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REQUEST FOR PROPOSALS

FOR

NON-PROFIT FINANCIAL STATEMENT AUDIT AND TAX PREPARATION SERVICES 2019-2022

**RESPONSE DUE: MARCH 29, 2019
AT 5:00 P.M. PACIFIC TIME**

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Background:

Disability Rights California (DRC) is a 501 (c) (3) non-profit disability rights organization working since 1978 to advocate, educate, investigate and litigate to advance the rights, dignity, equal opportunities, and choices for all people with disabilities. DRC has an annual budget of over \$32 million, currently employs over 260 employees and has six regional offices and 22 additional locations throughout the state.

DRC is requesting proposals from qualified public accounting firms who are professional, responsive, and proactive to provide external audit and tax services in accordance with generally accepted auditing standards. This request for proposal is not a reflection of the current vendor, but is to meet our five-year procurement requirement.

DRC receives major funding from federal and state government agencies and The State Bar of California. Our most recent 990 can be reviewed on <http://www.guidestar.org/>.

Our accounting software is Abila MIP Fund Accounting. All accounting records are maintained at the 1831K Street office in Sacramento, California.

As a disability rights organization, it is critical that selected vendors comply with W3C web standards and guidelines (these guidelines can be found at <http://www.w3.org/consortium/>) and provides materials that are fully accessible in both web and print formats. In addition, all vendor office locations must meet state and federal disability architectural access requirements (Americans with Disabilities Act and California Building Code).

I. SERVICES TO BE PERFORMED

- A. DRC requires that the Single Audit and Independent Auditor's Report be performed and reviewed for accuracy and compliance in accordance with auditing standards generally accepted by the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

B. Annual Audit of the 401(k) plan under the Employee Retirement Income Security Act of 1974 (ERISA), and 5500 form preparation.

C. Income Tax Returns:

Form 990 – Return of Organization Exempt from Income Tax form and all required schedules

California form 199 – Exempt Organization Statement of Return

RRF-1 – Registration/Renewal Fee Report

Form SF-SAC Data Collection Form for reporting on Audits of States, Local Governments and Non-Profit Organizations

Other tax schedules as required by tax authorities

D. Review fiscal policies, internal controls and make recommendations, informing us in a timely manner of any irregularities and regulatory changes that may affect DRC, review management requests on other fiscal matters as necessary.

All working papers and reports must be retained, at the auditor's expense for a minimum of three (3) years. The auditor will be required to make the working papers available upon written request from DRC's Executive Director, Finance Director, or designee.

DRC will require the audit firm to meet (either in person or by conference call) with its staff between July and September for an audit pre-planning meeting to review all work papers and schedules to be prepared by DRC.

The audit firm will meet separately with the Board Finance Committee and Board of Directors in September to review the audit scope and audit plan. The presentation of the draft of the Single Audit and Independent Auditor's Report, as well as the Form 990 and other tax returns, will be given to the Board in early March. The Finance Committee may meet with the auditors in January or February at the conclusion of the audit. The auditors will meet with both the Finance Committee and Board in June to present the 401k audit. The meetings may be in person or attended via conference call. It is expected that the auditors will meet in person with the Finance Committee at least once per year.

Our fiscal year ends September 30th. The audit field work is to commence by mid-November and should be completed prior to Thanksgiving. A draft of the audited financial statements and report should be submitted by December 31st. The final audit must be issued within ten days of the presentation to the Board of Directors. Filing with the Federal Audit Clearing House must be completed within 30 days after the audit is issued.

Tax filings must meet the deadlines set forth by the applicable tax authorities. The 990 questionnaire your firm needs to obtain information from DRC staff must be provided to DRC by December 1st. Draft of the returns must be completed by February 15th with the final submission by March 25th.

The 401(k) audit must commence after April 16th and the draft must be issued no later than May 25th for board approval.

