual basis.

C. Performance

The MCADSV's records should be audited through December 31, 2019.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to MCADSV's Executive Director and Administrative Director. The draft audit report is due on August 1, 2020.

The Offeror shall deliver five (5) final audit reports to MCADSV no later than August 31, 2020. MCADSV also requires one electronic copy to be provided to the Executive Director and Administrative Director.

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, MCADSV 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. If a discount for services is being provided as an in-kind, please be sure to note that in the Pricing. Also include pricing for additional years if different than the first year.

F. Payment

Payment will be made when MCADSV has determined that the total work effort has been satisfactorily completed. Should MCADSV reject a report, MCADSV'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 MCADSV can determine that satisfactory progress is being made.

Upon delivery of the five (5) copies of the final reports to MCADSV and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

G. Audit Review

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

H. Exit Conference

An exit conference with MCADSV'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 MCADSV. It should include internal control and program compliance observations and recommendations.

I. Workpapers

- 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.
- The workpapers will be retained for at least three years from the end of the audit period.
- The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and MCADSV.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to MCADSV, 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, MCADSV's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. 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 therefor.

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 the following categories:

1. Prior experience auditing multiple grant funded 501(c)(3) agencies.
2. Prior experience auditing similar programs funded by the State of Montana.
3. Prior experience auditing programs funded by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.
6. Prior experience designing and/or installing accounting systems in multiple grant funded 501(c)(3) agencies.

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, if the Offeror has had a 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. Overall supervision to be exercised
3. Prior experience of the individual audit team members: Only include resumes of staff to be assigned to the audits. 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.

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 MCADSV, because MCADSV desires to contract only with an Offeror who is already familiar with these publications.

Proposal Evaluation

A. Submission of Proposals

All proposals shall include five 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.

C. Evaluation

Evaluation of each proposal will be scored on the following five factors:

	Point Range
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing multiple grant funded 501(c)(3) agencies	0 – 5
b. Prior experience auditing similar programs funded by the State of Montana	0 – 5
c. Prior experience auditing similar programs funded by the Federal Government	0 – 5
d. Prior experience auditing similar county or local government activities	0 – 5
e. Prior experience auditing nonprofit organizations	0 – 5
f. Prior experience designing and/or installing accounting systems in multiple grant funded 501(c)(3) agencies	0 – 5

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

- a. Audit team makeup 0 – 10
- b. Overall supervision to be exercised 0 – 5
- c. Prior experience of the individual audit team members 0 – 10

4. Offeror's understanding of work to be performed.

- a. Adequate coverage 0 – 10
- b. Realistic time estimates of each audit step 0 – 5

5. Price 0 – 20

Maximum Points 100

D. Review Process

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

However, MCADSV 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.

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

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)
 - *2 CFR Chapter I, Chapter II, Part 200, et al.*
 - *2 CFR Section B: Subpart E and Appendices III–VIII: Cost Principles. Reforms to Cost Principles (Circulars A–21, A–87, and A–122)*
 - *OMB (Office of Management & Budget) Uniform Guidance effective 12/26/14*
 - *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)

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 _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)