



GenerationEd

Empowering Generations Through Education

1200 ARLINGTON STREET
GREENSBORO, NC 27406

Proposals should be submitted to:

Julie Vincent
Procurement/ Accounting Analyst
Telephone: 336-369-5015

Inquiries or clarifications should be directed to:

Melissa W. Martinez, CPA
CFO
Telephone: 336-369-5048

Request for Proposal

Audit Services

For the period
January 1, 2024, to December 31, 2024

Request for Proposal 152-19

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General Information

Background

Generation Ed (G'ED) is a 501(c)(3) nonprofit organization that, in addition to other funding sources, manages the Head Start grant for Guilford County. Seven (7) separate divisions operate under G'ED in a collaborative partnership to provide child- focused, family-centered programs that help young children and families reach their full potential.

Purpose

This Request for Proposal (RFP) is to contract for a financial and compliance audit and 990 Tax Return, for the year ending December 31, 2024. The proposal includes options for four additional years. In reply, refer to solicitation number 152-19.

Who May Respond

Only licensed Certified Public Accountants may respond to this RFP.

Pre-Proposal Conference

A pre-proposal conference will be held 10:00 a.m., Wednesday, July 31, 2024, via zoom.

Instructions on Proposal Submission

A. Closing Submission Date: Proposals must be submitted no later than 4:30 p.m. on Wednesday, Aug 30, 2024.

B. Inquiries: Inquiries concerning this RFP should be directed to:

Generation Ed
Melissa W. Martinez, CPA
1200 Arlington Street
Greensboro, N.C. 27406
Telephone (336) 369-5048
E-Mail melissa.martinez@gen-ednc.org

C. 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 G'ED.

D. Instructions to Prospective Contractors: Your proposal should be addressed and submitted as follows:

Email address: Julie.Vincent@gen-ednc.org

Subject line: "Request for Proposal 152-19"

It is the responsibility of the Offeror to ensure that the proposal is received by G'ED by the date and time specified above. Late proposals shall not be considered and shall be returned to Offeror unopened. The Offeror shall not assign any part of this work to another party or subcontract for any part of the work contemplated under this RFP. All conditions and requirements set forth in this RFP shall become conditions of the contract between G'ED and the selected firm.

- E. Right to Reject: G'ED 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. G'ED expressly reserves the right to rebid the request for proposal in its sole discretion.
- F. Small and/or Minority-Owned Businesses: Efforts will be made by G'ED 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).
- G. Notification of Award: It is expected that a decision selecting the successful audit firm will be made within four (4) 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.

Description of Entity and Records to be Audited.

- A. G'ED 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. G'ED administers various programs that target low-income and vulnerable populations in Guilford, Rockingham, and Randolph County. G'ED is governed by an 18- member volunteer Board of Directors comprised of representatives from the public, private and low-income sectors. Administrative offices and all records are located at 1200 Arlington Street, Greensboro, NC 27406.

- B. The accounting records for G'ED are maintained by the centralized Fiscal Department. The total budgeted expenditure for G'ED for fiscal year 2024 is approximately \$28-30 million.
- C. Bank Accounts:
G'ED's accounting records are maintained on Sage Intacct. Four of the open bank accounts held in the name of G'ED is reconciled in the automated Sage Intacct which has approximately Four thousand (4000) AP payments per year. Payroll and all related tax filings are maintained in Dayforce.
- D. Contracts and Grants:
Included in G'ED's audit are Federal financial assistance programs and awards from:
1. U.S. Department of Health and Human Services: Head Start/Early Head Start
 2. U.S. Department of Agriculture: CACFP (passed through NCDHHS)
 3. U.S. Department of Health and Human Services: Childcare Development Block Grant, Smart Start Learning Together, Smart Start Provider Professional Development (all passed through NCDHHS)
- E. Community Funding:
G'ED administers childcare scholarships as a partner agency with the United Way of Greater Greensboro. Ready For School Ready for Life, Healthy High Point Foundation, Volvo, Blue Cross Blue Shield are some of the other community funders that support G'ED's programs.
- F. Retirement Accounts:
G'ED has adopted a retirement plan through TIAA for over 400 employees. On behalf of the employees, 5% of the employee's compensation is contributed by G'ED after a year of service and employees also can elect to reduce compensation by a specific percentage and have that amount contributed to 403B plan on a pre-tax basis.
- G. Fixed Assets:
G'ED maintains record of approximately three hundred (300) Restricted/Unrestricted assets in Sage Intacct.

Options

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

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 G'ED.

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.

