Sample Request for Proposal

[Date]

[Nonprofit Partner]
[CPA Firm]
[Street Address]
[City, State, Zip]

Dear Sir or Madam:

[Organization Name] is requesting proposals from CPA firms that have extensive experience in providing audit and tax services for not for profit organizations. We invite your firm to submit a proposal to us by [Date] for consideration. A description of our organization, the services needed, and other pertinent information follows:

Background of [Organization Name]

[Organization Name] is a California nonprofit public benefit corporation recognized by the Internal Revenue Service as a charitable, tax-exempt organization pursuant to section 501(c)(3) of the Internal Revenue Code. [Organization Name] was founded in 20XX with a defined mission to [Describe Organization's Mission]. We have an audit committee comprising of XX members who will be responsible for the final section of auditors.

Our annual operating budget is approximately $XX million per year, and we employ XX people in X location(s). Our main programs are [Describe Programs]. Our main sources of revenues are from [Describe Revenue Sources].

[Further describe any potential complexities with services to be performed (i.e. construction projects, capital campaigns, alternative investments, endowments, government grants, planned giving, etc.)]

The organization has a [FYE] fiscal year-end, with a requirement to file an audited financial statement with the bank by [Date] of each year.

[Organization Name] maintains all accounting records in-house and uses [Name of Accounting System] for the accounting system and [Donor Database Software] to maintain our donor database. The Accounting Department consists of XX staff, a [Describe Accounting Personnel].

For more information, please visit our website at www._____.org.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual audit of the financial statements for the year ended [Date] and meetings with the Audit Committee and/or Board of Directors, as necessary.

2. Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency.

3. Preparation of federal and state information returns for the organization.

4. Availability throughout the year to provide advice and guidance on financial accounting and reporting issues.

Relationship with Prior CPA Firm

These services have been provided by [Current CPA Firm] for the past XX years. [Describe the reason for seeking a change in CPA firms]. In preparing your proposal, be advised that management will give permission to contact the prior auditors.

Timeframe

The following is the anticipated timeframe for the services to be provided:

Planning and interim testing	[Date]
Meet with the Audit Committee to discuss the audit plan	[Date]
Receive a list of client-provided documents and requests	[Date]
Begin fieldwork (approximately XX weeks)	[Date]
Financial statement draft for management review	[Date]
Presentation of draft audit report and comments to the Audit Committee	[Date]
Issue final audit report (XX bound copies)	[Date]
Provide draft information returns for management review	[Date]
Provide draft information returns for Board review	[Date]
File final information returns	[Date]

Proposal Content

In order to simplify the evaluation process and obtain maximum comparability, [Organization Name] requires that all responses to the RFP be organized in the manner and format described below:

A. <u>Executive Summary</u>

Describe your understanding of the work to be performed and your firm's ability to perform the work within the time frame provided.

B. <u>Professional Experience</u>

Describe how and why your firm is different from other firms being considered. This should include an explanation of the firm's philosophy, size, structure, and qualifications with serving not for profit organizations with a similar size and operations. Describe your firm's resources devoted to not for profit organizations and provide copies of newsletters or other resource materials addressing issues relevant to not for profit organizations. Discuss the firm's independence with respect to [Organization Name].

C. <u>Team Qualifications</u>

Identify the specific partners, managers, and in-charge staff who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested. Also discuss commitments you make to staff continuity, including your staff turnover experience in the last three years.

D. <u>Audit Approach</u>

Describe how your firm will approach the proposed services, including the use of affiliates or staff from other locations, areas that will receive primary emphasis, and the type of assistance that will be required from [Organization Name]'s staff. Also discuss the firm's use of technology. Finally, discuss the communication process used by the firm to discuss issues with management and the Board.

E. Fees

Please provide a firm estimate of fees for the services to be provided. It has been [Organization's Name]'s practice for management to negotiate a fee for services each year prior to such services being rendered. Given that the time required in the first year will be more substantial than subsequent years, please feel free to include the fees for subsequent years if there is a significant differential in cost from year one as well as provide any guarantees that can be made regarding increases in future years.

F. Client References

Include a list of the relevant not for profit clients the firm has served within the past three years and furnish the names and telephone numbers of any references whom we may contact.

G. Additional Information

Please provide a copy of your most recent peer review report. Please provide any additional information, not specifically requested, but which you believe would be useful in evaluating your proposal.

Proposal Timetable

RFP distributed	[Date]
XX copies of written proposals due to [Organization Name]	[Date]
Management contacts finalists to schedule presentations	[Date]
Finalists make presentations to the Audit Committee	[Date]
CPA firm selected and notified	[Date]

Evaluation of Proposals

While price is an important factor, [Organization Name] will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organizations
- Qualifications of staff to be assigned to the engagement
- CPA firm's understanding of work to be performed
- References
- Completeness and timeliness of the proposal

Key Contacts

Following are key contacts for information you may seek in preparing your proposal:

[Name]	[Title]	[Phone and/or E-mail]
[Name]	[Title]	[Phone and/or E-mail]
[Name]	[Title]	[Phone and/or E-mail]

Requests for additional information, questions, and coordinating visits to our offices should be coordinated through our [Title], [Name]. You may reach [him/her] at the number listed above. Please return the completed proposal to my attention at the address provided.

We would also appreciate a response if you decline to submit a proposal.

Sincerely,

[Name]
[Title]

Attachments:

FYE [Date] audited financial statements
FYE [Date] Form 990 and 990-T
Current Accounting Policies and Procedures
FYE [Date] board approved budget
FYE [Date] management letter

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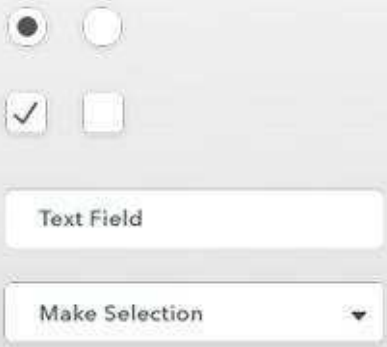

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