



**Presbyterian Homes & Family Services, Incorporated, dba HumanKind  
&  
LendingKind, Incorporated, dba HumanKind Lending**

**REQUEST FOR PROPOSAL  
FOR  
EXTERNAL AUDITING SERVICES**

**1903 HumanKind Way  
Lynchburg, VA 24503**

**Proposal: FY22 External Audit RFP  
Proposal Deadline: October 31, 2022**

# PART I

## INTRODUCTION

Presbyterian Homes & Family Services, Incorporated, *dba HumanKind*, and LendingKind, Incorporated, *dba HumanKind Lending*, are inviting proposals from certified public accounting firms interested in performing the following audits and related professional services for each of the nonprofits as of FY2022 (*January – December*) for the fiscal year, and then for the next four years. **This is a five-year contract** (FY2022 – FY2026).

- 1) General purpose financial audit prepared in compliance with *Va. Code Ann. § 58.1-609.11(C)(4)*.
- 2) Compliance audit of federally assisted funded programs, including grants, and forming an opinion on the financial statements as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- 3) Assistance in the preparation of financial statements in accordance with accounting principles and auditing standards generally accepted in the United States of America (GAAP and GAAS) and *Government Auditing Standards*.
- 4) Filing of Form 990, Return of Organization Exempt from Income Tax, *with the information required by section 6033*.
- 5) Compliance with the state and federal format and reporting requirements, including an audit of our Pension Plan.
- 6) This is an All or None Bid Proposal.

These audits and related objective requirements are discussed in detail in the Request for Proposal (RFP). Firms will be asked to submit fee proposals based upon the award of all work. The three main parts of the work (per organization) include financial statements that comply with GAAP, internal controls audit, and a single audit that comply with GAAS, state, and federal regulations.



A. Organization of Proposal

The RFP is organized as follows:

Part I	Introduction
Part II	Terms and Conditions
Part III	Objectives and Requirements for General Purpose Financial Audit and Filings; Financial and Compliance Audit of Federal Funds; and Pension Plan Audit.
Part IV	Expectations

B. Schedule

The following schedule will apply to this bid:

September 12, 2022	Issue RFP
October 31, 2022	Submittal Deadline – 5 p.m.
November 15, 2022	Presentation to the Board of Directors for Finalists
December 1, 2022	Award of Contract

C. Inquiries

Questions and inquiries concerning the RFP should be addressed to:

**Nelson Nava, Chief Financial Officer**  
**HumanKind**  
**1903 HumanKind Way**  
**Lynchburg, VA 24503, [NNava@humankind.org](mailto:NNava@humankind.org), (434) 455-3638.**

No pre-proposal conference will be held, but if you need any additional information or have any questions, please direct your inquiries to the individual noted above.

D. Proposal Format and Submission

1. An original and six (6) copies of the bid will be submitted.
2. Proposals will be submitted to:

**Nelson Nava, 1903 HumanKind Way, Lynchburg, Virginia 24503**



3. Proposal envelopes will be marked:  
EXTERNAL AUDIT REPORT FY22 RFP  
CLOSING DATE: October 31, 2022, 5:00 P.M.
4. Proposals must be original and hard copy and signed by an authorized member of the CPA firm. FAX proposals will not be accepted.

E. About HumanKind and HumanKind Lending

**History of HumanKind and HumanKind Lending**

Presbyterian Homes & Family Services, Incorporated, *dba HumanKind*, is a nonprofit (501c3) human services organization that has been serving children and families since 1903. Founded originally as an orphanage, today we serve individuals and families across the life span in the community and in the home. At its heart, we are about building people up; we believe strong individuals and families build stronger communities.

LendingKind, Incorporated, *dba HumanKind Lending*, is a nonprofit (501c3) organization that is under the umbrella of the Presbyterian Homes and Family Services, *dba HumanKind*, a nonprofit (501c3) organization.

**HumanKind's Mission. Vision, and Impact**

Our mission is to strengthen individuals, families and communities through care, counseling, and education.

We envision a compassionate society where every person is valued, families are healthy, and communities prosper.

There were 13,847 individuals served through our programs and services in 2020 throughout the state of Virginia. HumanKind's main campus is in Lynchburg, Virginia. Our other locations include Bedford, Danville, Hampton Roads, Richmond, Fredericksburg, Lexington, and Northern Virginia.

