

**MONTICELLO AREA COMMUNITY ACTION AGENCY**

**REQUEST FOR PROPOSAL**

**AUDIT SERVICES and IRS Form 990**

**FOR THE PERIODS**

July 1, 2023 TO June 30, 2024

July 1, 2024 TO June 30, 2025

July 1, 2025 TO June 30, 2026

July 1, 2026 TO June 30, 2027

July 1, 2027 To June 30, 2028

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

Phillip C. Love, Finance Director

Monticello Area Community Action Agency

1025 Park Street  
Charlottesville, VA 22901

[finance@macaa.org](mailto:finance@macaa.org)

(434) 987-2435

**PROPOSALS ARE DUE BY:**

**4:00 PM on August 18, 2023**

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## I. GENERAL INFORMATION

### A. Purpose

This Request for Proposal is to contract for a single agency financial and compliance audits and IRS form 990s for the period July 1, 2023, thru June 30, 2028 for the Monticello Area Community Action Agency (MACAA).

### B. Eligible Applicants

Only licensed Certified Public Accountants may respond to this RFP.

### C. Bidder's Conference

Will not be held. Please send questions to Phillip C. Love, Finance Director. Questions will be answered within three (3) working days. All questions and answers will be emailed to all bidders.

### D. Instructions on Proposal Submission

#### 1. Closing Submission Date

All proposals must be received by **4:00 PM on August 18, 2023.**

#### 2. Inquiries

Inquiries concerning this RFP should be directed to Phillip C. Love at [finance@macaa.org](mailto:finance@macaa.org). Offerors may direct questions via email or may request a phone or in-person meeting. Phone and in-person meetings will be accepted at the discretion of the agency.

#### 3. Conditions of Proposal

All costs incurred in response to this RFP will be the sole responsibility of the Offeror and will not be reimbursed by MACAA.

#### 4. Instructions to Prospective Contractors

Your proposal should be addressed as follows:

**Monticello Area Community Action Agency**

Attn: Phillip C. Love, Finance Director

1025 Park Street

Charlottesville, VA

22901

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

4:00 p.m. August 18, 2023

SEALED BID

For Audit Services

#### 5. Electronic or Hard Copy Submissions:

Proposals can be submitted electronically to the following email address: [finance@macaa.org](mailto:finance@macaa.org) by the closing submission date noted above.

Proposals may also be submitted by hard copy by the closing submission date noted above. 3 copies of the proposal must be submitted.

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

Late proposals will not be considered.

**6. Right to Reject:**

MACAA reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.

**7. Small and/or Minority-Owned Businesses:**

Efforts will be made by MACAA 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).

**8. Presentations:**

At the discretion of MACAA, Offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. If requested, presentations will be delivered via teleconference. Reasonable advance notice will be provided to selected Offerors. Not all Offerors submitting a proposal will be asked to participate in oral presentations.

**9. Notification of Award:**

- a. It is expected that a decision about selection of the successful audit firm will be made within 4 weeks of the closing date for the receipt of proposals.
- b. Upon conclusion of final negotiations with the successful audit firm, all Offerors submitting proposals in response to this RFP will be informed, in writing, of the name of the successful audit firm.

**E. Description of Entity and Records to Be Audited**

The Monticello Area Community Action Agency is a nonprofit organization that serves the City of Charlottesville, Nelson, Louisa, and Fluvanna Counties. MACAA 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 with members representing Public, Private, and Low-Income sectors. Administrative offices and all records are located at *1025 Park Street, Charlottesville, VA 22901*. Other service sites are located throughout the City of Charlottesville, Nelson, Louisa, and Fluvanna Counties.

MACAA administers approximately six programs, the majority of which are funded through Federal and State funding sources (see Attachment B). Many programs have different grant cycles than our Fiscal Year resulting in two partial grant periods for review during an audit. MACAA has typical Annual Expenses of approximately \$3 Million. MACAA has interest bearing and checking accounts with Virginia National Bank and Truist Bank for all program and Agency funds.

The MACAA fiscal department contains a staff of two people. Each person has specific responsibilities, which are performed for all programs throughout this agency. The fund accounting

bookkeeping system is computerized with Abila MIP Accounting Software for payroll, accounts payable, and general ledger. Each program has specified account numbers to enable proper separation of funds. There are approximately 1,600 payroll vouchers created each year with an average of approximately 58 full and part time employees. Most employees are paid by direct deposit. There are approximately 1,300 accounts payable checks written each year.

