



**Associated Students, Inc.
Financial Services**

**Request for Proposals
Independent Audit and Other Support Services**

Proposal Due Date: February 23, 2018, 5:00pm

**Associated Students, Inc.
Cal Poly Pomona University
3801 W. Temple Ave., Bldg. 35-2118
Pomona, CA 91768**



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PREFACE AND INVITATION

The Associated Students, Incorporated (ASI) of California State Polytechnic University, Pomona is a recognized auxiliary organization of the California State University (CSU) system, whose primary purpose is to provide essential activities closely related to, but not normally included as part of, the regular instructional program of the university. The ASI is a qualified, tax-exempt charitable organization (IRS Section 501 (c) (3)), chartered under the non-profit laws of the State of California and authorized by California Education Code Section 89900 et. seq.

The ASI provides a full array of campus support services, including student self-governance, childcare, student activities, intramural sports, graphic design, and operation of the Bronco Student Center and the Bronco Recreation Intramural Complex. It employs approximately 70 persons on a full-time basis and approximately 310 part-time student employees. All accounting functions of the corporation, including payroll, are performed on a local area network.

Through this request for proposal (RFP), the ASI invites experienced and qualified, independent certified public accountants licensed in the State of California to submit proposals to perform specified financial and Federal compliance auditing functions in accordance with the following specifications.

QUALIFICATIONS

Proposals will be accepted from firms with demonstrated experience and competency in supporting auxiliary organization auditing. The minimum qualifications for firms submitting proposals are:

1. Demonstrated experience and proficiency in auditing both GASB and FASB 501(c)3 not-for-profit organizations and public universities, including having at least three (3) of such non-for-profit organizations as existing clients;
2. Demonstrated experience and proficiency in performing OMB Circular A-133 audits ("Single Audits");
3. Possess the qualifications and training to perform the auxiliary organization audits in accordance with Government Auditing Standards, including experience of auditing at least three (3) public universities, governmental agencies, or other non-profit organizations in California during the past five (5) years;
4. Demonstrated track record of providing high quality financial statement audits for not-for-profit organizations;
5. Members of the audit team shall be experienced in supporting non-profit accounting. This shall include the senior member "in charge", who shall have at least three (3) years recent experience in auditing non-profit organizations;
6. Members of the audit team shall be experienced in the requirements of OMB Circular A-

133 and Financial and Governmental Auditing Standards.

SCOPE OF WORK

1. Audits – The audits will cover all funds of the entity. The examination shall conform to the generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants (AICPA) and as further specified by the Office of the Chancellor, The California State University on an annual basis. With respect to state and federal funds received and administered by the ASI, the audit shall be in compliance with the laws of the State of California, in particularly the California Code of Regulations, Section 42400 et. Seq. and applicable directives published by the CSU system as well as the requirements of OMB Circular A-21 and A-133.
2. Tax Filings – The annual tax filings shall include the preparation of the Return of Organization Exempt From Income Tax (Form 990), Exempt Organization Business Income Tax Return (Form 990-T), Annual Registration Renewal Fee Report (Form RRF-1), California Exempt Organization Annual Information Return (Form 199), California Exempt Organization Business Income Tax Return (Form 109), and any other tax filings as required by the state and/or federal government.
3. Other Financial Accounting or Tax Advisory Services – ASI may also request for other financial accounting or tax advisory services on an as-needed basis. This typically involves responding to questions regarding tax laws in regards to not-for-profit organizations, accounting treatment for special transactions, etc.
4. Term of Services - Initial audit term shall cover the fiscal year July 1, 2017 through June 30, 2018. The engagement term may be extended for up to five (5) fiscal years ending in 2021-2022, with continued engagement beyond each year based upon satisfactory completion of each year's audit. Determining satisfactory performance will be the responsibility of the Audit Committee.

AUDIT REPORTS REQUIRED

The following reports are expected at the completion of the audit in accordance with the CSU audit instructions cited above:

1. Financial Statements – A report on the examination of the financial statements of the ASI, including all accounts and funds. The audit report and the appropriate notes or comments will be prepared by the auditor in accordance with the audit guide for auxiliary organizations and include both FASB and GASB reporting formats.

2. Management Letter – A management letter prepared by the auditor in letter form which includes findings, observations, opinions, comments, or recommendations with regard to systems of internal control, accounting systems compliance with laws, rules and regulations, or any other material matter that may come to the attention of the auditor during the course of the examination. Such findings, observations, opinions, comments, or recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with such examination.
3. Federal Compliance Audit – A report on internal control and compliance in accordance with Federal OMB A-21 and A-133 examination for federal awards to the ASI. This includes letters of compliance with laws, regulations, contracts and grants based on an audit of financial statements performed in accordance with government auditing standards; and, the internal control over compliance in administering federal awards, internal control over financial reporting; a summary schedule of Current Year findings; and completion of the Data Collection Form.
4. Executive Summary – A summarized review of findings in all areas.

