



*Engaging communities. Empowering individuals.*

### **REQUEST FOR PROPOSAL - AUDIT SERVICES**

The **Board of Directors of Action Pathways, Inc.**, hereinafter called “API,” invites qualified independent Auditors, hereinafter called “Auditor,” having sufficient nonprofit and auditing experience in performing an audit in accordance with the specifications outlined in this Request for Proposal (RFP) to submit a proposal.

There is no expressed or implied obligation for API to reimburse firms for any expenses incurred in preparing proposals in response to this request.

The specific details shown herein shall be considered minimum unless otherwise shown. The specifications, terms, and conditions included with this RFP shall govern in any resulting contract(s) unless approved otherwise in writing by API.

#### **Description of Action Pathways, Inc.**

AP is a private nonprofit organization with a 501(c) 3 tax status serving Southeast North Carolina. AP was established in 1964. It is governed by a 30-member body of community volunteers, equally representing elected public officials, private organizations, and the low-income population of Cumberland County. AP offers programs to facilitate the development of skills that enable people to help themselves.

The agency is accredited by the Council on Accreditation for Children and Family Services.

For more information and a description of our major program services, visit our web site at [www.actionpathways.ngo](http://www.actionpathways.ngo).

The administrative office of AP is located at 316 Green Street, Fayetteville, NC.

#### **Services to be performed**

Your proposal is expected to cover the following services

1. Annual financial and compliance audit
2. Completion and filing of the agency 990 tax return
3. Annual 403(b) retirement plan audit
4. File or assist in filing extensions associated with the 990 tax return and/or 5500 filing, if needed

#### **Type of Audits**

**Annual Financial and Compliance** The audit will encompass a financial and compliance examination of API's basic financial statements, supplementary information, and compliance reports, in accordance with the laws and/or regulations of the State of North Carolina, which require the minimum scope of the audit. The financial and compliance audit will cover federal, state, and local funding sources in accordance with generally accepted auditing standards; the Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the provisions of OMB 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Federal Register December 2014; the State Single Audit Implementation Act; and all other applicable laws and regulations.

**Annual 403(b)**

API's retirement plan is considered a large plan and must be audited annually according to the Employee Retirement Income Security Act of 1974 (ERISA). The audit must be in compliance with all applicable laws and generally accepted auditing standards.

**Period**

API intends to continue the relationship with the Auditor for no less than three years based on performance. API reserves the right to request proposals at any time following the first year of this contract, should the Auditor not meet the terms of the contract.

January 1, 2021 to December 31, 2021

January 1, 2022 to December 31, 2022

January 1, 2023 to December 31, 2023

API reserves the right to extend the contract for two additional years.

January 1, 2024 to December 31, 2024

January 1, 2025 to December 31, 2025

**Requirements**

The Auditor will be responsible for the preparation, typing, proofing, printing, and copying of the Basic Financial Statements, supplementary information, and compliance reports. The Auditor will submit a draft of the Financial Statements to be reviewed in detail to API. This draft should be submitted in time to allow ample review and corrections.

AP will expect a listing of requested information needed for the audit from the selected firm during the post selection preplanning conference. Updates to that list will be made during periodic conferences held while the audit is being conducted.

The working papers shall be retained and made available upon request for no less than three years from the date of the audit report.

In the event that circumstances arise during the audit that requires work to be performed in excess of the original estimates, any additional costs will be negotiated prior to commencement of the work and an amended contract will be approved by API.

### ***Annual Financial and Compliance Audit Specific Requirements***

A preliminary draft of the audit must be submitted to API by the second Thursday in June for proofing and reconciliation to API's records.

The final audit report is due to API no later than June 30.

An electronic version and twenty hard copies of each audit report, and other applicable reports must be supplied to the Chief Financial Officer within the period cited above. In addition, the Auditor is responsible for completion of the Data Collection Form.

### ***403(b) Audit Specific Requirements***

A preliminary draft of the audit must be submitted to API by July 31 for proofing and reconciliation to API's records.

The final report is due to API no later than August 10.

An electronic version and ten hard copies of each audit report, and other applicable reports must be supplied to the Chief Financial Officer within the period cited above.

### **Other Services**

A presentation to the AP Board of Directors and Finance/Audit Committee is required and will be scheduled.

### **Description of Selection Process**

The firm best meeting API's expectations for experience, audit approach, and cost requirements will be selected.

API requests that no member of the governing board be contacted during this process. The Chief Financial Officer may be contacted via email at [RFP@actionpathways.ngo](mailto:RFP@actionpathways.ngo) only to clarify questions concerning the RFP.

API reserves the right to reject any or all bids, waive technicalities, and to be the sole judge of suitability of the services for its intended use and further specifically reserve the right to make the award in the best interest of AP.

Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.

### **Proposal Requirements**

1. Provide a list of the firm's current and prior nonprofit audit clients, indicating the type(s) of services performed and the number of years served for each.
2. Provide a copy of the firm's current peer review.
3. Describe the relevant educational background of each person assigned to the audit. This should include seminars and courses attended within the past three years, especially those courses in nonprofit accounting and auditing.

4. Describe the professional experience of assigned individuals in auditing relevant nonprofit organizations, programs, activities, or functions.
5. Provide company name, address, a contact person, and telephone number of at least three, current or prior, nonprofit audit clients who may be contacted for a reference.
6. Is the firm adequately insured to cover claims? Describe liability insurance coverage arrangements.
7. Describe any regulatory action taken by any oversight body against the proposing audit organization.
8. Proposals should include completed cost estimate sheets and any other necessary cost information.
9. Organization of the audit team and the approximate percentage of time spent on the audit by each member.
10. Assistance expected from AP's staff, if other than outlined in the RFP.
11. Tentative schedule for completing the audit within the specified deadlines of the RFP.
12. Specify cost for each audit year beginning with the audit ending December 31, 2021. The cost for year one (year ending December 31, 2021) through year three (year ending December 31, 2023) are binding, while the cost for year four (year ending December 31, 2024) and year five (year ending December 31, 2024) are estimated costs. Cost estimates must indicate the basis for the charges and whether the amount is a "not-to-exceed" amount.
  - A. Personnel costs – Itemize the following for each category of personnel (partner, manager, senior, staff accountants, clerical, etc.) with the different rates per hour.
    - 1) Estimate hours – categorize estimated hours into the following: on-site and work performed in the Auditor's office.
    - 2) Rate per hour.
    - 3) Total cost for each category of personnel and for all personnel costs in total.
  - B. Other costs – completely identify and itemize.
13. Please make AP aware of any of the following ownership status of the firm.
  - a. Minority owned
  - b. Female owned
  - c. Locally owned (Cumberland County/Sampson County, NC)

Please list any other information the firm may wish to provide.

Please include the Summary of Audit Costs Sheet with your proposal.

### **Time Schedule for Awarding the Contract**

Proposals signed by authorized officials will be accepted via email at [RFP@actionpathways.ngo](mailto:RFP@actionpathways.ngo) until October 29, 2021 at 5:00pm. Subject line should read "Response to RFP – Auditing Services".

API's Finance Committee will review the proposals and make a recommendation to API's Board of Directors on or before November 30, 2021 at which time the contract will be awarded. Notification of the award will be emailed within five business days.

Thank you.