The following Agency information is available for review upon request:

- Articles of Incorporation
- Agency By-Laws
- IRS Determination
- Financial Procedures Manual
- Personnel Policies
- Board Minutes
- Previous years 990s and Annual Reports

## F. Options

No additional option.

## 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, hereinafter referred to as the "Offeror," to perform a financial and compliance audit of Monticello Area Community Action Agency.

In addition to our financial audit, it is the intent of MACAA to contract with the successful bidder other special services to include, but not limited to the preparation of the IRS Form 990.

### B. Performance

The Offeror will perform a financial and legal compliance audit of all records of MACAA for the period July 1, 2023, through June 30, 2028.

The full scope of the audit is defined as compliance with the audit requirements set forth in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance – 2 CFR Part 200) and Title 45 U.S. Code of Federal Regulations Part 75 Uniform Administrative Requirements, Cost Principles, And Audit Requirements for HHS Awards (HHS Uniform Guidance – 45 CFR Part 75). As described in 2 CFR 200.514-518 and 45 CFR 75.514-518 including that the audit must be conducted in accordance with GAGAS and must cover the entire operations of the auditee. The auditor must make determinations as set forth in that section regarding financial statements, internal controls, and compliance with federal awards, follow-up on prior audit findings, and completion and submission of the data collection form to the Federal Audit Clearinghouse. The resulting audit must meet all Community Services Block Grant and Head Start requirements.

Provide financial statements prepared in accordance with GAAP and a schedule of Federal Assistance Programs.

Provide reports on internal accounting and administrative controls as well as compliance with grant terms and conditions.

These reports shall contain sufficient detail to enable grantee staff to investigate and respond to audit findings, particularly questioned costs. Offeror will notify grantee management promptly of any illegal acts or irregularities found during the audit.

### C. Delivery Schedule

Offeror is to transmit one copy of the draft audit report to MACAA's Finance Director. The draft is due on December 15 each year.

The Offeror shall deliver twenty-five (25) final audit reports to MACAA's Board of Directors no later than January 15 of the following year.

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 the contract, MACAA 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.

### D. Price

The Offeror's proposed price should be submitted separately. Specifically, include a not-to-exceed total fee, a fee per service (audit services, tax services, etc.), and average hourly billing rates by position. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate, sealed envelope.

### E. Payment

Payment will be made when MACAA has determined that the total work effort has been satisfactorily completed. Should MACAA reject a report, an authorized representative of MACAA 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 MACAA can determine that satisfactory progress is being made.

Upon delivery of the twenty-five (25) copies of the final reports to MACAA and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

### F. Audit Review

All audit reports prepared under this contract will be reviewed by MACAA and its funding sources to ensure compliance with the General Accounting Office's (GAO) Government Auditing Standards, 2 CFR 200 Uniform Guidance, 45 CFR 75 HHS Uniform Guidance, Head Start Performance Standards, and other appropriate audit guides.

### G. Exit Conference

An exit conference with MACAA'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 MACAA. It should include internal control and program compliance observations and recommendations.

Additionally, the Offeror's representatives will present a summary of the Audit to MACAA's Board Finance Committee and Full Board.

## H. Work Papers

1. 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.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, and MACAA.

## I. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to MACAA, 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, to those 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, MACAA's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

## 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 auditing 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 auditing 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.

## III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

### A. Understanding our needs

The Offeror should describe the current challenges and opportunities specific to our organization. Describe how your firm is best suited to assist our organization in facing those challenges and opportunities moving forward.



## B. Understanding the scope of work

The Offeror should clearly describe the scope of work to be performed in alignment with this RFP.

## C. Understanding our industry and prior experience

The Offeror should describe its understanding of our industry by providing specific industry knowledge and expertise as well as prior auditing experience including references.

1. Prior experience working with nonprofit organizations
2. Prior experience auditing similar organizations funded by the State of Virginia
3. Prior experience auditing similar organizations funded by the Federal Government
4. Prior experience auditing Community Action Agencies
5. Prior experience auditing Head Start Programs
6. Prior experience auditing CSBG/TANF Programs

## D. Engagement team

The Offeror should briefly describe the qualifications of staff to be assigned to the audits.

Descriptions should include:

1. Audit team makeup
2. Overall supervision to be exercised
3. Prior experience of the individual audit team members; audit team bios should include education, position in firm and years with the firm, and industry-specific experience

## E. Organization, size, and structure

The Offeror should describe its organization, size (in relation to audits to be performed, and structure.

