

Audit Services

Request for Proposal

Procurement #2016-9-4

Introduction

Neighborhood House is a not-for-profit, tax exempt, corporation providing programs and services to low-income individual and families, primarily residing in public housing. Neighborhood House has been serving the community since 1906. Neighborhood House is multi-service agency with programs in Child Development, Social Services, Housing Stability, Adult Employment & Education, Community Health and Youth Development. The annual budget is approximately \$16.7 million in 2016 with funding sources from federal, state, local government and private contributions, including United Way. The largest source of funding is cost-reimbursable federal grants. The largest of these grants is Head Start and Early Head Start, which annually meet the major program threshold under both OMB Circular A-133 and the Uniform Guidance. As a multi-service agency, Neighborhood House manages many smaller grants, as well. The agency has over 250 employees.

Key Executive and Fiscal Personnel: Executive Director, with NH since 2000; Steve Hurd, Finance Director, with NH since 2000; Controller, Ai Ly, with NH since 2006 (leading Accounting team since 2013).

Corporation: Neighborhood House is a single non-profit corporation, operating under a single EIN number, with no subsidiary or affiliated corporations.

Financial Systems: Neighborhood House uses MIP Fund Accounting software. Experience with MIP is a plus. Financial system is stable. Agency has been using MIP since 2004.

403b Retirement Plan: Neighborhood House has a 403(b) retirement plan, subject to ERISA.

Scope of Services

Neighborhood House is requesting proposals from certified public accounting firms to perform:

- An audit of the Neighborhood House financial statements for the fiscal year ending December 31, 2016 conducted in accordance with generally accepted auditing standards
- A compliance audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (the Uniform Guidance) and the Single Audit Act of 1984, and the rendering of accompanying reports thereof. Note: for 2016, Neighborhood House has multi-year grants that are still under OMB Circular A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions.
- Preparation of the Neighborhood House IRS Form 990 & 5500s.
- An audit of the agency 403(b) plan financial statements.

Report Issue Date: Report issue date must be no later than June 30, 2017 per United Way requirements. Per United Way requirements, the audited financial statements must be approved by the Neighborhood House Board of Trustees. Neighborhood House prefers to complete audit work in time for approval at its May Board meeting. With the schedule for Neighborhood House Finance Committee and Board of Trustees review and approval, the audit must be completed in draft by the by the 4th of May, at the very latest. The audit work schedule, including field work, must be planned accordingly.

Period of Services: The proposal request is for a minimum three year engagement to obtain the benefits from an on-going relationship with a CPA firm. Typically, Neighborhood House has extended this engagement period to 5 years.

Response Process:

Fact-Finding Meeting: CPA firms wishing to issue a proposal may make requests for additional information, by contacting Ai Ly, Controller. AIL@nhwa.org or call 206-461-8430, extension 2018.

You may also schedule a fact finding meeting with Stephen Hurd, Finance Director and Ai Ly during the procurement period. Please schedule with Ai Ly.

During the proposal evaluation process, Neighborhood House may need to contact and request additional information from the proposing firms to aid in the selection process.

Proposal Due Date: 4:00 PM on Thursday, October 6th, 2016

Proposals can be **emailed** to AIL@nhwa.org and Steveh@nhwa.org. If you are sending hard copy, please send 5 copies to our main office at 1225 S. Weller St., Suite 510, Seattle, WA 98144.

Proposals will first be evaluated by the Finance Committee, Executive Director, Finance Director and Controller.

Late Proposals: Neighborhood House reserves the right to review late proposals. However, to assure consideration proposals must be received by the due date.

Oral Presentations: It is anticipated that the Finance Committee (which serves as the agency Audit Committee) will schedule oral presentations for 2-3 respondents at its **October 11th** meeting. This meeting is scheduled for 4:00-5:30 PM, Tuesday, October 11th. If you are submitting a proposal, please set aside this time on your schedule. The presentation should last 15 minutes with 15 minutes planned for questions and answers.

Selection Date: It is anticipated that selection will be made no later than **October 25th, 2016**, so that an audit work schedule can be established by **November 15th, 2016**. Neighborhood House will notify all proposing firms of our selection in writing.

Firm Qualifications and Experience

- Describe your firm's service capabilities in the not-for-profit industry. Include information on technology and services that streamline the audit process to increase fieldwork efficiencies,

provide the background and experience of the primary service providers including the frequency of continuing professional education in not-for-profit organization issues, and other relevant information that would further demonstrate to Neighborhood House, your firm's capabilities in serving not-for-profit organizations.

- Briefly describe your firm's audit approach, including anticipated involvement of the accounting staff at Neighborhood House.
- Describe peripheral services and products that would provide benefit to the management and board of directors of Neighborhood House. Namely provide the frequency and type of seminars you host for not-for-profit organizations, relevant newsletters and their timing, the type of special publications for not-for-profit management and board members, and the frequency and type of technical accounting and taxation bulletins.
- Describe the experience your firm has in performing audits of not-for-profit organizations, including audits in compliance with OMB Circular A-133.
- Describe how your firm will work with the management of Neighborhood House in evaluating the audit process to insure a continually improving working relationship and maximum audit fieldwork efficiencies.

Requested Services Fee

Provide a three year fee quote for the services described above. In recognition of Neighborhood House's not-for-profit status, describe how your firm will handle certain start-up costs often associated with a change in auditors. Provide detail on the audit hours and staffing configuration proposed.

Evaluation Criteria

Proposals will be evaluated on the following:

- Responsiveness to requirements of scope of services.
- Relevant experience performing audits with similar organizations, particularly multi-service agencies including Uniform Guidance compliance auditing. Experience of staff to be assigned.
- Ability to complete the audit within the time frame.
- Proposed cost of audit.

Questions

Contact Ai Ly, Controller. (206) 461-8430 ext. 2018.

Attachments Included with RFQ

- 2015 Audited Financial Statements
- 2015 Trial Balance & current Chart of Accounts
- Fiscal Policy Manual and Internal Control Schedules
- Organization Chart