II. PROPOSAL TIMELINE:

March 11	RFP issued to selected bidders and posted on DRC's website at http://www.disabilityrightsca.org
March 29	RFP bids due at DRC 5:00 p.m. Pacific Time
April 1 thru 5	Staff review and summarize bids for RFP committee review.
April 9 or 10	Audit RFP committee meet to screen RFP's and select audit firms to interview.
April 22, 24, or 25	Oral presentations and interviews for selected bidders 9:30 a.m. to 4:30 p.m. RFP Committee makes decision for Board approval in June.
June 22	Full Board review and approval

III. PROPOSAL FORMAT:

The proposal must contain the following information and be consistent with DRC's accessibility protocols. The proposal must be provided in Microsoft Word, and Arial 14 font. Please be advised that RFP reviewers may use screen readers to evaluate the RFP documents. See section XVIII. Accessibility Quick Guide. The proposal should be as brief and concise as

possible, providing relevant information and excluding marketing materials. The proposal, excluding the cover letter and any attachments, should not exceed 20 pages:

1. Cover Letter: A brief cover letter summarizing key elements of the proposal on your firm's letterhead. The cover letter must include the name, address, telephone number, and email address of the proposer and all key personnel who will be providing requested services. A representative authorized to make contractual commitments must sign the cover letter.
2. Table of Contents: Please identify each section of your response as outlined in this RFP.
3. A complete and concise response to all requested items listed in the RFP.
4. All attachments identified in the RFP

IV. PROPOSAL SUBMISSION:

Please provide one original proposal signed by an authorized official, as well as five copies of the proposal, by March 29, 2019 5:00 p.m. Pacific Time to:

Karen Keene, Finance Director
Disability Rights California
1831 K Street
Sacramento, CA 95811

In addition, one accessible electronic copy of the entire signed proposal must be emailed by the same deadline to Karen Keene at:

Karen.Keene@disabilityrightscalifornia.org

Any questions, including accessibility document questions, should be directed in writing to:

Karen.Keene@disabilityrightscalifornia.org

The proposal shall remain valid for a period of 180 days beyond the proposal due date.

V. PERIOD OF PERFORMANCE:

DRC intends to award the contract for a three-year period commencing July 2019 and may extend the contract for an additional two years. The period of performance will be subject to periodic review by DRC. This contract may be terminated by DRC with a thirty (30) day written notice to the contractor without cause and regardless of the reason. Any contract executed based on award of this RFP must stipulate that the applicable governing law will be the State of California.

VI. KEY POINTS:

This RFP does not commit DRC to award a contract to any firm that responds to, or pay any costs incurred in the preparation or mailing of a respondent's response, or in participating in this RFP process. DRC reserves the right to accept or reject any or all responses as a result of this RFP, to obtain information concerning any or all respondents from all sources, and to request an oral presentation from any or all respondents. DRC expressly reserves the right to negotiate with some, all, or none of the respondents with respect to any term or terms of the responses or contracts.

Responses that are incomplete, received after the deadline or not compliant with the conditions specified in this RFP may be rejected. Unless specifically requested by DRC, oral communications outside the process detailed in this RFP will not be considered. Should DRC elect to award a contract to your firm, your proposal and any supplemental information and responses may be incorporated into and made a part of any final written agreement between DRC and your firm. No such information or other material should be submitted that cannot be incorporated into the agreement.

VII. SELECTION CRITERIA:

DRC's Finance Committee and staff will make its selection based upon the demonstrated competence, experience, knowledge and qualifications to perform the services, and on the reasonableness of the proposed fee for the services.

Any and all bids may be rejected when it is in DRC's interest to do so.

The award will be made only to a firm who is licensed, bonded and insured, as appropriate.

Additional consideration will be given to small businesses owned by persons with disabilities, small business concerns, small disadvantaged business concerns, women-owned small business concerns, HUB Zone small business concerns, and service-disabled veteran-owned small business concerns.

VIII. PROPOSAL REQUIREMENTS

A. Minimum Requirements

1. The CPA firm and the partner in charge of the audit must be properly licensed to practice in the State of California. Please provide your license information.
2. A minimum of seven (7) years of experience in providing auditing services to entities receiving government funding.
3. Auditors engaged in the audit must meet the continuing education requirements of *Government Auditing Standards*. Please provide us with the most current information for the partner that will be working on this engagement.
4. The firm's most recent peer review or quality review report must have been unqualified. Please provide us with six copies and an electronic version of the most current report.
5. Secure portal for uploading documents.
6. Acceptable employee diversity of the firm
7. Compliance with Executive Order 11246 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41CFR Part 60).
8. Adequate Errors and Omissions Insurance, Directors & Officers Liability Insurance, and Workers Compensation Insurance, throughout the contract. Provide certificates of insurance.