Description should include:

1. Size of the Offeror, including number of employees and physical site locations
2. Explanation of independence
3. Any conflicts of interest that exist
4. If the Offeror is a Minority- or Woman- owned or Small Business with any applicable certifications
5. Results of peer review, the Offeror may also include their response letter if desired

## F. Audit approach to the engagement

The Offeror should describe its approach of the work to be performed.

## G. 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 MACAA because MACAA desires to contract only with an Offeror who is already familiar with these publications.

# IV. PROPOSAL EVALUATION

## A. Submission of Proposals

If submitted by hard copy, all proposals shall include three copies of the Offeror's technical qualifications, three copies of the pricing information (in a separately sealed envelope), and three copies of the signed Certifications. These documents will become part of the contract.

Electronic submissions should be sent to [finance@macaa.org](mailto:finance@macaa.org) with the subject line: "Sealed Bid: MACAA Audit RFP."

## 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 and the audit requirements set forth in Uniform Guidance (2 CFR 200 and 45 CFR 75 Subparts F).

## C. Evaluation

Evaluation of each proposal will be scored on the following six factors.

**Point range**

<b>1. Understanding our needs and scope of work</b>	<b>0 – 20</b>
c. Understanding our current challenges and opportunities	
d. Firm’s approach to addressing our challenges	
e. Previous experience with MACAA	
<b>2. Understanding our industry</b>	<b>0–30</b>
f. Prior experience working with nonprofit organizations	
g. Prior experience auditing similar organizations funded by the State of Virginia	
h. Prior experience auditing similar organizations funded by the Federal Government	
i. Prior experience auditing Community Action Agencies	
j. Prior experience auditing Head Start Programs	
<b>3. Organization, size, and structure of Offeror’s firm</b>	<b>0–10</b>
a. Adequate size of the firm	
b. Is the firm a Minority- or Woman- owned or Small Business?	
c. Depth of experience and expertise within firm	
<b>4. Qualifications of staff to be assigned to the audits to be performed.</b>	<b>0–20</b>
<i>This will be determined from resumes submitted. Include education, position in firm, and years and types of experience.</i>	
a. Prior experience of the individual audit team members	
b. Overall supervision to be exercised	
<b>5. Offeror’s audit approach to the engagement</b>	<b>0–10</b>
a. Adequate coverage	
b. Realistic engagement timetable	
c. Level of expected engagement with MACAA staff	
<b>6. Price</b>	<b>0–10</b>
<b>Maximum points</b>	<b>100</b>

## D. Review Process

MACAA may at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offeror's proposals.

However, MACAA, 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.

MACAA will award the bid to the firm it considers to be the best and most responsive to the RFP.

## V. 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.
7. The individual signing certifies that the Offeror meets the independence standards of the Government Auditing Standards.
8. The individual signing certifies that he/she is aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of 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:
  - a. Government Auditing Standards (Yellow Book)
  - b. OMB Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions
  - c. OMB Circular A-133 – Compliance Supplement
  - d. Government Auditing Standards and Circular A-133 Audits (AICPA Audit Guide)
  - e. OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
  - f. OMB Circular A-122, Cost Principles for Nonprofit Organizations
  - g. Audits of Not-for-Profit Entities (AICPA Audit Guide)
  - h. Audits of State and Local Governments (AICPA Audit Guide)
  - i. Uniform Guidance 2 CFR Part 200 ("Super Circular")
  - j. The Offeror should be familiar with 10 CFR Part 600, DOE's administrative requirements, and 10 CFR Part 400, DOE's weatherization program requirements.
  - k. The Offeror should be familiar with Head Start Performance Standards, the Head Start Act, and 45 CFR Part 75
  - l. Any additional CFRs or guidance necessary to adequately audit the programs undertaken by MACAA
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 audit, 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)

## **ATTACHMENT A - RECEIPT OF ACCEPTANCE**

This receipt confirms that the following proposal has been received by the application deadline and accepted for consideration.

### **To Be Completed by Applicant**

Descriptive Project Name:

Name of Applicant:

Address:

Contact Person:

### **To Be Completed by The Monticello Area Community Action Agency**

Date Received:

Time:

Received by:

Signature:

## **ATTACHMENT B – LIST OF PROGRAMS, GRANTS, AND FUNDING SOURCES**

*This list is meant to be informative of the type of programs operated by MACAA and may not be fully comprehensive. Additionally, some smaller programs and unrestricted funds were excluded for brevity.*

X<sub>1</sub>

- Head Start and Early Head Start
- Community Services Bloc Grant (CSBG)
- Temporary Assistance to Needy Families (TANF)
- City of Charlottesville
- Albemarle County
- Fluvanna County
- Louisa County
- Nelson County
- CACFP (USDA)