



Alaska Conservation Foundation

Request for Proposal and Qualifications for Audit and Tax Preparation Services October 2015

I. INTRODUCTION

General Information

Alaska Conservation Foundation, hereafter known as ACF, is requesting proposals from qualified firms of certified public accountants to provide audit and tax preparation services. ACF's fiscal year ends June 30.

Term of Engagement

A three (3) to five (5) year engagement is contemplated. Each year shall be subject to the annual review and recommendation of ACF's Audit Committee.

Subcontracting

Firms submitting proposals are to disclose subcontracting of any portion of the engagement to other audit firms and identify the firms in the proposal. If this is to be done, that fact and the name of the proposed subcontracting firms must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the expressed prior written consent of ACF.

II. DESCRIPTION OF ACF

ACF is a 501(c)(3) community foundation. The Alaska Conservation Foundation protects Alaska's natural environment and the diverse cultures and ways of life it sustains. We do this by promoting conservation philanthropy and by strategically directing resources to conservation leaders, organizations, and initiatives.

ACF is governed by a nineteen (19) member Board of Trustees comprised of local community leaders who serve in the public interest. ACF employs (11) full-time staff and three (3) part-time staff in three locations – Anchorage with 10 full-time staff and two part-time, Sitka with one part-time staff, and Sioux Falls, SD with one full-time staff.

ACF currently has assets totaling \$10.5M. Of those assets, \$8.5M is comprised of 23 separate endowment funds. Annual gifts are between \$900,000 and \$1M and annual grants range from \$2.5M to \$3M from foundations. ACF does not currently accept State or Federal grants.

Our investment policy, audited financial statement (FY15 is in draft), and IRS Form 990s, as well as additional information about ACF, are located on our website at:

alaskaconservation.org/foundation/

Basis of Accounting

ACF prepares financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Financial and Data Processing Systems

ACF utilizes QuickBooks and SalesForce (for donor and grant records).

III. NATURE OF SERVICES REQUIRED

Scope of Work to be Performed

ACF desires the audit firm to express an opinion on the fair presentation of its consolidated financial statements in conformity with accounting principles generally accepted in the United States of America.

Auditing Standards to be Followed

To meet the requirements of this request for proposal, the audit shall be performed in accordance with auditing standards generally accepted in the United States as set forth by the American Institute of Certified Public Accountants.

Deliverables/Reports to be Issued

Following the completion of the audit, the firm shall issue the following reports:

- Report on the fair presentation of the consolidated financial statements of ACF in accordance with accounting principles generally accepted in the United States of America.
 - Typically ten (10) copies of the final audit report are required as well as in PDF file.
- A management letter presented to the Audit Committee with respect to recommendations on internal controls and financial management practices.
- A letter on significant deficiencies/material weaknesses, if applicable.
- IRS Form 990 for ACF along with 990-T and applicable state returns.¹
 - PDF file of full version and public inspection version provided along with hard copies of the completed tax forms.

The audit firm will work closely with ACF's Audit Committee and make a presentation to the Audit Committee and, possibly, the Board of Trustees.

¹ For FY16 and prior years, ACF was a partner in an Illinois-based LLC. Returns are required in IL, AK and CA. ACF sold the partnership interest to the other partners this year.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained at the auditing firm's expense for a minimum of seven (7) years unless the firm is notified in writing by ACF of the need to extend the retention period. The audit firm will be required to make working papers available upon request by ACF. Reports, documents, and working papers will only be released with specific written permission and direction from ACF. In addition, the firm shall respond to reasonable inquiries of successor firms and allow successor audit firms to review working papers relating to matters of continuing accounting significance.

