



Daniel Boone Community Action Agency, Inc.

**Request for Proposal for Annual Audit Services
& Income Tax Preparation**

Beginning fiscal year ending

June 30, 2018

General Information

A. Purpose

Daniel Boone Community Action Agency, Inc., (DBCAA), is requesting proposals for the completion of a financial and compliance audit and income tax preparation. The scope of the audit is from July 1, 2017 through June 30, 2018. This Request for Proposal (RFP) includes options for four additional years. RFPs must be received by 4:30 p.m. EST, October 30, 2017 to be considered.

B. Who May Respond

Only licensed Certified Public Accountants (CPA's) or licensed firms may submit proposals responding to this RFP. The principal officers should be 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".

Questions regarding the proposal should be directed to Robin Whitaker at (606) 598-5127 or Robin.Whitaker@DanielBooneCAA.org.

Upon delivery, all materials submitted in response to this RFP become the property of DBCAA and may be appended to any formal documentation establishing a contractual relationship between DBCAA and the audit firm. The audit firm shall not submit any information that is of a proprietary nature or mark its proposal as proprietary or confidential.

C. Description of Entity and Records to Be Audited

Daniel Boone Community Action Agency, Inc., formerly Daniel Boone Development Council, Inc., was incorporated in 1972 as a nonprofit organization. DBCAA 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 (24)-member board of directors. Administrative offices and financial records are located at 1535 Shamrock Road, Manchester, KY 40962.

The mission of DBCAA is to operate a comprehensive array of programs that will help individuals and families develop the knowledge, opportunities, and resources to achieve self-reliance.

DBCAA administers federal and state grants either directly or indirectly from pass through relationships. These grant programs include Low Income Home Energy Assistance Program, Weatherization, Community Services Block Grant, Transportation, Housing, Workforce Innovation and Opportunity Act, National Emergency Grant Community Impact, National Emergency Grant Mining, Emergency Food and Shelter Program, SNAP Paths2Promise, Tenant Based Rental Assistance, Emergency Solutions Grant, Homebuyer, HUD Counseling, and others.

DBCAA serves multiple counties in Kentucky, including Clay, Laurel, Jackson, and Rockcastle counties. DBCAA also operates its' transportation program out of three additional offices located in Lee, Owsley, and Wolfe Counties. DBCAA maintains equipment and a fleet of over 100 vehicles spread across seven counties and eight offices.

The Agency's fiscal year-end is June 30. As of June 30, 2017, the Agency's annual revenues approached eleven (11) million dollars in standard federal, state, and local funding. The Agency employs about 128 individuals, (101 full-time and 27 part-time) at 8 sites. Additionally, the Agency processes approximately 22 payroll checks per bi-weekly payroll for participants. These numbers can vary throughout the year.

The Agency uses Abila MIP Fund Accounting, a fully integrated accounting software designed for

nonprofits and government agencies.

The Agency uses a Cost Allocation Plan in compliance with the Direct Allocation Method described in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

D. Options

At the discretion of DBCAA, this audit contract can be extended for four additional one-year periods. The cost for the option periods will be agreed on by DBCAA and the Offeror. It is anticipated that the cost for the optional years will be based on the same approximate cost per thousand dollars of audited expenditures as the contract for the initial year.

E. Performance

The Offeror is required to prepare audit reports in accordance with *Government Auditing Standards* and funding source requirements and to express an opinion on the Agency's financial statements based on their audit.

The firm should conduct their audit field work between August 2018 and September 2018.

F. Delivery Schedule

A draft audit should be delivered to the organization's Chief Financial Officer by October 15, 2018. Following review and comments, (35) bound final audit reports should be delivered to the Board of Directors and Executive Director no later than the October 2018 board meeting which is typically held the (4th) Tuesday of the month at 1535 Shamrock Road, Manchester, KY 40962. A digital format of the final audit report should be sent to the Chief Financial Officer by this date as well. The firm should present the audit to the Board of Directors at the October 2018 board meeting.

Reports may be submitted earlier than the schedule above. 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 that do not conform to all of the provisions of this contract, DBCAA 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.