B. Profile of Firm Proposing

1. State whether the firm is a local, national, or international firm and include a brief description of the size of the firm.

2. State whether the firm is in compliance with the registration and licensing requirements to engage in the practice of public accounting in California.
3. Describe the local office and any other information required to describe the office that will be performing the work, such as the size of professional staff by level, such as partner, manager and supervisor, senior, and other professional staff, and the number of CPA's in the office.
4. Describe the commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Provide a sample list of the audit items you require.
6. Describe your firm's use of technology, your audit portal, and your security protocols to insure safety of client data.
7. Describe what differentiates your firm from other firms.
8. Describe in detail your audit approach and sampling techniques to be used in the engagement.
9. Describe how your firm will keep DRC abreast of tax and regulatory changes.
10. Describe your corporate accessibility protocols including physical office space accessibility.

C. Qualifications

1. Describe your recent local office auditing experience in auditing similar nonprofit and governmental entities.
2. Include résumés of all key professional members who will be assigned to the audit from the audit partner through at least the on-site in-charge accountant. The résumés should include:
 - a) the amount of experience the individual has in the auditing profession,
 - b) A summary of similar audits the individual has worked on,
 - c) A statement affirming the continuing professional education of the individual is in compliance with standards as issued by the Comptroller General of the United States, and
 - d) A separate statement whether the individual is independent, as defined by applicable auditing standards.

3. Describe the individuals within the firm who are heavily involved in nonprofit auditing and reporting and with whom the audit team may consult.
4. Describe the firm's policy on notification of changes in key personnel and how your firm will ensure the quality of staff over the contract period.
5. Briefly describe the firm's system of quality control to ensure the audit is adequately performed.

IX. EXIT CONFERENCE

An exit conference with the Executive Director or designee, Finance Director or designee, and the firm's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with DRC. The exit conference should include internal control and program compliance, observations, and recommendations.

X. AUDIT DOCUMENTATION

Upon request, the firm will provide a copy of the audit documentation pertaining to any questioned costs identified in the audit. The audit documentation must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

The audit report should include a management letter, if appropriate, which includes recommendations affecting the financial statements, internal controls, accounting systems, and legality of actions.

Bound copies of the report, including the management letter, should be provided by the firm accepting the contract in a quantity sufficient to meet the needs of DRC and the Finance Committee. The number of bound copies to be provided is typically 10 and may vary from year to year. In addition, we require an accessible Adobe Acrobat pdf version, as well as a Word version be provided.

XI. CONFLICT OF INTEREST AND INDEPENDENCE

Respondents must disclose any instances where the firm or any individuals working on the contract have a conflict of interest and the nature of that conflict. DRC reserves the right to cancel the award if any

interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the respondent's proposal or auditor independence.

The firm must provide an affirmative statement that it is independent of DRC.

XII. CONFIDENTIALITY

The auditing firm must conform to state and federal requirements regarding confidentiality of DRC's employer and employee records and files accessed in the performance of services under the contract. The firm must refer all requests for information received from outside parties to DRC.

XIII. FEES AND COMPENSATION

The fees quoted in your proposal and included in the contract will be the maximum paid, unless both parties complete an amendment to the contract.

Provide the following information on a separate sheet for each service request:

1. Estimated total hours to complete each section of the scope of work outlined.
2. Estimated out-of-pocket expenses.
3. The hourly rate by staff classification.
4. The all-inclusive maximum fee and out-of-pocket expenses, which will not be exceeded.
5. The frequency and timing of the firm's billing process.
6. Any rate guarantee or non-profit discount applicable.

XIV. CLIENT BASE/REFERENCES

1. Provide client name, contact name, address, e-mail, and phone information for at least three current client references. At least two references must be non-profit organizations.