Communications with the Chief Financial Officer (CFO) - Auditor shall assure that the G'ED Chief Financial Officer is informed of each of the following:

- A. The auditor's responsibility under generally accepted auditing standards.
- B. Significant audit adjustments.
- C. Difficulties encountered in performing the audit.

Non-Collusion

- A. Proposer certifies that this proposal had been arrived at independently and has been submitted without collusion designed to limit independent bidding or competition and is in compliance with the Copeland Anti-Kickback Act.

STATE/FEDERAL NONCOMPLIANCE NOTICE

- B. The proposer shall comply with all laws, rules, and regulations of any Federal, State, County, or City government, bureau, or department applicable to the operations of G'ED. Suppliers and proposers receiving awards to do business with G'ED will be required to submit written certification that the organization and its principals are not debarred, suspended, or proposed for debarment by the Federal Government. In addition, suppliers and contractors granting first-tier sub-awards (contracts) for \$25,999 or greater will be required to obtain a written certification at the time of award of the subcontract, stating that neither the subcontractor nor its principals is debarred, suspended, or proposed for debarment by the Federal Government. This requirement is in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension" (Circular No. A-110 Revised).

Description of Programs

- A. G'ED's Head Start (HS)/Early Head Start (EHS) Program currently operates

thirteen child development centers in Guilford County each meet high standards for program quality, facilities, and ratio of children to caregivers. G'ED's HS/EHS currently operates eleven centers in Guilford County accredited by the National Association for the Education of Young Children (NAEYC). Through Head Start, Early Head Start, Smart Start, and North Carolina Pre-Kindergarten (NCPK) funding, the HS/EHS serves over 1,300 young children and their families. Through Head Start, G'ED provides a comprehensive curriculum, nutritious meals and snacks, and a strong parental involvement component for three and four-year olds. Early Head Start combines a home visiting component for expectant women with a preschool program for children up to 3 years of age. These services are free to eligible families.

- B. G'ED's Regional Childcare Resources and Referral Program (RCCR&R) is an affiliate of the NC Childcare Resource & Referral Network. RCCR&R's mission is to "enhance the quality of childcare by providing resource and referral, training, nutrition education, and financial assistance to families, the childcare workforce, and employers through a team of dedicated professionals". CCIP sponsors the Childcare Food Program, a reimbursement program for family childcare home providers that prepare nutritious meals for children in their care. RCCR&R is funded through United Way (providing UW childcare scholarships and counseling services), the NC Division of Child Development, Smart Start and other state and local grants.

- B. G'ED also operates the Nurse-Family Partnership Program, an intensive nurse home visitation program. The goals of the program are to improve pregnancy outcomes, to support child health and development, and foster economic self-sufficiency. G'ED partners with the Department of Public Health to implement the program, which uses a protocol developed by Dr. David Olds at the University of Colorado. This protocol has demonstrated significant positive outcomes through twenty-five years of research, and the Rand

Corporation has identified it as one of the best programs of prevention in the country.

- D. Greensboro Family Success Center offers classes to adult participants seeking their GED, job skill enhancement, financial literacy, health and wellness, and English of speakers of other languages.
- E. High Point Opportunity Center offers classes to adult participants seeking their GED, job skill enhancement, financial literacy, health and wellness, employment, and English of speakers of other languages.

Performance

1. The records of G'ED should be audited through December 31, 2024.
2. The Offeror is required to prepare audit reports in accordance with the *Government Audit Standards* issued by the Comptroller General of the United States, and by the Single Audit Act, OMB Circular A-133 and OMB's compliance supplement and guidance provided in the compliance supplements titled *Subsidized Child Care Program Cluster* issued by the U.S. Department of Health and Human Services and *Head Start Program* issued by the U.S. Department of Health and Human Services.

Delivery Schedule

1. Offeror is to transmit one copy of the draft audit report to G'ED's Fiscal Director. The draft audit report is due on or before April 30, 2025.
2. The Offeror shall deliver thirty (30) final audit reports to G'ED's Board of Directors no later than June 3, 2025.
3. 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 the provisions of this contract, G'ED may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the Offeror may extend this schedule upon written request of the Offeror with sufficient justification.

Price

1. 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. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

Payment

1. Payment will be made when G'ED has determined that the total work effort has been satisfactorily completed. Should G'ED reject a report, G'ED'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.
2. Progress payments will be allowed to the extent that G'ED can determine that satisfactory progress is being made.
3. Upon delivery of the thirty (30) copies of the final reports to G'ED and their acceptance and approval, the Offeror may submit a bill for the balance due on the contract for the audit.

