

Community Action, Inc.

Request For Proposal
For Audit and Financial Services

For the Period
07-01-2018 to 06-30-2019

INQUIRIES SHOULD BE DIRECTED TO:

Donna L. States

Controller

Community Action, Inc.

105 Grace Way
Punxsutawney, PA 15767-1209

(814) 938-3302, Extension 225

dstates@jccap.org

Susan K. Fusco, Executive Director

Proposal Guidelines

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I. GENERAL INFORMATION

A. Purpose

This Request for Proposal (RFP) is to procure financial and compliance audit services for the year ending June 30, 2019, including but not limited to the preparation and filing of a Single Audit, Internal Revenue Service Forms 990 and 990T, the Pennsylvania Bureau of Charitable Organizations Form BCO-10, and financial consultation as needed.

B. Who May Respond

Only licensed Certified Public Accountants who have maintained a rating of pass on their current peer review may respond to this RFP; hereinafter referred to as Offeror

C. Instructions on Proposal Submission

1. Closing and Submission Date

Proposals must be received no later than 4:30 p.m. on March 21, 2019.

2. Inquiries

Inquiries concerning this RFP should be directed to Donna States at (814) 938-3302, ext. 225. All questions will be documented and posted at www.jccap.org under Announcements.

3. Conditions of Proposal

All costs incurred in the preparation of the RFP will be the responsibility of the Offeror and will not be reimbursed by Community Action, Inc.

4. Instructions to Prospective Offerors

Your RFP should be addressed as follows:

Community Action, Inc.
Attn: Donna States
105 Grace Way
Punxsutawney, PA 15767-1209

It is the responsibility of the Offeror to insure Community Action, Inc. receives the proposal by the date and time specified above.

5. Right to Reject

Community Action, Inc. reserves the right to reject any and all proposals and to waive any informality in proposals received whenever such rejection or waiver is in the best interest of Community Action, Inc.

6. Small / Minority-Owned Businesses and Women's Business Enterprise

Efforts will be made by Community Action, Inc. to utilize small businesses, minority-owned firms, and women's business enterprises.

An Offeror qualifies as a small business if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201) for the businesses in which the applicant is primarily engaged.

7. Notification of Award

A decision regarding the selection of the successful audit firm is expected to be made on or about April 11, 2019. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals will be informed in writing of the decision.

It is expected the engagement shall be for a one-year fixed-price with options for extended periods.

D. Description of Entity and Records to be Audited

Community Action, Inc. is a Pennsylvania private, non-profit organization, established in 1965, and primarily serves Clarion and Jefferson Counties, Pennsylvania. Community Action, Inc. has been determined to be exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. An 18 member volunteer Board of Directors governs the Corporation. All records will be available at the administrative office located at: 105 Grace Way, Punxsutawney 15767-1209. Other offices are located in Brookville, Clarion, Clearfield, DuBois, and Punxsutawney. See Attachment A. Additional organizational information can be found at www.jccap.org.

E. Options

At the discretion of Community Action, Inc., the selected audit firm can be retained for additional one-year periods. Community Action, Inc. and the Offeror will agree upon the cost for the option periods. It is anticipated the cost for each optional year will be based upon the same approximate cost per thousand dollars of audited expenditures as the initial year.

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 are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States to perform a financial and compliance audit of Community Action, Inc. The audit must be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards (also known as the Yellow Book), issued by the Comptroller General of the United States; audit guidelines issued by the Pennsylvania Department of Human Services; and the audit guidelines issued by the Pennsylvania Coalition Against Domestic Violence.

B. Description of Programs/Contracts/Grants

See Attachment B.

C. Performance

Community Action, Inc. records audited for the period July 1, 2018 through June 30, 2019.

The Offeror is required to prepare functional audit reports in accordance with the Government Audit Standards, Uniform Administrative Requirements, Cost Principles, and

Audit Requirements for Federal Awards (“Uniform Guidance”) 2 CFR Part 200, grantor contractual requirements, and any other applicable federal, state and local regulatory requirements. The Offeror is also required to prepare Internal Revenue Service Forms 990 and 990T, the Pennsylvania Bureau of Charitable Organizations Form BCO-10 and, if needed, related extensions.

D. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to Community Action, Inc. by October 11, 2019.

The Offeror shall deliver 25 final audit reports to Community Action, Inc. 105 Grace Way, Punxsutawney, PA no later than November 6, 2019. Twenty-four copies will be bound for presentation and distribution. One copy will be unbound and prepared so it can be copied as needed by Community Action, Inc. An electronic copy of all documents will also be provided.

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 RFP, Community Action, Inc. may, by written notice of default to the Offeror, terminate the relationship with the Offeror without making payment to the Offeror. Under certain extenuating circumstances, Community Action, Inc. may extend this schedule upon written request of the Offeror with sufficient justification. However, Community Action, Inc. reserves the right to reduce payment to the Offeror for waiving provisions of the engagement letter.

E. Price

The Offeror's proposed price will be submitted separately and include justification identifying 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. Any out-of-pocket expenses should also be indicated. We encourage the Offeror to visit Community Action, Inc.'s website at www.jccap.org to learn more about the Organization and to examine and evaluate prior year Single Audit Reports and IRS filings by clicking the “About” - “Financial Documents” tab on our website.

F. Payment

Payment will be made when Community Action, Inc. has determined the total audit work effort has been satisfactorily completed. Should Community Action, Inc. reject a report, Community Action, Inc. 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 the engagement letter and for ninety (90) days after the Offeror submits the final invoice for payment.

Progress payments may be allowed to the extent Community Action, Inc. can determine satisfactory progress is being made.

Upon delivery and verification of the final tax returns and the BCO-10 Report, the Offeror will submit a final bill for the balance due. Also required is a detailed breakout of hours worked by audit activities, tax returns, and BCO-10 Report.

G. Audit Review

All audit reports prepared by the Offeror will be reviewed by Community Action, Inc. and its grantors to ensure compliance with General Accounting Office's (GAO) Government Audit Standards and other appropriate federal, state, and local audit requirements.

H. Exit Conference

An exit conference with Community Action, Inc.'s Audit Committee/management and the Offeror's representatives will be held at the conclusion of the fieldwork. Audit findings, questioned costs, and auditor comments to be included in the Independent Auditors' Report will be disclosed in writing and discussed during the exit conference.

I. Workpapers

1. Upon request, the Offeror will provide a copy of the workpapers pertaining to any questioned costs identified 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 Offeror will retain the audit work papers for at least seven years from the end of the audit period.
3. The Offeror will make audit work papers available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Community Action, Inc.

J. Confidentiality

The Offeror agrees to keep the information related to all audit work in strict confidence. Other than the reports submitted to Community Action, Inc., 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, only to 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, Community Action, Inc. 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:

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 or she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of rule 501 [ET section 501.01], unless the member discloses in his or her report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror in its proposal shall at 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
2. Prior experience auditing major federal programs as operated by Community Action, Inc.
3. Prior experience auditing similar major federal programs
4. Prior experience auditing Pennsylvania Coalition Against Domestic Violence (PCADV) or Pennsylvania Coalition Against Rape (PCAR) programs
5. Prior experience auditing similar non-federal programs
6. Prior experience auditing nonprofit organizations

B. Additional Value beyond the Audit

The Offeror should include an explanation of other services that can be provided to nonprofits, specifically including value-added items. Value-added items can include consulting services, training services, and products.

C. Organization, Size, Structure and Peer Review

The Offeror should describe its organization, size (in relation to number of audits annually be performed), and structure. Description should include:

1. Size of the Offer, including number of employees and physical site locations
2. Results of peer review
3. Explanation if the Offer is a small business, minority-owned business, and/or women's business enterprise.

D. Staff Qualifications

The Offeror is required to describe the qualifications of staff assigned to complete RFP requirements. Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members. Education, position in firm, years and types of experiences, continuing professional education, state(s) in which licensed as a CPA, etc. Only include resumes of staff to be assigned to the audit.

