



**REQUEST FOR PROPOSAL
FOR AUDIT AND TAX SERVICES
For Community Services, Inc.**

**THE FISCAL YEAR ENDED
OCTOBER 31, 2022**

**INQUIRIES AND PROPOSALS SHOULD
BE DIRECTED TO:**

**Amy Peavy, MBA
Senior Accounting Manager
Community Services, Inc.**

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to contract as of October 31, 2022, for the following:

1. Financial and compliance audit
2. Preparation of the Federal Form 990
3. Financial and compliance audit for the Agency's 401(k) Plan

The proposal includes options for four additional years.

B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

C. Instructions on Proposal Submission

1. Closing Submission Date

Proposals must be submitted by 4:30 p.m. on December 5, 2022.

2. Inquiries

Inquiries concerning this RFP should be directed to Amy Peavy at (903) 875-3720 or via email at apeavy@csicoriscana.org.

3. Conditions of Proposal

All costs incurred in preparing a proposal responding to this RFP will be the Offeror's responsibility and will not be reimbursed by Community Services, Inc.

4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

**Amy Peavy, MBA
Community Services, Inc.
PO Box 612
Corsicana, TX 75151-0612**

If submitting hard copies, the Offeror's proposal must be submitted in secured packaging marked with the following information:

Request for Proposal
4:30 p.m., December 5, 2022
COMPETITIVE PROPOSAL
For Audit & Tax Services

OR

Proposals may be submitted via e-mail. All electronic submissions must be sent to apeavy@csicoriscana.org by 4:30 pm on December 5, 2022. Enter For Audit and Tax Services in the subject line.

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

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

Late proposals will not be considered.

5. Right to Reject

Community Services, Inc. reserves the right to reject any proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.

6. Small and Minority-Owned Businesses

Community Services, Inc. will make efforts 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) by having average annual receipts for the last three fiscal years of less than six million dollars.

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within two 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.

The contract is expected to be the initial one-year fixed-price contract with options for four additional one-year periods.

D. Description of Entity and Records to be Audited

Community Services, Inc. (CSI) is a private non-profit organization that serves ten counties (i.e., Anderson, Collin, Denton, Ellis, Henderson, Hunt, Kaufman, Navarro, Rockwall, and Van Zandt) surrounding Dallas County. CSI is a private, nonprofit corporation determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. A nine-member volunteer Board of Directors governs it. Administrative offices and all records are located at 302 Hospital Drive, Corsicana, Texas 75110.

The 2021 audit report and IRS Form 990 will be available on our website www.csicorsicana.org under press releases to help determine the size and scope of the audit and tax services requested.

E. Options

At CSI’s discretion, this audit contract can be extended for four additional one-year periods. CSI and the Offeror will agree upon the cost for the option periods. 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 unless there is a significant increase or decrease due to external factors beyond CSI’s control.

II. 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 and partners are independent Certified Public Accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, from now on referred to as the "Offeror" to perform a financial and compliance audit of CSI.

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 per accounting principles generally accepted in the United States of America 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. Performance

CSI's records should be audited through October 31, 2022.

The Offeror must prepare audit reports per the *Government Audit Standards, CFR 200, Texas Single Audit*, and Auditing Standards Generally Accepted in the United States of America.

The Offeror must prepare IRS form 990 and all appropriate forms per IRS regulations.

The Offeror must prepare audit reports per the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 for CSI's 401k plan.

C. Delivery Schedule

The offeror is to immediately transmit two copies of the draft audit report to Amy Peavy, Sr. Accounting Manager, and Daniel Edwards, Chief Executive Officer, when the draft is available and no later than June 16, 2023, and a final report by July 31, 2023.

The Offeror shall deliver copies of the final audit report via presentation to CSI's Board of Directors no later than August 29, 2023.

Reports may be submitted earlier than the above schedule, which is recommended. However, if the Offeror fails to make delivery of the audit reports within the schedule specified herein, or if the Offeror delivers audit reports which do not conform to all the provisions of this contract, CSI may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agency may extend this schedule upon the written request of the Offeror with sufficient justification.