IV. TIME REQUIREMENTS

The following is the calendar of events related to this RFP:

EVENT DATES

Issue Request for Proposals (RFP)		October 26, 2015
Deadline for:		
Confirmation of Interest		
Fax to: Kate Gerlek, Director of Finance & Operations, at (907)274-4145 or kgerlek@alaskaconservation.org		
Call to confirm receipt of confirmation at (907) 433-8208	4:00 p.m.	November 13, 2015
Deadline for:		
Written Questions		
Fax to: Kate Gerlek at (907)274-4145 or kgerlek@alaskaconservation.org		
Call to confirm receipt of questions at (907) 433-8208	4:00 p.m.	November 20, 2015
Bidders Conference Call	2:00 p.m.	December 2, 2015
Conference call # 855-212-0212 Meeting id: 156-737-042		
Deadline for:		
Submission of proposals to ACF (A PDF file e-mailed to kgerlek@alaskaconservation.org)	5:00 p.m.	December 18, 2015
Evaluation of Proposals:		
The Audit Committee will evaluate the proposals, may schedule in-person or telephone interviews, and will make a preliminary selection which must be ratified by the Board of Directors at their February, 2016 meeting.		
Firm Notified		March 1, 2016

Date Preliminary Audit Work May Commence

ACF will have records ready and all management personnel available to meet with the firm's personnel for preliminary work by late August. It is anticipated that ACF year-end general ledgers will be closed and be ready with reasonably adjusted trial balances by the third week of August, 2016. The date of the site visit can be set at the firm's convenience for some time in late August or early September, 2016.

Audit Schedule

A schedule for the audit must be submitted with the firm's proposal and must contain the following milestones:

- Interim Work Plan
- Detailed Audit Plan
- Fieldwork
- Draft Reports

Report Due Dates

Draft audit reports for ACF shall be delivered to Kate Gerlek in PDF file via email by October 21, 2016. Presentation of audit report by a member of your firm to the Audit Committee will be scheduled as appropriate. The Board of Trustees will review and accept the audit at their February, 2017 meeting.

V. ASSISTANCE PROVIDED TO THE AUDITOR IN REPORT PREPARATION

Financial Staff and Clerical Assistance

The ACF finance staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations.

Statements and Schedules to be Prepared by the Staff of ACF

The finance staff will prepare statements and schedules for the firm wherever possible and appropriate. We encourage the audit firm to use ACF staff whenever possible. ACF will request a coordination schedule of items the audit firm will need to successfully complete planning and fieldwork with due dates for each item.

Work Area, Telephones, Copying, Fax Machines, and Internet

ACF will provide the firm with reasonable work area. The firm will also be provided with reasonable access to telephones, copying facilities, fax machines, and internet.

Report Preparation

Report preparation, editing, and printing shall be the responsibility of the selected firm.

VI. PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

Submission of Proposals

There is no expressed or implied obligation for ACF to reimburse firms for any expense incurred in preparing proposals in response to this RFP. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless it is clearly and specifically noted in the submitted proposal and is confirmed in the written contract between ACF and the selected firm.

To be considered, a Confirmation of Interest statement must be sent by fax or email by 5:00 p.m. on November 13, 2015. A PDF file of the proposal must be submitted by 5:00 p.m. on December 4, 2015 to Kate Gerlek. ACF reserves the right to reject any or all proposals submitted after the aforementioned time. The Audit Committee will evaluate proposals and make a recommendation to ACF Board of Trustees. During the evaluation process, the Audit Committee and ACF reserves the right, where it may serve ACF's best interest, to request additional information or clarifications from firms submitting proposals, or to allow correction of errors or omissions.

At the discretion of ACF or the Audit Committee, firms submitting proposals may be requested to make an oral presentation as part of the evaluation process. Presenters will be given 20 minutes to present their proposal to the Audit Committee. A question and answer session will follow the 20 minute presentation. The date for oral presentations will be scheduled at the Audit Committee and firm's mutual convenience. **Not all firms may be asked to make oral presentations.**

VII. CONTENT OF PROPOSALS

The purpose of the proposal is to demonstrate the competence, experience, and capability of the firm. As such, the substance of the proposal will carry more weight than the form or manner of presentation. The proposal should demonstrate the capabilities of the firm and should specifically identify the audit approach that will be used to meet the RFP requirements.

Detailed Proposal

The proposal should address all points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

License to Practice in Alaska

An affirmative statement should be included indicating that the audit firm and all assigned key professional staff are properly licensed to practice in Alaska.