Our programs include youth and family services (i.e., foster care, maternal care, etc.), developmental disabilities (i.e., group homes, supervised living, etc.), economic opportunity (i.e., vehicle loan program, financial navigators, career coaching, etc.), mental health (i.e., outpatient counseling), early childhood development (preschool, healthy families program, childcare resource center, etc.) and health / wellness programs (i.e., community garden, cross country course, etc.)



## **LendingKind's Mission, Vision, and Impact**

LendingKind, Inc., (LK), *dba HumanKind Lending*, is a non-profit corporation that was founded in 2020 to establish a Community Development Financial Institution (CDFI). The primary mission of this new organization is the promotion of community development by providing activities directed towards improving the social or economic conditions of underserved people and/or residents of economically distressed communities. While HK Lending is an independent 501c3, its creation sprung from a strategic decision by HumanKind to help promote both community economic development and the enhanced long-term sustainability of HumanKind's core character-based vehicle loan program, Ways to Work.

Our values include excellence, integrity, diversity, innovation, kindness, and community.

For decades, HumanKind has provided programs to address inequities plaguing our communities. Specifically, our Ways to Work program has helped customers repair their credit, gain access to reliable transportation, increase their financial literacy, and improve their employment opportunities.

LK mirrors HumanKind's culture, which is based on strengthening individuals, families, and communities with equity for all through our Mission, Vision, and Values. Through the utilization of HumanKind's successful Ways to Work program, HK Lending will provide fair interest, responsible, and affordable loans for people to purchase vehicles. While most of our clients have poor or no credit, our character-based approval process provides opportunities to our clients that would not be offered through traditional banking loan practices.

As an emerging CDFI, it is our hope that auto loans will be the initial product focus, and that we will have the potential to offer more complex credit products once we are certified as a CDFI. Some of the credit products we hope to offer include, but are not limited to, commercial loans, small business lending, property development, and home mortgages.

## **HK and LK Organizational Structures**

HumanKind (HK) has over 150 employees across all our branches throughout Virginia. Out of those employees, 10 of them serve as our Leadership Team. Members of the Leadership Team (LT) include 8 program directors, CEO and CFO. There are 17 volunteers that serve as HumanKind's Board of Directors.

HumanKind Lending (LK) partners with HK to provide their services. HK employees at the Lynchburg and Richmond Ways to Work office provide the services to make LK successful. LK's volunteer board currently has 11 members. LK currently serves



the Greater Lynchburg and Greater Richmond areas, providing character-based vehicle loans to clients in HumanKind's Ways to Work program.

## **PART II**

### **TERMS AND CONDITIONS**

The following terms and conditions will govern the submission and evaluation of proposals and the award of a contract.

#### A. Contract Status.

The response to this RFP will be considered as an offer to contract. Final negotiations on the best offer will be conducted to resolve any minor differences and informalities. After final negotiations, an acceptance of any modified RFP offer will be issued by HumanKind and HumanKind Lending in accordance with the information below.

1. Contract Format. The resulting organizations' acceptance will incorporate this RFP, the response thereto, and all additional agreements and stipulations, and the results of any negotiations. All these documents will constitute the final contract.
  
2. Contract Period. The contract will be for five (5) years starting from FY22, and going through FY26, assuming continuity of satisfactory service.
  
3. Contract Termination for Cause. HumanKind and HumanKind Lending may terminate any resulting contract for cause by providing a Show Cause Letter to the auditor citing the instance of a noncompliance with the contract.
  - a. The auditor shall have ten (10) days to reply to the Show Cause Letter and indicate why the contract should not be terminated.
  
  - b. The auditor shall then have thirty (30) days to cure the noncompliance cited in the Show Cause Letter.
  
  - c. If the noncompliance is not cured within thirty (30) days, HumanKind and HumanKind Lending will terminate the contract by an advance period, which is mutually agreeable.



4. Contract Termination for Convenience. HumanKind and HumanKind Lending reserve the right to terminate this contract for convenience by providing written thirty-day (30-day) notice to the auditor.

5. Contract Modification. Both parties prior to any change must agree in writing to all changes to the contract.

6. Contract Assignment or Subcontract. The resulting contract shall not be assigned, transferred, or sublet in whole or in part without the prior written approval of the HumanKind's Chief Executive Officer or Chief Financial Officer, or authorized designee.

