

CAL POLY POMONA PHILANTHROPIC FOUNDATION

REQUEST FOR PROPOSALS FOR FY 2024-2028 **INDEPENDENT AUDIT AND OTHER SUPPORT SERVICES**

PREFACE AND INVITATION

The Cal Poly Pomona Philanthropic Foundation (CPP-PF) is a recognized auxiliary organization within the California State University (CSU) system, whose exclusive purpose is to raise donations of private support to benefit the activities of California State Polytechnic University, Pomona (University) as provided for in the Master Operating Agreement. CPP-PF is a qualified, tax-exempt charitable organization (IRS Section 501 (c) (3)) public charity, chartered under the non-profit laws of the State of California (public benefit) and authorized by the California Education Code, Section 89900 et. seq.

CPP-PF, accepts, invests and distributes funds to the University for educational support purposes as designated by the donor. CPP-PF holds marketable securities, real estate, monies related to split interest irrevocable agreements and cash. Financial recordkeeping and financial statements are provided to CPP-PF by a Service Agreement with Cal Poly Pomona Enterprises (a separate auxiliary non-profit organized to support the University). CPP-PF is governed by a board of Directors including alumni, friends and selected University staff designate because of their positions within the University. All board members serve without compensation. CPP-PF has no directly paid employees.

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

QUALIFICATIONS

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

1. The firm must have as existing clients at least three (3) public agencies, educational institutions, philanthropic foundations non-profit organizations in California; and during the past five (5) years have audited at least three (3) such public agencies, educational institutions, philanthropic foundations or non-profit organizations.
2. Members of the audit team shall be experienced in non-profit and in governmental accounting. This shall include the senior member "in charge", who shall have at least three (3) years recent experience in auditing such agencies or non-profit organizations with integrated financial applications installed on major mainframe computer systems.
3. Members of the audit team must be knowledgeable in the requirements of 2 CFR 200 and Government Auditing Standards and be able to prepare Single Audit Reports.

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BASIC AUDIT SERVICES TO BE RENDERED

The basic auditing services desired by the Foundation are as follows:

1. Audits – The audits will cover all funds of the entity. The examinations shall conform with generally accepted auditing standards as adopted for each Organization 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 gifts administered by the Foundation, the examination shall also be made in compliance with the laws of the State of California, and applicable directives published by the CSU system. Other guidelines unique to the organizations shall also apply, such as Department of Education as well as applicable Federal regulations.
2. Scope – The initial periods of audit are the following:
 - a. Single audit: July 1, 2023 – June 30, 2024
 - b. Financial audit: July 1, 2023 – June 30, 2024
3. Terms of Audit Service – The engagement terms will be for a total of five (5) years, with continued engagement beyond the first year based on the satisfactory completion of each year's audit. Determining satisfactory performance will be the responsibility of the Foundation's 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 Foundation, 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 includes a Government Accounting Standards Board (GASB) reporting format.
2. Management Letter - A management letter prepared by the auditor in letter form which may include 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 an examination.
3. Federal Compliance Audit - A report on internal control and compliance with applicable standards. This includes the letters of compliance with laws, regulations, based on an audit of financial statements performed in accordance with government auditing standards; and, the internal control over financial reporting; a summary of results; 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 a final pdf copy of the reports detailed above within seventy (70) calendar days from the close of the Foundation's fiscal year.

MEETINGS AND TIMING

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A pre-audit conference will be held to review and set the schedule and particular scope of the audit with the Foundation's Management. The auditor may commence the examination in the last 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 the Board at regularly scheduled meetings within the seventy-five (75) calendar days following the close of the Foundation's fiscal year (June 30).

METHODS AND BASIS OF COMPENSATION

Proposals shall set forth the hourly rates and the maximum amount of compensation to audit the Foundation's financial records for the financial and single audits for each fiscal year requested. The attendance at all meetings of the Board of Directors relating to matters concerning the audits shall be considered as part of the proposal amount. Proposers are free to advise on the method of compensation that would be best, also mutually advantageous to the Foundation 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 990 federal and state tax returns.

OTHER ACCOUNTING SUPPORT SERVICES

Proposals shall contain provisions to the effect that in the event disclosures in the 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 Corporation's Board of Directors.

PROPOSAL FORMAT

Please send an electronic pdf copy of the proposal via email to Doug Nelson at dnelson1@cpp.edu and Natalie Graff at nsrankin@cpp.edu and a hardcopy version of the proposal should be forwarded to:

Doug Nelson
Chief Operating Officer
Cal Poly Pomona Philanthropic Foundation
PO Box 3121
Pomona, CA 91769

No later than October 2, 2023 at 5:00pm (PST).

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The proposal should include:

1. A statement of your understanding of the work, descriptions of the audit approach, and illustrations of the procedures to be employed.
2. Audited not-for-profit (non-CSU) financial statements recently audited by your firm.
3. The approximate date the audit will begin, including preliminary and year-end fieldwork.
4. Bibliographies, including experience of the principals who will be assigned to the engagement and relevant experience of each in auditing balanced funds including experience in commercial retail sales operations and computer-based financial systems.
5. Documentation of peer review participation as required by federal audit regulations and/or other peer/quality review programs within the past three (3) years.
6. At least three (3) but preferably five (5) references be provided including names, addresses, and telephone numbers of persons (CFO, Controller, and Director of Finance) who may be contacted. Proposals shall include a reference list of clients for whom similar services have recently been rendered.
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.

ADDITIONAL INFORMATION

The proposals will be reviewed by Foundation Management and by the Audit Committee. A recommendation will be forwarded for consideration and action to the Board of Directors by the Chair of the Audit Committee. The review process will include interviews with firms chosen for final consideration. Copies of the prior year Audited Financial Statements and Single Audit Reports can be found on our website. NOTE: The CSU Chancellor's Office requires training for auditors and firms should expect four to eight hours of mandatory training annually.

AUDIT ENGAGEMENT

The audit firm selected shall commit the terms and conditions of the 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 the Cal Poly Pomona Philanthropic Foundation website: www.cpp.edu/philanthropy.