

# KA MANA O NA HELU

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## REQUEST FOR PROPOSAL (RFP) FOR AUDIT AND TAX SERVICES

### Background

Founded in 2018, Ka Mana O Na Helu (KMNH) is a nonprofit organization committed to developing effective leadership for the utilization of information technology to drive cost-effective human services solutions. KMNH provides database management, analytical, and consulting services for the planning, oversight, and implementation of technological solutions to analyze and present information to stakeholders and other interested parties to deliver human services more effectively throughout the State of Hawaii.

**The purpose of this Request for Proposals is to solicit proposals from various candidate organizations, and to conduct a fair and extensive evaluation based on criteria outlined within this Request for Proposal.**

The Scope of Services required by this RFP includes the following:

- Annual audit of financial statements for KMNH for fiscal year ending, December 31, 2021.
- Audit of Federal award(s) in accordance with 2 CFR 200.
- Occasional advice and counsel during the year regarding accounting issues and governmental requirements.

KMNH is seeking a firm on Oahu that has significant experience with nonprofit organizations. Tax year 2021 will be the first year that KMNH has been required to conduct an audit. KMNH staff will provide significant audit assistance as needed, with the expectation that planning and interim work will begin in July 2022, with financial statements and management letter to be fully completed and delivered no later than Friday, September 9, 2022.

Included in this RFP you will find proposal specifications and other relevant information. For those firms wishing to respond to our proposal request, we will provide copies of the most recently completed 990 upon request. Proposals must be received via electronic mail no later than 4:00 P.M. (HST) on Wednesday, June 29, 2022. Proposals received after the due date will not be considered.

Proposals must be in pdf format and addressed to the following KMNH personnel via electronic mail by the RFP deadline:

- Carlos Peraro, [carlos@kamanaonahelu.org](mailto:carlos@kamanaonahelu.org)
- Alison Hinazumi, [alison@kamanaonahelu.org](mailto:alison@kamanaonahelu.org)

It shall be the responsibility of the CPA Firm to ensure that the proposal is received by the date and the time specified in this RFP. Any questions regarding this RFP should be directed to Carlos Peraro, via email at the address above.

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## Financial Overview

### Major Sources of Income:

- Federal Grants
- State Grants
- Program Fees

### Major Expenses:

The primary expenses for KMNH are personnel (salaries, payroll taxes, and fringe benefits), subcontractors, and minimal operational expenses.

### Major Balance Sheet Accounts:

- Cash
- Accounts Receivable
- Accounts Payable
- Restricted and Unrestricted Funds
- Prepaid Expenses
- Payroll Taxes and Benefits Payable

### Accounting Software:

KMNH uses the QuickBooks Online accounting system.

### Assistance to the Auditor:

The audit will be conducted electronically. Provision of documents to the auditor will be provided by KMNH via Citrix ShareFile. During the audit, KMNH will provide the following assistance to the auditor:

- Preparation of Draft Financial Statements
- Preparation of working trial balance
- A detailed general ledger report
- Preparation of schedules - based upon auditor assistance letter
- Access to electronic documents - based upon auditor assistance letter
- Access to specific organizational leadership and staff members as requested

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## Proposal Specifications

To assist KMNH in evaluating the proposal, please provide your firm's response in an Executive Summary addressing the points noted below. The Executive Summary should be limited to no more than five (5) pages in length. Separate supporting schedules may be provided with biographical information, client references, and information about the firm's capabilities. Signed certification (form appended) is required.