E. 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.

IV. 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 separate, sealed envelope), and two copies of the signed Certifications. These documents will be 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 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.

C. Proposal Evaluation

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

	Point Range
1. Prior audit experience	
a. Prior experience auditing community action agencies	0 / 2
b. Prior experience auditing federal major programs as operated by Community Action, Inc.	0 - 3
c. Prior experience auditing similar federal major programs	0 - 5
d. Prior experience auditing Pennsylvania Coalition Against Domestic Violence (PCADV) or Pennsylvania Coalition Against Rape (PCAR) programs	0 - 1
e. Prior experience auditing similar non-federal programs	0 - 1
f. Prior experience auditing nonprofit organizations	0 - 1
Community Action, Inc. will contact prior audited organizations to verify the experience provided by the Offeror.	
2. Other services and/or products to be provided	0 - 2

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 - 3
b. Results of peer review	0 - 1
c. Small business, minority-owned business, and/or women's business enterprise	0 - 3
4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Include education, position in firm, and years and types of experience.	
a. Prior experience of the individual audit team members	0 - 3
b. Overall supervision to be exercised	0 - 2
5. Offeror's understanding of the work to be performed	
a. Adequate coverage	0 - 2
b. Realistic time estimates of each audit step	0 - 3
6. Price	0 - 10
Maximum Points	45

D. Review Process

Community Action, 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, Community Action, Inc. reserves the right to make an award without further discussion of the proposals submitted and/or reject any and all proposals. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies they are authorized to indenture on behalf of the Offeror.
- B. The individual signing certifies 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 the prices in this proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition.
- D. The individual signing certifies the Offeror, prior to an award to any other Offeror or potential Offeror, has not knowingly disclosed the prices quoted in this proposal.
- E. The individual signing certifies there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies the Offeror is a properly licensed, certified public accountant.
- G. The individual signing certifies the Offeror meets the independence standards of the Government Auditing Standard.
- H. The individual signing certifies they are aware of the revised Government Auditing Standards (also known as the **Yellow Book**) requirement which states that each auditor performing work under Government Auditing Standards should complete the GAO Continuing Education Requirement of 80 hours of continuing education every two years which directly enhances the auditor's professional proficiency to perform audits and/or attestation engagements.
- I. The individual signing certifies they are 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 they have read and understands the most current updates of the following publications relative to the proposed audits:
 - 1. Government Auditing Standards (Yellow Book)
 - 2. CFR 200, Uniform Administrative Requirements, Cost Principles, and audit requirements for Federal Awards
 - 3. CFR 200, Subpart F – Audit Requirements and Supplements
 - 4. 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

- 5. Audits of Voluntary Health and Welfare Organizations (AICPA Audit Guide)
- 6. Audits of Certain Nonprofit Organizations (AICPA Audit Guide)
- 7. PA Department of Human Services - Single Audit Supplement
- K. The individual signing certifies they have read and understands the audit requirements of all Community Action, Inc.'s grantors.
- L. The individual signing certifies they have read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- M. The individual signing certifies 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.

Signature:

Dated this _____ day of _____, 20 ____ .

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

Community Action, Inc.
Attachment A

Addresses of offices located throughout the area:

105 Grace Way (Main Office)
Punxsutawney, PA 15767

500 West Mahoning Street
Punxsutawney, PA 15767

200 East Mahoning Street
Punxsutawney, PA 15767

30A Sheridan Drive
Clarion, PA 16214

537 West Long Avenue
DuBois, PA 15801

211 1/2 East Locust Street
Clearfield, PA 16830

15 Diamond Alley
Brookville, PA 15825

Attachment B
Community Action, Inc.
as of January 1, 2019
FY 2018-2019

1	ADULT EDUCATION	ADULT EDUCATION (PA Department of Education) via Seneca Highlands Intermediate Unit 9
2	CLARION COUNTY COMMISSIONERS	CLARION COUNTY (local support)
3	CLEARFIELD UNITED WAY	CLEARFIELD UNITED WAY (local support)
4	COACHING BOYS TO MEN	COACHING BOYS TO MEN (PA Coalition Against Domestic Violence [PCADV])
5	CONTINUUM OF CARE	SUPPORTIVE HOUSING PROGRAM (U.S. Department of Housing & Urban Development [HUD])
6	COPOS	COMMUNITY ORGANIZATION PLANNING AND OUTCOME SYSTEM (PA Department of Community & Economic Development [DCED])
7	CROSSROADS	CROSSROADS (PA Coalition Against Domestic Violence [PCADV])
8	CSBG	COMMUNITY SERVICES BLOCK GRANT (PA Department of Community & Economic Development [DCED])
9	FINANCIAL FITNESS	JEFFERSON COUNTY COMMISSIONERS via Jefferson County Children and Youth Services
10	FIRST ENERGY	WARM PROGRAM (PA Public Utility Commission Support Program)
11	HAP	HOMELESS ASSISTANCE PROGRAM (PA Department of Human Services [DHS]) via Jefferson County Commissioners
12	HFHADP	HOUSING FOR HOMELESS AND DISABLED PERSONS (U.S. Department of Housing & Urban Development [HUD])
13	HSDF	HUMAN SERVICES DEVELOPMENT FUND (PA Department of Human Services [DHS]) via Jefferson County Commissioners
14	INDIANA COUNTY COMMISSIONERS	INDIANA COUNTY (local support)
15	JEFFERSON COUNTY COMMISSIONERS	JEFFERSON COUNTY (local support)
16	MARY KAY FOUNDATION	MARY KAY FOUNDATION SHELTER GRANT (Mary Kay Foundation)
17	MATP	MEDICAL ASSISTANCE TRANSPORTATION PROGRAM (PA Department of Human Services [DHS]) via Jefferson County Commissioners
18	NATIONAL FUEL	NATIONAL FUEL GAS COMPANY (PA Public Utility Commission Support Program)
19	NCCD	NEW CHOICES CAREER DEVELOPMENT (PA Department of Labor)
20	NURTURING PARENTS	JEFFERSON COUNTY COMMISSIONERS via Jefferson County Children and Youth Services
21	OPERATION SAFETY	DOMINION FOUNDATION (PA Public Utility Commission Support Program)
22	PHARE CLARION COUNTY	PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT via Clarion County Commissioners
23	PHARE JEFFERSON COUNTY	PENNSYLVANIA HOUSING AFFORDABILITY AND REHABILITATION ENHANCEMENT (Pennsylvania Housing and Finance Agency [PHFA])
24	PEOPLES NATURAL GAS	CONSERVATION CONSULTANTS, INC. (PA Public Utility Commission Support Program)
25	REAL RELATIONSHIPS	REAL RELATIONSHIPS (Office of Family Assistance) via Children's Aid Society of Clearfield County
26	REGIONAL ESG	REGIONAL ESG (U. S. Department of Veterans Affairs) via Lawrence County Community Action Partnership
27	RSVP	RETIRED AND SENIOR VOLUNTEER PROGRAM (Corporation for National and Community Service)
28	SNAP	SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM via Armstrong County Community Action Agency
29	SSVF	SUPPORTIVE SERVICES FOR VETERAN FAMILIES PROGRAM (U.S. Department of Veterans Affairs) via Lawrence County Community Action Partnership
30	TEEN PARENTING	TEEN PARENTING via Jefferson County Domestic Relations
31	VOCA	VICTIMS OF CRIME ACT (PA Commission on Crime and Delinquency [PCCD])
32	WEATHERIZATION - DOE	WEATHERIZATION - U.S. DEPARTMENT OF ENERGY (PA Department of Community and Economic Development [DCED])
33	WEATHERIZATION - LIHEAP	WEATHERIZATION AND CRISIS ASSISTANCE - LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (PA Department of Community & Economic Development [DCED])
34	WORK READY	WORK READY (PA Department of Human Services [DHS])