



# EMPOWERMENT

OPPORTUNITY CENTER

Request for Proposal for Audit Services

For the period

*March 1, 2023 – February 28, 2024*

Inquiries and proposals should be directed to:

Name: Joe Gray, Fiscal Officer

Address: 360 East Marietta St.  
Decatur, IL 62521

Phone: (217) 428-0155

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## General Information

### A. Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit for the year ending February 28, 2024. The proposal includes options for four additional years.

### B. Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

### C. Bidder's Conference

No bidder conference will be held.

### D. Instructions on Proposal Submission

1. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on January 31, 2024. Bids will be opened promptly after submission deadline.
2. Inquiries: Inquiries concerning this RFP should be directed to Joe Gray at (217) 428-0155.
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 the Empowerment Opportunity Center.
4. Instructions to Prospective Contractors:

Your proposal should be addressed as follows:

Name: Joe Gray  
Title: Fiscal Officer  
Entity: Empowerment Opportunity Center  
Address: 360 East Marietta Street  
Decatur, IL 62521

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. January 31, 2024  
Sealed Proposal  
For Audit Services

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

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

Late proposals will not be considered.

5. Right to Reject: The Empowerment Opportunity Center 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 the Empowerment Opportunity Center 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 3 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 four additional one-year periods.

#### **E. Description of Entity and Records to be Audited**

The Empowerment Opportunity Center is a nonprofit organization which serves Macon County in Illinois. The Empowerment Opportunity Center 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 15-member volunteer Board of Directors. Administrative offices and all records are located at 360 East Marietta Street – Decatur, IL 62521.

The audit should include information from all bank accounts (which reside at one banking location), plus investments (which include Community Foundation, and investment portfolio). All financial information is located in our automated accounting system by Abila Fund Accounting (MIP). The Empowerment Opportunity Center administers approximately 12 funded programs that include multiple grant years. The payroll is completed in house and the bank account is included in the above-mentioned accounts. All grants are accounted for separately within the accounting system. The agency processes approximately 3,600 checks per year.

#### **F. Options**

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

*Government Audit Standards*, states on page 2-1:

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 in accordance with generally accepted accounting principles, 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. Description of Programs/Contracts/Grants**

Attached is a listing of the grant information that will be included in the audit period.

### **C. Performance**

The Empowerment Opportunity Center's records should be audited through February 28, 2024.

The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards*. The report must include information that will also meet Head Start requirements and auditor compliance requirements for peer review and continuing professional education, as well as any other requirements incorporated in the funding source agreements.

A presentation by the Offeror to the Empowerment Opportunity Center Board of Directors is required before the final acceptance of the audit reports.

### **D. Delivery Schedule**

Offeror is to transmit one copy of the draft audit report to the Empowerment Opportunity Center's Executive Director. The draft audit report is due no later than 90 days from the date of the audit completion.

The Offeror shall deliver 20 final audit reports to the Empowerment Opportunity Center's main office no later than June 30th.

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, the Empowerment Opportunity Center 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. A portion of the expenses should be donated as in-kind services (example: copies, travel time and mileage, or any portion of the above example) and specified as such in the proposal. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

## **F. Payment**

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

Upon delivery of the 20 copies of the final reports to the Empowerment Opportunity Center 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 the Empowerment Opportunity Center 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 the Empowerment Opportunity Center'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 the Empowerment Opportunity Center. 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 the Empowerment Opportunity Center.

## **J. Confidentiality**

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to the Empowerment Opportunity Center, 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, the Empowerment Opportunity Center'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 non-profit organizations.
2. *Prior experience auditing Community Action Agencies and a representative listing of Community Action Agency clients.*
3. Prior experience auditing similar programs funded by the State of Illinois.
4. Prior experience auditing programs financed by the Federal Government.
5. Ability of “best practices” and “comparable peer data information” in the area of Community Action Agencies.
6. Experience auditing de minimis and indirect cost rates negotiated with the State of Illinois
7. Prior experience auditing similar county or local government activities.
8. Prior experience designing and/or installing accounting systems in non-profit organizations.
9. Expertise in interpretation and communication of current financial requirements and issues in the Community Action Agency industry environment, including FASB releases, relevant governmental information, and current industry standards.
10. Names, addresses, and telephone numbers of four references for whom similar work has been performed and brief descriptions of the type of service provided. By submission of the proposal, the Offeror grants permission for the Empowerment Opportunity Center to contact the references provided.

### 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. The Offeror should provide information regarding firm quality control standards and independence of the firm. Offeror should include a copy of the most recent 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. Locations from which the work would be performed, including the office responsible for oversight of the engagement.
3. Overall supervision to be exercised
4. 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. The Offeror should also describe how they would bill for additional services not included in the scope of the fee proposal. Examples include technical questions that may come up during the year and whether these occasional services are covered in the proposed fees.

#### **E. Timing**

1. Provide timetable related to the scheduling of fieldwork, opinion issuance and Form 990 information return completion.

#### **F. Value-Added Services Beyond the Audit**

1. Offeror should describe the value-added services that are included in the proposed fee and describe how the Empowerment Opportunity Center can benefit from these value added services.

#### **G. Other**

1. Offeror should describe the firm's resources for assistance with tax issues related to 501(c)(3) organizations
2. Any other information felt to be relevant and of interest related to this request.

#### **H. 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 the Empowerment Opportunity Center, because the Empowerment Opportunity Center desires to contract only with an Offeror who is already familiar with these publications.

# Proposal Evaluation

## A. Submission of Proposals

All proposals shall include two 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:

1. Prior experience auditing and/or designing and installing Accounting systems.	Point Range
a. Prior experience auditing Federal programs	0 – 5
b. Prior experience auditing similar programs funded by Illinois	0 – 5
c. Prior experience auditing similar county or local government activities	0 – 5
d. Prior experience auditing nonprofit organizations	0 – 5
e. Prior experience auditing Community Action Agencies	0 – 5
f. Prior experience designing and/or installing accounting systems	0 – 5
g. "Best practices" and "Comparable Peer Data Information"	0 – 5
h. Experience auditing de minimis and indirect cost rates negotiated with the State of Illinois	0 – 5
i. Experience in interpretation and communication of Current financial requirements and issues in the Community Action Agency industry	0 – 5

The Empowerment Opportunity Center may 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 and Quality Control Standards of the firm 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 – 5
- b. Overall supervision to be exercised 0 – 5
- c. Prior experience of the individual audit team members 0 – 5

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

- a. Adequate coverage 0 – 5
- b. Realistic time estimates of each audit step 0 – 5
- c. Billing for additional services 0 – 5

5. Value-Added Services Beyond the Audit 0 – 5

6. Other

- a. Firm's resources for assistance with tax issues 0 – 5

7. Price 0 – 5

- a. Percentage of cost as in-kind donation 0 – 5

Maximum Points 100

#### **D. Review Process**

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

However, the Empowerment Opportunity Center 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.

The Empowerment Opportunity Center 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 the period to be audited.
7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards, Generally Accepted Auditing Standards, and the American Institute of Certified Public Accountants*.
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)
  - *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”)
  - *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) (NOTE: If the entity is a unit of government, replace 4-8 above with the following:)*
- *Audits of State and Local Units of Government (AICPA Audit Guide) (Note: The RFP should also list any regulations, publications, or audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, the Offeror should be familiar with 10 CFR Part 600, DOE's administrative requirements, and 10 CFR Part 400, DOE's weatherization program requirements.)*

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)