REQUEST FOR PROPOSAL (RFP) FOR INDEPENDENT AUDIT SERVICES

FOUNDATION FOR THE STATE TECHNICAL COLLEGE OF MISSOURI

January 4, 2021
A. General Information

The Foundation for State Technical College of Missouri (the Foundation) is requesting proposals from qualified firms of independent certified public accountants to perform audit services for the fiscal years ending June 30, 2021 through June 30, 2025.

The due date of the proposal is February 4, 2021 3:00 PM.

The Foundation reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted, and confirmed in the contract between the Foundation and the firm selected.

B. Background

1. The Foundation for State Technical College of Missouri (The Foundation), is a legally separate, tax-exempt entity. The Foundation acts as the primary fundraising organization to supplement the resources that are available to the College in support of its programs and to provide scholarships to the students attending the College.

2. The Foundation is governed by a self-perpetuating board that consists of community members and friends of the College.

3. The fiscal year runs from July 1 through June 30.

4. The most recent audited financial statements can be obtained on the College website at: https://www.statetechmo.edu/facts/ or by contacting the Treasurer at jenny.jacobs@statetechmo.edu or 573-897-5147. The Foundation’s audited statements are incorporated in the College audit report. A separate RFP is available for response for the audit of the College.


6. The Foundation employees are compensated by the College. There is no payroll activity in the Foundation.

7. The operating budget for fiscal year ending June 30, 2020 was just under $700,000. In fiscal year 2021, the Foundation was the recipient of a large in kind donation of the local Country Club/Golf Course.

8. The Foundation issues less than 100 accounts payable checks.
9. The accrual method of accounting is used to record all income and expenses.

10. The Foundation has funds invested in publicly traded stocks and mutual funds held at one Investment Firm. The Foundation has an Investment Policy.

11. The most recent audit report was issued by Evers & Company, CPA’s L.L.C. for the year ended June 30, 2019 (June 30, 2020 audit report is not yet finalized).

C. Nature of the Services Required

1. Render an opinion on the Foundation’s general purpose financial statements based upon an audit in accordance with generally accepted auditing standards.

2. Present the audited financial statements and management letter at a prescheduled board meeting typically held in November.

3. Update the Foundation staff on any FASB requirements that will affect the Foundation.

4. Respond to questions from the Foundation as needed regarding various business practices.

D. Reports to be issued

The auditor will provide an electronic version and, upon request, bound copies of the comprehensive report which will include the following:

1. Independent Auditor’s Report rendering an opinion on the financial statements of the Foundation.

2. Financial statements and notes to the financial statements.

3. Management Letter

4. Form 990 – Return of Organization Exempt from Income Tax

E. Working Papers

1. All work papers and reports will be retained, at the Auditor’s expense, for a minimum of five (5) years following completion of the audit.

2. For compliance purposes, work papers need to be available for review by authorized representative of federal, state, and local agencies to which the Foundation is so obligated or by the Foundation. In addition, the Auditor will respond to the reasonable inquiries of successor auditors and allow successor
auditors to review work papers relating to matters of continuing accounting significance.

F. Conference Requirements

Prior to issuing the required audit reports, the partner and manager in charge of the audit engagement will conduct an audit exit conference with the Foundation’s Treasurer and Executive Director. It is expected that during the audit, the manager in charge of the audit engagement will hold progress meetings with the Foundation’s Treasurer and Executive Director.

G. Time Requirements

1. RFP Calendar

The following is a list of key dates up to and including the date for notification for the selected Auditor:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP issued</td>
<td>January 4, 2021</td>
</tr>
<tr>
<td>Due date for response to RFP</td>
<td>February 4, 2021 3:00 PM</td>
</tr>
<tr>
<td>Evaluations completed.</td>
<td>February 2021</td>
</tr>
<tr>
<td>Board Approval</td>
<td>By the end of February 2021</td>
</tr>
<tr>
<td>Selected Auditor notified</td>
<td>On or before March 1, 2021</td>
</tr>
</tbody>
</table>

2. Audit Calendar

The Foundation will have all financial records ready for audit in early August.

The Foundation will draft the financial statements and footnotes during the months September through November.

Presentation covering the report and management letter to the Board will be at the prescheduled meeting typically held in November.

The firm will prepare the Form 990 for the Foundation to review and sign and the firm will file the 990 without extensions is possible.

H. Assistance to be provided to the auditor

1. The Treasurer, VP of Development, and staff will be available during the audit to assist the auditor by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the Foundation.

2. The Foundation will provide a work room and access to systems during the preliminary and year-end field work periods of the audit.
3. The Foundation will prepare all draft financial statements, schedule, footnotes, and all information for the general-purpose financial statements.