- Describe what makes your firm uniquely qualified to provide the professional services KMNH requires.
- Include a general discussion of your firm's basic approach to performing an audit and the resulting advantages for KMNH.
- Identify the engagement team who will be performing the work, including their qualifications and experience.
- Explain how your firm will provide for continuity of staff during KMNH's audit, and from year to year.
- For KMNH to assess your firm's ability to staff an audit, provide information about the size and mix of your staff in the local office. You may also wish to furnish specific information about other resources that would be available to KMNH should your firm be selected.
- Indicate the expected scheduling of the audit. (Delivery of the audited financial statements and management letter can be no later than September 9, 2022.)
- Provide information regarding your audit including:
  - The estimated number of hours to be spent by various levels of staff and the approximate rate per hour of each. Indicate whether out-of-pocket expenses are included in your fee structure.
  - Describe how you bill for overruns if applicable. Explain how KMNH can reduce any overruns. Explain how KMNH can be assured of no "surprise" billings.
  - State your firm's philosophy on billing for advice and counsel during the year.
- Provide detailed cost schedules for each major element of the audit engagement, including but not limited to financial services outlined in the Scope of Services above.
- Indicate ways in which KMNH's staff and resources might be used to minimize audit costs.
- Comment on the impact any auditor transition could have upon KMNH and any associated charges.
- Provide any other information you deem appropriate.

### Proposal Deadline:

The deadline for receipt of your proposal submission is 4:00 PM (HST) Wednesday, June 29, 2022. Proposals received after this date will not be considered. After receipt and evaluation of responses, the selected firm may be required to make a brief oral presentation to KMNH staff if deemed necessary. The Partner/Principal in charge of the engagement should make the presentation, and the planned senior "on-site" auditor should also be present and available for questions.

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**Term of Proposal:**

The term of your proposal should be for fiscal year ended December 31, 2021.

**Billing:**

Progress payments may be billed for services rendered in the prior month.

**Criteria for Selections:**

Bidders shall be evaluated based on the following evaluation scoring.

- Lowest Price (10 points)
- Experience on similar contracts (15 points)
- Ability to meet the established project parameters and completion schedule (15 points)

**Selection Schedule:**

KMNH intends to proceed with the following tentative schedule for selection:

- |                           |                            |
|---------------------------|----------------------------|
| • RFP Published           | June 13, 2022              |
| • Proposal Due Date       | June 29, 2022              |
| • KMNH Award Notification | No later than July 6, 2022 |

**Additional information:**

Any requests for information should be addressed to Carlos Peraro at the email above.

**Nonresponsive Proposals:**

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

- The proposal is not received by the deadline
- The proposal does not follow the specified format
- The proposal does not include the signed “Certification” form; or
- The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with Generally Accepted Auditing Standards and Government Accounting Standards.

**Right to Reject:**

KMNH reserves the right to accept or reject any and all proposals and to select the one it considers most advantageous, aligned with the evaluation criteria above. If it becomes necessary to revise any part of the RFP or otherwise provide additional information, an addendum will be issued by KMNH and furnished to all firms that responded to the original RFP. All proposals become property of KMNH and will be treated with respect and confidence, regarding proprietary information.

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## CERTIFICATION

On behalf of the CPA Firm: \_\_\_\_\_

The individual signing certifies that he or she is authorized to contract on behalf of the CPA Firm.

The individual signing certifies that the CPA Firm 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 CPA Firm.

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.

The individual signing certifies that at least one of the audit team members of the CPA Firm is a Certified Public Accountant licensed by the State of Hawaii Board of Public Accountancy.

The individual signing certifies that the CPA Firm meets all the general standards concerning qualifications, independence, due professional care, and quality control as required by Generally Accepted Auditing Standards and Government Auditing Standards, including the requirements for continuing professional education and external peer reviews. (Please include copy of most recent review.)

The individual signing certifies that he or she has read and understands the following publications relative to the proposed audit:

- AICPA Generally Accepted Auditing Standards; and GAO Government Auditing Standards;
- 2 CFR 200 - Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards
- Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) relative to the engagement, such as No. 157 & 158

The individual signing certifies that he or she has read and understands all the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.

The individual signing certifies that the CPA Firm, 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 CPA Firm or any individual to be assigned to the audit has been found in violation of any AICPA professional standards, this information must be disclosed.)

Date: \_\_\_\_\_

CPA Firm's Name: \_\_\_\_\_

Signature of CPA Firm's Representative: \_\_\_\_\_

Printed Name and Title of Individual Signing: \_\_\_\_\_