



## REQUEST FOR PROPOSAL - INDEPENDENT AUDITORS

January 3, 2022

[*Managing Partner*]

[*CPA Firm*]

[*Street Address*]

[*City, State, Zip*]

Dear Sir or Madam:

The Frey Foundation is requesting proposals from CPA firms that have experience in providing audit and tax services for private foundations. We invite your firm to submit a proposal to us by February 18, 2022, for consideration. A description of our organization, the services needed, and other pertinent information is included below.

### **Background of Frey Foundation**

The Frey Foundation, based in Grand Rapids, is one of Michigan's larger family foundations and was established in 1974. The foundation is committed to working together to make a difference in the lives of individuals, families, organizations, and communities. The Frey Foundation is a private foundation recognized by the Internal Revenue Services as a charitable, tax-exempt organization pursuant to section 501(c) (3) of the internal Revenue Code. However, the foundation is subject to an excise tax imposed on private foundations, which is assessed on net investment income.

The foundation provides grants of \$5 million to \$7 million per year to non-profit organizations, primarily in West and Northern Michigan, for projects to enhance child development, protect natural resources, promote the arts, and build community. The foundation has a December 31 fiscal year-end.

The foundation uses Microsoft Dynamics GP 2016 for its accounting software and SmartSimple for its grantmaking database. The accounting department has 2.0 staff members.

For more information on the foundation, please visit our website at [www.freyfdn.org](http://www.freyfdn.org).

### **Services to Be Performed**

The foundation seeks auditing services and tax preparation for fiscal years ending December 31, 2022, through 2026. The initial audit period is for one year ending December 31, 2022. Subsequent audits will be dependent on satisfactory completion of the December 31, 2022, audit. The proposal should include the following services:

1. Annual audit of the financial statements.
2. Management letter containing comments and recommendations with respect to accounting and administrative controls and efficiency.

3. Preparation of annual tax filings for the foundation including IRS forms 990-PF, 990-T and required State of Michigan filings.
4. Availability throughout the year to provide advice and guidance on financial accounting and reporting issues.

### **Relationship with Prior CPA Firm**

These services have been provided by Plante & Moran since 1997. This request for proposal is part of the foundation's periodic review of our various service providers and they will be included in the process.

### **Timeframe**

As noted above, the foundation has a December 31 fiscal year-end. Its anticipated planning and interim fieldwork will occur at the end of the third quarter. Year-end fieldwork is anticipated to take place in mid-to-late March. The issuance of final audit report and management letter is required by mid-April. Final audit report and management letter presentation to be made to the Board of Trustees at their meeting, on the second Friday of May.

### **Your Response to This Request for Proposal**

The Frey Foundation will accept proposals for independent audit services until 4:00 p.m., Friday, February 18, 2022. Please submit an electronic copy of the proposal. Proposals must adhere to the following format, both in content and sequence. The proposal must be signed and dated by a duly authorized firm representative. Proposals should be concise, but also provide adequate detail for objective analysis of firms. By submitting a proposal, each firm certifies that it understands this RFP and has full knowledge of the scope, nature, quality and quantity of the work to be performed; the detailed requirements of the services to be provided and the conditions under which the services are to be performed. Each firm also certifies it understands all costs relating to the preparation of proposals, including any time involved with oral presentations, will be the sole responsibility of the proposing firm.

1. **Firm Name and Address** - including local address, telephone number, name of contact person and date of proposal.
2. **Firm Statistics**
  - a) Size of firm (e.g., number of local CPAs, number of local partners).
  - b) Number of years the firm has been in business.
  - c) Indicate how many staff members will be assigned to the Frey Foundation audits.
  - d) Identify the supervisors, partner, manager and senior, who will conduct the audits and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
  - e) Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
  - f) Describe how your firm will approach the audit of the foundation, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the

firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and committees of the board.

- g) Describe how you will bill for questions on technical matters that may arise throughout the year. Also, furnish current standard and discounted billing rates for classes of professional personnel.
- h) Describe your firm's recent local and/or regional office experience related to providing auditing and tax services to organizations in the not-for-profit industry.
- i) Provide information on whether your firm provides services to any other private foundations, particularly of our asset size or larger.
- j) Include a copy of your firm's most recent peer review report, the related letter of comments and the firm's response to the letter of comments.

3. **Client References** – A minimum of three, but not more than six, shall be documented. Please include similarly sized clients of the partner and manager that will be assigned to our organization.

4. **Fees** - State the maximum fee your firm proposes for the five-year engagement with whatever guarantees can be given regarding increases in future years. Provide detailed charges for the services to be performed – including the preparation of the above referenced tax returns. Your fee proposal should also indicate the budgeted hours by level of staff.

5. **Conclusion** - Provide a brief statement as to why your firm should be selected to provide audit services to the Frey Foundation. This should include why your firm is different from other firms being considered and why our selection of your firm for independent auditors is the best decision we could make.

### **Proposal Timetable**

RFP Distributed	January 3, 2022
Electronic copy of written proposal due to Frey Foundation by 4:00 p.m.	February 18, 2022
Management contacts finalist to schedule presentations	March 21, 2022
Finalists make presentation to Executive Committee	April 20, 2022
CPA firm selected and notified	May 16, 2022

### **Evaluation of Proposals**

The Frey Foundation reserves the right to accept the proposal for services deemed to be in the best interests of the organization, which may not necessarily be the lowest bid fee. The Frey Foundation will evaluate proposals on price and the following criteria:

- Prior experience auditing similar organizations
- Qualifications of staff to be assigned to the engagement
- CPA firm's understanding of work to be performed
- References
- Completeness and timeliness of the proposal

**Key Contact**

Requests for additional information, questions and the return of the completed proposal should be directed to my attention. My contact information is provided below.

We would also appreciate a response if you decline to submit a proposal.

Sincerely,

*Ken Long*

Ken Long  
Chief Financial and Operations Officer

Frey Foundation  
40 Pearl St. N.W. Suite 1100  
Grand Rapids, MI 49503  
616.451.0303  
long@freyfdn.org

Attachments:

Most recent audited financial statements and IRS Form 990 PF.