2. Provide reference information on two former clients, at least one of whom has left within the last 12 months. Include the reasons why they ceased to be a client.
3. What are your client retention statistics for each of the last three years?

XV. EMPLOYEE AND BOARD DIVERSITY

1. Please provide your employee demographic data, including persons with disabilities.
2. If applicable, please provide information on your firm's department/council that oversees employee diversity.
3. Please provide your Board's demographic data.

XVI. INDEMNIFICATION FROM LIABILITY

If selected as the Auditor/Tax preparer, the agreement will indemnify, defend and hold harmless DRC, its officers, agents and employees from any and all claims and losses accruing or resulting from auditing/tax services performed.

XVII. SAMPLE AGREEMENTS, REPORTS AND GLOSSARY OF TERMS

Provide sample agreements, reports, and glossary of terms.

XVIII. ACCESSIBILITY QUICK GUIDE

Document Guidelines

A. Text and Fonts

1. Limit font styles on your documents.
2. Use 14-point font or larger in your documents.
3. Use 18-point font or larger when creating "Large Print Material".
4. Utilize simple and easy to read fonts; for example, Arial.
5. Only use San-Serif fonts; for example, Arial.
6. Utilizing **Bold** when highlighting a heading, or important information.

B. Page and Text Layout

1. Set your surrounding margins at 0.5”.
2. Set your columns at 0.5” between columns.
3. Practice merging your text left of the document. (Left Aligned Text).
4. Hyperlinks must describe the destination of the hyperlink. This description can be short, and concise. Hyperlinks need to be underlined, and highlighted in Blue.
(<https://www.disabilityrightsca.org/>).

C. Images

1. Do not use images as a background, or behind text.
2. If an image is used to elaborate on the subject, always ensure to add a description to that image. “Alternative Text (Alt-Text)” should be used to describe why the image is important, and a description of what is occurring in the image.
3. When adding a link to an image, ensure to also describe where the user will be redirected to when they click on the image.
4. Images that are used to decorate the document do not need a description on the Alt- Text box.

D. Color Contrast

1. Double sided documents should be printed in heavier paper to prevent any bleed through on either side.
2. When using colors, use colors with high-contrast for example; Black text on a white background.
3. Use matte or non-glossy paper for printed materials.

E. Readability

1. Write your message in plain language. When possible avoid terminologies, and avoid abbreviation (spell out all words).
2. When creating your document, keep in mind who the audience is. When possible aim for a 7th to 8th grade reading level.
3. Always describe any terminologies, and legal jargon used in plain language.
4. Maintain short sentences throughout your document. This makes it easier for the reader to understand the points being made.

F. Excel Charts

1. All images, and charts should have a description added in the alternative text box (Alt-Text).
2. All tables should include a heading to help the reader navigate the chart.
3. Never leave a cell empty. If there is no data for that cell use N/A as an alternative.
4. Do not merge or shift cells.
5. Use a different format to display multimedia content.

G. PowerPoints

1. Create a large print word version for each slide.
2. Do not create more than 6 bullet points per slide.
3. Utilize high contrast colors.
4. When presenting, always describe the images used on the slide. What is the image representing and why it's there?
5. (Alt-Text) should be included for images on all electronic versions of the PowerPoint.
6. All videos need to include captions.

H. Working with Microsoft Applications

[Microsoft Office's Accessibility Checker \(for Word, Excel, and PowerPoint\).](#)

1. Word Documents

1. When creating headings, always use the built-in styles to format your headings.
2. Use (Alt-text) for all images, except decorative images. Describe all hyperlinks by adding a small description to the hyperlink text.
3. When using tables in Word, always add headers, and a description of what the table is demonstrating.
4. If possible, images should be formatted (In Line with Text).

2. Saving Documents and PDFs

If you would like to convert your Word document to a PDF, always use (Save As). Never save documents from the print menu. This can erase the accessibility components created in the original document.

**Disability Rights California's facilities
are scent-free environments**

Employees/visitors to our offices may have sensitivity and/or reactions to fragrant products. Disability Rights California requests that employees and vendors refrain from wearing scented products (e.g., scented perfumes/colognes or lotions, etc.) in all Disability Rights California locations.