D. Price

The Offeror's proposed price should be submitted as part of the proposal to include information indicating the methodology and how the price was determined. For example, the Offeror should show 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 and itemized as out-of-pocket expenses.

E. Payment

Payment will be made when CSI has determined that the total work effort has been satisfactorily completed. Should CSI reject a report, CSI'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 CSI can determine satisfactory progress based on deliverables.

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

F. Audit Review

CSI and its funding sources will review all audit reports prepared under this contract to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

G. Exit Conference

After the fieldwork, an exit conference will be held with CSI's representatives and the Offeror's representatives. Observations and recommendations must be summarized in writing and discussed with CSI. It should include internal control and program compliance observations and recommendations.

H. Workpapers

1. Upon request, the Offeror will provide a copy of the work papers on any questioned or disallowed costs determined in the audit. The work papers must be concise and provide the basis for the questioned or disallowed costs and 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. The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and CSI.

I. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to CSI, the Offeror agrees not to publish, reproduce, or otherwise divulge such information in whole or in part, 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. At the same time, in the Offeror's possession, these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to notify immediately, in writing, CSI's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement and also to include the Officers and staff of CSI.

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 audited 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.

III. 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 the following categories:

1. Prior experience auditing Community Action Agencies and CSI if previously engaged.
2. Prior experience auditing similar programs within a Community Action Agency.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing private nonprofit organizations.
6. Prior experience designing or installing accounting systems in Community Action Agencies.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (concerning audits to be performed), and structure. Indicate, if appropriate, if the firm is a small or minority-owned business. The Offeror should include a copy of the most recent Peer Review if the Offeror has had a Peer Review and the findings if applicable.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include the following:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of the work to be performed, including audit procedures, estimated hours, and any other pertinent information.

E. Certifications

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

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications 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 by the due date per 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 inadequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards*.

C. Evaluation

Evaluation of each proposal will be based on the following criteria:

<u>Factors</u>	<u>Point Range</u>
1. Prior experience auditing and/or designing and installing accounting systems.	
a. Prior experience auditing CSI	0-5
b. Prior experience auditing similar programs.	0-5
c. Prior experience auditing programs financed 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 community action agencies.	0-5

CSI may contact prior audited organizations to verify the experience provided by the Offeror.

1. Organization, size, and structure of the Offeror's firm.
(Considering the size of audits to be performed.)
 - a. Adequate size of the firm. 0-5
 - b. Minority/small business 0-5

2. Qualifications of staff to be assigned to the audits to be performed. This will be determined from the resumes submitted. Education, position in the 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

3.	Offeror’s understanding of the work to be performed.	
	a. Adequate coverage.	0-10
	b. Realistic time estimates of each audit step.	0-5
4.	Price	0-20
	MAXIMUM POINTS	100

D. Review Process

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

However, CSI 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 priced standpoints, which the Offeror can propose.

CSI contemplates award of the contract to the responsible Offeror with the highest total points pending approval by the Board of Directors.

This section was purposely left blank to ensure Certifications on the next page.

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. 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.
- C. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement to restrict competition.
- D. The individual signing certifies that the Offeror has not knowingly disclosed the prices quoted in this proposal prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is an adequately licensed Certified Public Accountant.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standard.
- H. 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 of instruction will be in subjects directly related to the government environment and government auditing for individuals.
- I. 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.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. Government Auditing Standards.
 - 2. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
 - 3. State of Texas Uniform Grants Management Standards, Single Audit Circular
 - 4. A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contracts with the Department of Health and Human Services
 - 5. Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)

6. Audits of Certain Nonprofit Organizations (AICPA Audit Guide)
 7. Department of Labor’s Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974.
 8. All updates as published in 2CFR Part 200
- K. 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.
- L. The individual signing certifies that the Offeror and any individuals assigned to the audits do not have a record of substandard audit work and have not been debarred or suspended from doing work with any federal, state, or local government. (If the Offeror or any individual assigned to the audits has been found to violate any state or AICPA professional standards, this information must be disclosed.)

Dated this _____ day of _____, 2022.

Offeror’s Firm Name

Signature of Offeror’s Representative

Printed Name and Title of Individual Signing