Firm Demographics

The proposal should state the size of the firm, size of the firm's nonprofit audit staff, and the location of the office from which work on this engagement is to be performed.

Please include the firm's nonprofit tax expertise, including experience with tax exempt entities as well as with federal information/tax return filings such as the IRS form 990 and form 990-T and state regulatory filings such as the license to solicit.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific nonprofit engagements.

The audit firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

Partner Supervisory and Staff Qualifications and Experience

The audit firm should identify the principal supervisory and management staff including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement and indicate whether each person is licensed to practice as a certified public accountant in Alaska. The firm should also provide information on the nonprofit auditing experience of each person. The firm should provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement.

The firm should also indicate how the quality of staff over the term of the agreement would be assured and level of commitment to staff continuity for ACF. Indicate staff turnover experience for the last three (3) years.

Firm personnel may be changed at the discretion of the proposer provided replacements have the same or better qualifications or experience.

Engagement Expertise

For the firm's office that will be assigned responsibility for the audit, list a minimum of three (3) engagements performed in the last five (5) years that are either community foundations or comparable nonprofit organizations. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact. Specific community foundation experience will not be the only factor considered in awarding the engagement.

Identify expertise pertaining to nonprofit tax issues.

Specific Audit Approach

The proposal should set forth a work plan including an explanation of the audit methodology to be followed. The work plan should also describe how the firm will achieve audit and tax form preparation efficiency through risk-based auditing and through the application of technology. The plan should also include the communication process used by the firm to discuss issues with management and Audit Committee of the board.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems, and any special assistance that will be requested from ACF.

Total All-Inclusive Maximum Price

The proposal should contain all pricing information relative to performing the engagement as described in this RFP. The total all-inclusive maximum price is to contain all direct and indirect costs including all out-of-pocket and travel expenses. Please include the estimated hours by role for the engagement. This should include first year investment and following year costs broken out by year.

Why your firm?

Describe how and why your firm is different from other firms and why selection of your firm as our independent accountants is the best decision we could make.

Conflict of Interest

The firm must indicate any potential conflict of interest that exists in regard to their ability to respond to this RFP and to perform the requested services for ACF. This includes a description of the firm's relationships with ACF with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the services outlined in the request for proposal. To avoid any real or perceived conflict, all proposals, to the extent possible, shall identify any relative of the firm's employees who are presently employed by ACF.

VIII. EVALUATION PROCEDURES

The proposals submitted will be evaluated by the Audit Committee. The purpose of the proposal is to demonstrate the qualifications, competence, capacity, affordability, and capability of the firm seeking to undertake this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the firm and should specify the approach that will be used to meet the request for proposal requirements.

During the evaluation process, ACF reserves the right, where it may serve ACF's best interest, to request additional information or clarification from firms or to allow correction of errors or omissions. At the discretion of ACF, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. Reasonable advance notice will be provided to selected firms. Not all firms submitting a proposal will be asked to participate in oral presentations.

It is anticipated that a firm will be selected by the Audit Committee by December 30, 2015. The Board of Trustees must ratify the selection at their February meeting. Following notification of the firm/individual, it is expected a contract will be executed between both parties immediately.

ACF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether or not that proposal is selected. ACF also reserves the right to reject any and all proposals, award the contract to other than the lowest priced firm, and to waive irregularities and/or formalities. In addition, ACF has the right to accept any proposal which in its judgment best serves ACF's interest. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and contained in the contract between ACF and the selected vendor.

IX. FIRM ASSURANCES

In that the selected firm will be required to assume responsibility for all services offered in their proposal, ACF will consider the selected firm to be the sole point of contact with regard to any subcontractors. In connection with the performance of work under a contract with ACF, the contractor must agree not to discriminate against employees or applicants for employment on the basis of race, religion, color, national origin, or disability. The aforesaid provision shall include but not be limited to the following: recruitment or recruitment advertising; employment, upgrading, demotion, or transfer; layoff and selection or training, including apprenticeship, in accordance with rules and regulations promulgated by various Federal agencies.