B. Proposal Status.

1. Effective Period of Proposals. The bids/proposals submitted must remain in effect for a period of ninety (90) days after the closing date.

2. Required Signatures. All signatures of authorized representatives of the audit firm must be included in the proposal.

3. Minor Informalities. HumanKind and HumanKind Lending reserve the right to waive minor informalities in proposals.

4. Withdrawal of Proposals.

a. Proposals may be withdrawn at any time prior to the closing date. Withdrawals must be submitted in writing, dated, and signed by an authorized person of the CPA firm.

b. No respondent may withdraw a proposal after the closing date.

C. Selection Criteria.

The following criteria will apply in the selection of the accounting firm. The accounting firm must:

1. Have a diversified client base and have a demonstrated commitment to nonprofits so that the needs and requirements of HumanKind and HumanKind Lending are not unique to the firm, including a level of local and national experience in developing and performing audit procedures and/or tests for



nonprofit institutions or similar clients. A list of such clients for which similar audits have been performed should be included.

2. Demonstrate past performance as illustrated by examples of audits performed for comparable nonprofit organizations in Virginia during the past three (3) years. An overall description of the techniques by which the firm intends to complete the objectives/requirements of the audits should be included.

3. Possess broad-based technical support in areas such as audit, tax, MIS, consulting, etc.

4. Demonstrate knowledge of all local, state, and federal tax, audit, and grant requirements deemed necessary by law.

5. Provide evidence of qualifications, experience, and established independence of the principals, and commitment of principal time to the audit.

6. Possess continuing professional education programs that far exceed industry standards and have at their disposal a network of training opportunities, not only for their own staff, but also for their clients.

7. Show evidence of audit experience of a nonprofit organization or similar governmental entity of comparable size and complexity by any partner, Principal/Manager, and In Charge Supervisor/Senior.

8. In addition to the above, the selection criteria will include:

a. Fee proposed for completion of the audits.

b. Responsiveness to proposal requirements as listed.

c. Time required to complete the audits, including (1) ability to complete audits by specified completion dates and (2) bids which specify that later completion dates will not be considered.

Proposals submitted to HumanKind and HumanKind Lending will not be treated as competitive proposals. Fee proposals are to include all auditing costs such as proposal fees, out-of-pocket expenses, one-time expenses, etc. HumanKind and HumanKind Lending reserve the right to accept or reject any proposal and to determine the best proposal and fee for the services sought. It is the intent of





HumanKind and HumanKind Lending to award the contract for auditing services to the most qualified firm at the lowest possible price.

D. Bid Preparation Costs.

HumanKind and HumanKind Lending are not liable for any expenses incurred by providers in the preparation and presentation of bids/proposals.

E. Indemnification Requirements.

The requirements listed below are mandatory for the protection and interest of HumanKind and HumanKind Lending.

1. Liens. The successful auditor shall keep HumanKind and HumanKind Lending free and clear from all liens asserted by any person or firm for any reason arising out of the furnishing of services or material by or to the auditor.

2. Choice of Law and Venue. The resulting contract shall be construed under the laws of the State of Virginia and venue in any action to enforce the contract shall be in Lynchburg, Virginia.

3. Actions of Auditor. The actions of the successful auditor with third parties are not binding upon HumanKind and HumanKind Lending. The auditor is not a division of HumanKind or HumanKind Lending.

F. Pre-Award Presentations and Negotiations.

1. Pre-Award Presentations. As part of the bid/proposal evaluation process, HumanKind and HumanKind Lending will require presentations to the Board of Directors from the highest ranked providers. Interviews and meetings with the Board of Directors / Leadership of HumanKind will be determined on an as needed basis.

2. Pre-Award Negotiations. Prior to award, HumanKind and HumanKind Lending may elect to conduct negotiations with the highest ranked providers for the purposes of:

a. Resolving minor differences and informalities.



- b. Clarifying necessary details and responsibilities.
- c. Emphasizing important issues and points.
- d. Receiving assurances from providers.
- e. Exploring ways to improve the final contract.

G. Standard Terms and Conditions.

The auditing firm will work for and report directly to HumanKind and HumanKind Lending in the manner the Board of Director prescribes.

- 1. Federal, State, and Local Taxes, Licenses, and Permits. The successful provider will comply with all laws and regulations on taxes, licenses, and permits.