Audit Review

1. All audit reports prepared under this contract will be reviewed by G'ED and its funding sources to ensure compliance with General Accounting Office's (GAO) *Government Audit Standards* and other appropriate audit guides.

Exit Conference

1. The Offeror's representatives will present the Audit Report to the Audit/Finance Committee at its regularly scheduled meeting (tentatively scheduled for June 11, 2025). Observations and recommendations must be summarized and discussed with the Audit/Finance Committee and G'ED's representatives. It should include internal control and program compliance observations and recommendations.

Workpapers

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 General Accounting Office, and G'ED.

Confidentiality

1. The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to G'ED 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.
2. The Offeror agrees to immediately notify, in writing, G'ED's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

AICPA Professional Standards

- 1) The AICPA Professional Standards state:
 1. Ethics Interpretation 501-3 - Failure to follow standards and/or procedures or other requirements in governmental audits.
 2. 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.

3. 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, therefore.

Offeror's 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:

- i.* Prior experience auditing nonprofits.
- ii.* Prior experience auditing similar programs funded by North Carolina.
- iii.* Prior experience auditing similar programs funded by the Federal Government.
- iv.* Prior experience auditing accounting systems in Sage Intacct.

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. Offeror should include a copy of the most recent Peer Review, if the Offeror has had a Peer Review.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits. Descriptions should include:

- i.* Audit team makeup
- ii.* Overall supervision to be exercised.
- iii.* Prior experience of the individual audit team members: Only include resumes of staff to be assigned to the audit. 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. Employment Practices

- i. Equal Opportunity Clause
The non-discrimination clause contained in Section 202 (Federal) Executive Order 11245, as amended by Executive Order 11375, relative to equal employment opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the secretary of Labor, are incorporated herein. Offeror must be an "Equal Opportunity Employer."
- ii. Fair Labor Standards Act
- iii. The Offeror's employment policies will meet the requirements of the Fair Labor Standards Act and all other regulations of the U.S. Department of Labor.
- iv. Employment of the Handicapped
- v. The Offeror agrees not to discriminate against any employee or applicant for employment because of physical or mental handicap in regards to any position for which the employee or applicant is qualified. The Offeror agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

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.

F. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP.

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 and completed Offeror's References. These documents will become part of the contract.

B. Nonresponsive Proposals

Proposals shall be judged nonresponsive and removed from further consideration if any of the following occur:

- i. The proposal was not received timely in accordance with the terms of this RFP.
- ii. The proposal does not follow the specified format.
- iii. The proposal does not include the Certifications.
- iv. 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 audit experience | Point Range |
|--|--------------------|
| a. Experience auditing nonprofits. | 0 - 5 |
| b. Experience auditing similar programs funded by N.C. | 0 - 10 |
| c. Experience auditing similar programs funded by the federal government. | 0 - 10 |
| d. Experience auditing accounting systems in Sage Intacct. | 0 - 5 |
| 2. Organization, size, and structure of Offeror's firm. (Considering size in relation to audits to be performed.) | |
| a. Adequate size of the firm | 0 - 5 |
| b. Minority/small business | 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 - 10 |
| b. Overall supervision to be exercised | 0 - 10 |
| c. Experience of the individual audit team members | 0 - 10 |
| 1. Offeror's understanding of work to be performed. | |
| d. Adequate coverage | 0 - 10 |
| e. Realistic time estimates of each audit step | 0 - 5 |

4. Price
Maximum Points

0 – 20
100

Review Process

1. The G'ED may, at its discretion, request presentations by or meetings with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.
2. However, G'ED 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.
3. G'ED contemplates awarding 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 licensed on or before December 31, 2024.
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 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:
 - 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) *OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations*
 - e) *OMB Circular A-122, Cost Principles for Nonprofit Organizations*
 - f) *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*
 - g) *Audits of Certain Nonprofit Organizations (AICPA Audit Guide)*
11. The individual signing certifies that he/she has read and understands all 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 individual 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 PAGE

Dated this _____ day of _____, 20_____.

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

ADDRESS: _____
Street

City State Zip Code

Phone _____

Offeror's References

Prospective contractors must supply three (3) references from agencies or firms for whom they have provided similar services on a contract basis during the last two years.

1. Agency or Firm Name: _____

Business Address: _____

Contact Person: _____

Telephone: _____

E-mail: _____

2. Agency or Firm Name: _____

Business Address: _____

Contact Person: _____

Telephone: _____

E-mail: _____

3. Agency or Firm Name: _____

Business Address: _____

Contact Person: _____

Telephone: _____

E-mail: _____