I. RFP Requirements

Inquiries and questions should be made to:

Jenny Jacobs, Treasurer: Jenny.jacobs@statetechmo.edu or 573-897-5147

Contact with the Board or personnel other than Jenny Jacobs or designee regarding the RFP shall be grounds for elimination from the selection process.

Submission of Proposals - One electronic copy of the completed response to the RFP shall be submitted to the Foundation at jenny.jacobs@statetechmo.edu. Please type “Response to Audit RFP” in the subject line. The response must be received by 3:00 PM February 4, 2021. To facilitate a comparison, proposals should be organized in the following manner.

1. Title page - The title page should show the RFP subject, name of the independent auditor, local address, telephone number, name and title of the contact person, the date of submission, and the period for which the proposal is effective.

2. Table of contents - should show a clear and complete identification of the materials submitted by section and page number.

3. Letter of transmittal - this should be a signed letter briefly stating the firm’s understanding of the work to be done, commitment to perform the work within the required time period, and statement that the proposal is a firm and irrevocable offer.

4. Detailed Response following the order set forth below:

   - Affirmative statement that firm is independent of the Foundation as defined by U.S. generally accepted auditing standards
   - Affirmative statement that the firm and all key professional staff are properly licensed to practice in Missouri
   - An affirmation concerning the American Institute of Certified Public Accountants’ Interpretation 501-3, Failure to Follow Standards and/or Procedures or other Requirements in Governmental Audits
   - Location of the office from which the work on this engagement is to be performed
   - Description of the size of the firm and its not for profit audit staff, the number and level of professional staff to be employed on this engagement on a full-time and/or part-time basis, and the number of hours to be assigned to each segment of the engagement
• Identify the principal supervisory and management staff, including engagement partners, audit managers, other supervisors, and specialists who would be assigned to the engagement including their educational and work backgrounds
• Provide information on circumstances and status of any disciplinary or litigation action taken or pending against the firm during the past three years with state regulatory bodies or professional organizations
• List significant engagements performed in the last five years that are similar to the engagement described in this RFP. For each engagement, indicate the name and telephone number of the principal client contact.
• Provide three professional references. Assume these references will be contacted if your firm is selected as a finalist. References should include at least one former client. For each reference provide name, title, phone number and email address of the principal contact.
• Provide a detailed audit approach that includes segmentation of the engagement and the audit test and procedures to be applied in completing the audit plan
• Detail the cost of the services including rates by partner, specialist, supervisory and staff level and hours anticipated for each, estimated out-of-pocket costs, and the resulting all-inclusive maximum fee for the work requested required for each of the years in the 5 year engagement

J. Evaluation Procedures

The following represent the selection criteria which will be used during the evaluation process.

1. Mandatory Elements
   • Independence
   • License to practice in Missouri
   • No conflict of interest
   • Adherence to the instructions in the RFP
   • Evidence of conducting other similar higher education audit

2. Technical Qualifications
   • Past experience and performance on comparable engagements
   • Quality of professional personnel to be assigned to the engagement
   • Provide assurance with regard to the continuity of staff assigned to the audit each year
   • Adequacy of proposed audit approach and proposed staffing plan

3. Professional Fees
   • Total firm, fixed price for contract period
   • Rates for each staffing level and hours anticipated for each.
The Foundation reserves the right to reject any and all proposals submitted. The Foundation also reserves the right, where it may serve the Foundation’s best interest, to request additional information or clarification from any respondent, to allow corrections of errors or omissions, or to discuss points in the response to the RFP before and after submission, all of which may be used in forming a recommendation. Responses will be reviewed by Foundation staff and the Treasurer. The staff will use a point formula during the review process to score responses. Only proposals that meet the RFP requirements as outlined in this RFP will be scored.

Formulas for the technical and fee scores:

The technical score will be based upon the following factors and points.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior auditing experience</td>
<td>10</td>
</tr>
<tr>
<td>Auditing not-for-profits</td>
<td>10</td>
</tr>
<tr>
<td>Qualifications and audit team make-up</td>
<td>10</td>
</tr>
<tr>
<td>Overall supervision to be exercised over audit</td>
<td>10</td>
</tr>
<tr>
<td>team by firm’s management</td>
<td>10</td>
</tr>
<tr>
<td>Continuity of key audit team members</td>
<td>10</td>
</tr>
<tr>
<td>Adequacy of proposed audit approach and staffing plan</td>
<td>10</td>
</tr>
<tr>
<td>Total technical points available</td>
<td>60</td>
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</tbody>
</table>

Fee score for the cost of the audit

Lowest total fee submitted $\times 40$

Proposal fee 40

Maximum points, technical and fees 100

The firm that achieves the highest score will then be recommended to the Foundation’s Board for the award of the contract.