H. Client References.

Providers shall provide the names, phone numbers, and contacts for three (3) to five (5) clients for which similar audits have been completed. It is expected that the names submitted will be those individuals who had direct working interaction with the provider's staff.

I. Resumes.

Proposals shall include the following:

- a. A resume of all personnel anticipated to be assigned to the project, including a resume for the partner-in-charge indicating his or her accounting, auditing, and financial report experience relevant to these types of audits. Details on experience with previous nonprofit organizations or similar audits should be included. Personnel anticipated to be assigned to the project shall be available for interviews if required.
- b. For each member of the audit team, the provider should provide the following:

1. Nonprofit clients served in Virginia.
2. Training relevant to nonprofit clients and clients receiving federal grants and funding.
3. Resumes and Certifications

J. Payment.

No advance payments can be made. Payment for services rendered will be paid upon the completion of each fiscal year's assignment (i.e., engagement letter, pension plan audit, taxes, etc.). It will be understood that fee amounts will include all audit costs to include professional fees, out-of-pocket expenses, parking costs, photocopying, postage, etc.

K. Rejection of Bids/Proposals.

Bids/proposals may be rejected unless the above procedures are followed. HumanKind and HumanKind Lending reserve the right to reject any and all bids/proposals if it is in the best interest of the HumanKind or HumanKind Lending to do so.

**PART III**  
**OBJECTIVES AND REQUIREMENTS FOR EXTERNAL**  
**AUDIT AND FILINGS REGARDING GENERAL**  
**PURPOSE FINANCIAL AUDIT; FINANCIAL AND**  
**COMPLIANCE AUDIT OF FEDERAL FUNDS; AND**  
**PENSION PLAN AUDIT**

Regarding:

- General Purpose Financial Audit prepared in compliance with and required by the Va. Code Ann. § 58.1-609.11(C)(4), Generally Accepted Accounting Principles (GAAP), and Generally Accepted Auditing Standards (GAAS).



- Financial and Compliance Audit of Federal Funds as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Pension Plan Audit, 403(B) Plan as required by *the Department of Labor’s (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974*.
- Form 990, Return of Organization Exempt from Income Tax, *with the information required by section 6033*.

A. Objectives.

The General-Purpose Financial Audit should meet the following objectives:

- To determine that management assertions regarding economic actions and events embodied in the financial statements are verifiable, properly classified, and disclosed.
- To obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes the auditor’s opinion.
- To identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- To identify and assess the internal control over financial reporting and compliance with provisions of laws, regulations, contracts and award agreements, noncompliance which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- To identify and assess the internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and in terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act of 1996, and Title 2 U.S.



*Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).*

- To determine the extent to which management assertions conform to established criteria, standards, rules, regulations, and statutes of the State of Virginia, and as required under federal law.
- To evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- To communicate to the HumanKind and HumanKind Lending's Board of Directors the auditor's conclusions, called an auditor's report or opinion, as to the fairness with which the financial statements present the nonprofits' financial position as of December 31<sup>st</sup> for each of the fiscal years covered by this proposal and for the years then ended in conformity with generally accepted auditing standards in the United States of America and *Government Auditing Standards*.
- To communicate to the HumanKind and HumanKind Lending's Board of Directors the auditors' conclusions, called a management letter, regarding any existing weaknesses in accounting, fiscal procedures, or internal control, and any other matters that may come to their attention, together with any recommendations for corrections or improvements.
- To determine that HumanKind and HumanKind Lending has an internal accounting and other control systems to provide reasonable assurance that it is managing its federal awards in compliance with applicable laws and regulations.
- To evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- To determine that HumanKind and HumanKind Lending have complied with laws and regulations that may have a material effect on its financial statements and on each major Federal award program.



- To conclude, whether, in the auditors' judgment, there are conditions, events, or otherwise, considered in the aggregate, that raises substantial doubt about HumanKind and HumanKind Lending's ability to continue as a going concern for a reasonable period of time.
- The following opinions must be completed for HumanKind and HumanKind Lending (*all three opinions for HumanKind and first two opinions only for HumanKind Lending; five opinions total*):
  - Financial Statements.
  - Internal Procedures and Processes.
  - Single Audit for Federal Grants.
- The following audit must be completed for HumanKind:
  - Pension Plan Audit, 403(B) Plan, *as required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.*
- The following tax filing must be completed for both HumanKind and Lending Kind (*one tax filing per organization; two tax filings total*):
  - Form 990, Return of Organization Exempt from Income Tax, *with the information required by section 6033.*

B. Staffing.

1. HumanKind and HumanKind Lending will provide accrual basis information for preparation of the financial statements (trial balances) and other appropriate supporting documentation as of December 31, 2022, and for the year then ended for each of the fiscal years covered by this proposal. Said information will be available for the auditor's review by the final visit to HumanKind and HumanKind Lending of each year (*see dates below*).