G. Payment

Payment will be made when DBCAA has determined that the total work effort has been satisfactorily completed. Should DBCAA reject a report, DBCAA'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 90 days after the Offeror submits the final invoice for payment.

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

Upon delivery of the (35) bound copies of the final audit reports to DBCAA and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

Payment for the income tax preparation will not be made until after the preparation, submission, and acceptance of the 990 income tax return is completed.

H. Audit Review

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

I. Exit Conference

An exit conference with DBCAA representatives and the Offeror's representatives will be held at the conclusion of the fieldwork. During the exit conference, the firm should discuss the audit, any findings, observations, and make any recommendations. It should include internal control and program compliance observations and recommendations.

J. Work papers

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 work papers will be retained for at least three years from the end of the audit period.
3. With written consent from the organization, the work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, and DBCAA.

K. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to DBCAA, 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 others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to those 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, DBCAA's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

L. 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 auditing 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 auditing standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he/she 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.

M. Instructions on Proposal Submission

1. Closing Submission Date:

Proposals must be received by DBCAA no later than 4:30 p.m. EST on October 30, 2017.

2. Inquiries:

Inquiries concerning this RFP should be directed to Robin Whitaker, Chief Financial Officer, (606) 598-5127 or Robin.Whitaker@DanielBooneCAA.org.

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 DBCAA.

4. Electronic or Hard Copy Submissions:

Proposals may be submitted electronically to the following email address: Robin.Whitaker@DanielBooneCAA.org by the closing submission date and time noted above. Word, Excel, and .pdf are acceptable forms of electronic submission.

Proposals may also be submitted by hard copy to the following address by the closing submission date and time noted above:

Robin Whitaker, CFO
Daniel Boone Community Action Agency, Inc.
1535 Shamrock Road
Manchester, KY 40962

All proposals shall include a copy of the Offeror's technical qualifications, copy of the pricing information, and copy of the signed Certifications. These documents will become part of the contract.

If submitting a hard copy, it's important that the Offeror's proposal be submitted in an envelope clearly marked in the lower left-hand corner with the following information:

*Request for Proposal for Audit Services and Income Tax Preparation
4:30 p.m. EST October 30, 2017*

It is the responsibility of the Offeror to ensure that the proposal is received by DBCAA by the date and time specified above.

Late proposals will not be considered.

The audit firm agrees in submitting a proposal that the proposal may not be modified, withdrawn, or cancelled by the firm for one hundred eighty (180) calendar days following the submittal date.

The firm's proposal will be valid for a period of one hundred eighty (180) calendar days following the submittal date.

5. Right to Reject:

DBCAA reserves the right to reject any and all proposals received or any part thereof or to accept any response or any part thereof when it is deemed to be in DBCAA's best interest in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.

Nonresponsive Proposals

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

1. The proposal is not received in a timely manner 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 Auditing Standards* of the U.S. Comptroller General.

6. Small and/or Minority-Owned Businesses:

Efforts will be made by DBCAA to utilize small businesses, minority-owned businesses, women's business enterprises, and disadvantaged business enterprises (DBE).

7. Presentations:

At the discretion of DBCAA, Offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. Reasonable advance notice will be provided to selected Offerors. Not all Offerors submitting a proposal will be asked to participate in oral presentations.

8. Notification of Award:

- a. It is expected that a decision about selection of the successful audit firm will be made within four weeks of the closing date for the receipt of proposals.
- b. A contract will be negotiated with the selected firm. It will be for an audit and income tax preparation of the fiscal year noted above.
- c. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this RFP will be informed, in writing, of the name of the successful audit firm.

N. RFP Format

The RFP should be submitted using the following format. It will be evaluated based on the factors included in Attachment B.

1. A cover letter should include the following: Complete legal name of the firm, address, telephone number, name and title of contact person and federal tax identification number. It should state the firm's ability and willingness to submit the RFP. Assurance must provide that the firm maintains adequate general comprehensive, liability, and bonding insurance.