Schedule of Reports

The auditor shall submit draft copies of the reports detailed above electronically within sixty (60) calendar days from the close of the Corporation's fiscal year for the Audit Committee and Financial Services review and approval. The auditor shall submit 20 final copies and an electronic file copy within seventy-five (75) calendar days from the close of the Corporation's fiscal year.

Meetings and Timing

A pre-audit conference will be held to review and set the schedule and particular scope of the audit with the Audit Committee. The auditor may commence the examination in the third quarter of the year being audited. During the audit, the auditor may be required to meet with various officials and the Audit Committee to discuss the audit or related matters. The auditors will present their reports to the Audit Committee and thereafter to the Board at a regularly scheduled meeting within ninety (90) calendar days following the close of the Corporation's fiscal year.

Methods and Basis of Compensation

Proposals shall set forth the hourly rates and the maximum annual amount of compensation to audit the ASI's financial records for the next five (5) fiscal year requested. The attendance at all meetings of the Audit Committee and Board of Directors relating to matters concerning the audits shall be considered as a part of the proposal amount. Proposers are free to propose whatever method of compensations would be



best, mutual advantage of the ASI and the Proposer. References to inflation indices shall be identified.

Tax Preparation Services

The proposal shall include a separate fee schedule for preparing and signing the annual non-profit federal and state tax returns.

Other Accounting Support or Advisory Services

Proposals should contain provisions to the effect that in the event disclosures in audit indicate extraordinary circumstances which warrant more intensive and detailed services, the Proposer shall provide in advance all pertinent facts relative to the extraordinary circumstances, together with the Proposer’s fee basis for such additional services to the ASI’s Board of Directors. Proposals should also indicate the hourly rates for any financial accounting or tax advisory services that may be requested by ASI on an as-needed basis.

PROPOSAL FORMAT

A minimum of six (6) hard copies of the proposal should be forwarded to:

Carol L. Lee
Director of Financial Services
Associated Students, Incorporated
California State Polytechnic University, Pomona
3801 West Temple Avenue, Building 35-2118
Pomona, California 91768

No later than February 23rd, 2018 by 5:00 p.m. (PST).

The proposal shall include:

1. A statement of your understanding of the work, descriptions of the audit approach, and illustrations of the procedures to be employed.
2. The approximate date the audit will begin, including preliminary field work, and year-end.
3. Bibliographies, including experience of the principals who will be assigned to the engagement and relevant experience of each in auditing and computer-based financial systems.
4. The most recent peer review report and/or other quality review program as required by federal audit regulations.



5. Sample FASB-based, audited not-for-profit (non-CSU) financial statements recently audited by the firm. The sample financial statement submitted will be used by the Chancellor's Office to perform technical review to evaluate the application of accounting principles.
6. Names, addresses and telephone numbers of persons who may be contacted for reference. Proposals shall include a reference list of clients similar to Associated Students, Incorporated for whom comparable services have been recently rendered and any CSU related clients.
7. Estimated hours to complete the engagement by level of staff (i.e., partners, manager in charge, staff accountants).
8. As a separate section of the proposal, the not-to-exceed fee for performing the engagement, including out of pocket expenses. In addition, indicate the rates by level of staff for providing extraordinary services and the expected level of fees on future engagements.
9. The CSU Qualification Review Questionnaire for Proposed Audit Firm, with questions 1, 3, 4, 6, 7a, 7b, 8, 9 and 10 completed, along with any additional supporting documents.

ADDITIONAL INFORMATION

The proposals will be reviewed by ASI's management and by the Audit Committee. The review process will include interviews with firms chosen for final consideration. A recommendation will be forwarded for consideration and action to the Board of Directors by the ASI Executive Director and the approval recommendation for engagement by the Audit Committee. Copies of the prior year Audited Financial Statement can be found on our ASI website under Financial Services at <http://asi.cpp.edu/services/financial-services/>.

AUDIT ENGAGEMENT

The audit firm selected shall commit to the terms and conditions of mutually approved audit engagement to a formal Letter of Engagement to be executed by the firm and by the Corporation.

If you wish to obtain additional information, please visit our ASI website detailed above or please contact:

Carol L. Lee
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Pomona, California 91768

Associated Students Incorporated



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