2. Provide a description of the firm's prior auditing experience with nonprofits, community action agencies, or similar types of programs and funds. Names, addresses, telephone numbers, and number of years audited should be included in this description.
3. The Offeror should describe its organization, size (in relation to audits to be performed), and structure.

Description should include:

1. Size of the Offeror, including number of employees and physical site locations.
 2. Explanation of independence.
 3. Any conflicts of interest that exist.
 4. Results of peer review.
 5. Explanation if the Offeror is a small, minority-owned, women's business enterprise, or disadvantaged business enterprise (DBE), etc.
4. The qualification of staff that will be assigned to the audit should be described. Résumés of staff that will be assigned should be provided. Levels of supervision should be indicated. Prior experience of the individual audit team members. Include résumés of only the staff to be assigned to the audits. Include education, position in firm, years with the firm, industry-specific experience, and training on the recent Uniform Guidance.
 5. The Offeror should describe its approach of the work to be performed, including audit procedures, estimated hours, and other pertinent information. An estimated number of hours by each member of the audit team should be indicated.
 6. Specific tasks/work to be performed should be described. (Audit work plan)
 7. Provide a list of all information required of the organization prior to, during, and after fieldwork.
 8. Assurances that the firm is competent to perform the audit and is familiar with any rules and regulations that govern federal and state grants.
 9. The proposed price of the audit and income tax preparation should be indicated. A description of how the price was determined should also be included. This includes estimated number of hours by staff and average hourly billing rates for staff. Prices for future audits should be stated. The Offeror's proposed price should include a not-to-exceed total fee and a fee per service (audit services, tax services, etc.). Any out-of-pocket expenses should also be indicated.
 10. The Offeror should include an explanation of other value-added services during and after the audit that can and have been provided to organizations similar to Daniel Boone Community Action Agency, Inc. Value-added services provide efficiencies and improved compliance that contribute to the continued success of Daniel Boone Community Action Agency, Inc. Value-added services can include consulting and training services as well as industry-specific products. Any limitations on or additional fees for value added services should be explained.
 11. Signed "Certifications". (Attachment A). 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 Daniel Boone Community Action Agency, Inc. because Daniel Boone Community Action Agency, Inc. desires to contract only with an Offeror who is already familiar with these publications.

O. Review Process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, Daniel Boone Community Action Agency, Inc. has conducted this procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

Daniel Boone Community Action Agency, 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, Daniel Boone Community Action Agency, 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, that the Offeror can propose.

Attachment A

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.
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's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of 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*
 - *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance")*
 - *Audits of Not-for-Profit Entities (AICPA Audit Guide)*
 - *Audits of State and Local Governments (AICPA Audit Guide)*
 - *Regulations, publications, or audit guides that are relevant to DBCAA's specific programs (i.e., Department of Energy's Weatherization program requirements, etc.)*
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 audit, 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)

Attachment B

Proposal Evaluation

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

	Point Range
1. Prior audit experience	
a. Prior experience auditing <i>Community Action Agencies</i>	0 – 10
b. Prior experience auditing similar programs funded by Daniel Boone Community Action Agency, Inc.	0 – 15
c. Prior experience auditing nonprofit organizations	0 – 5
Daniel Boone Community Action Agency, Inc. may contact prior audited organizations to verify the experience provided by the Offeror.	
2. Value-Added Services Beyond the Audit	0 – 5
3. Organization, size, and structure of Offeror's firm (consider size in relation to audits to be performed)	
a. Adequate size of the firm	0 – 2
b. Proper independence	0 – 2
c. No conflicts of interest	0 – 2
d. Results of peer review	0 – 5
e. Minority-owned/small business/women's/disadvantaged business enterprise	0 – 5
4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from résumés submitted. Include education, position in firm, and years and types of experience.	
a. Prior experience of the individual audit team members	0 – 15
b. Overall supervision to be exercised	0 – 3
5. Offeror's audit approach to the engagement	
a. Adequate coverage	0 – 3
b. Realistic time estimates of work to be performed	0 – 3
6. Following RFP Format	0 – 3
7. Signed Certifications (Attachment A)	0 – 2
8. Price	0 – 20

Maximum Points 100