2. The auditor will provide a comprehensive list of information to be compiled by HumanKind and HumanKind Lending for preparation of the cash basis information to the Chief Financial Officer no later than December 31st of each year.



### C. Date Requirements.

1. The audit and filing completion dates shall be in accordance with the laws and regulations as required by state and federal statutes. It has been determined by HumanKind and HumanKind Lending that the following timeline is required to meet the various completion dates:

- Auditor to attend a **preliminary visit** to HumanKind and HumanKind Lending between **February 2023 and March 2023**.
- Auditor to attend a **final visit** to HumanKind and HumanKind Lending between **March 2023 and April 2023**.
- Auditor to file **Form 990**, Return of Organization Exempt from Income Tax, with required documentation on or before **March 31, 2023**, for HumanKind and HumanKind Lending. *There is one exception to this deadline:*

If HumanKind and/or HumanKind Lending are unable to have the required documentation from the investment managers, and/or other relevant third parties, necessary to complete the filing by the dates indicated, then the auditors will file for an extension for HumanKind and/or HumanKind Lending, whichever is applicable. If an extension is granted, the filing deadline will be October 31, 2023. Extension requests must be communicated in writing to and approved by the HumanKind's Chief Financial Officer (CFO) at least 15 days prior to the deadline to submit a request, unless directed to file for an extension by the CFO.

- An **External Audit Report**, with three opinions mentioned above, for HumanKind due on or before **May 24, 2023**.
- An **External Audit Report**, with two opinions mentioned above, for HumanKind Lending due on or before **June 30, 2023**.
- **Pension Plan Audit**, 403(B) Plan, for HumanKind on or before **July 31, 2023**. *There is one exception to this deadline:*

If HumanKind is unable to have the required documentation from the investment managers, and/or other relevant third parties, necessary to complete the filing by the dates indicated, then the



auditors will file for an extension for HumanKind. If an extension is granted, the filing deadline will be October 31, 2023. Extension requests must be communicated in writing to and approved by the HumanKind's Chief Financial Officer (CFO) at least 15 days prior to the deadline to submit a request, unless directed to file for an extension by the CFO.

- The auditor will be available to answer questions throughout the time period agreed upon in this proposal (reporting timelines for FY22-FY26), responding to inquiries within a 72-hour period.

2. For each fiscal year covered by this proposal, the completion date will be the same months and days listed above following the end of the fiscal year under review, unless that day falls on a Saturday or Sunday, or government holiday, in which case the completion date is the preceding business day at 5:00 p.m., or earlier, if required by the State of Virginia, and will NOT be extended unless meeting criteria mentioned above.

3. The completed external audit report must be presented by an authorized officer from the audit firm to the HumanKind's Board of Directors and the HumanKind Lending's Board of Directors meeting(s) to be determined in a later date, but to be no later than the 3<sup>rd</sup> (third) quarter of 2023. The same timeline shall apply for the other FY years mentioned in this proposal.

4. The term 'audit completion date' is defined as the completion of all audit-related requirements as set forth in Part III, section A.

5. These deadlines will NOT be extended except within the exceptions explicitly outlined above. Audit firms submitting proposals must have full intentions of meeting these deadlines.

#### D. Relevance of Responses.

Proposal/bid responses should be limited to information relevant to the audit services specifically requested.

#### E. Requirements.

The audit and filing related requirements shall be completed as listed above. Additional requirements are as follows:





- All FY2022 statements for both HumanKind and HumanKind Lending shall be required to follow auditing standards generally accepted in the United States (GAAS), *generally* accepted accounting principles (GAAP), and *Government Auditing Standards*.

- The following compliance shall be made accordingly:

General Purpose Financial Audit prepared in compliance with Va. Code Ann. § 58.1-609.11(C)(4).

Financial and Compliance Audit of Federal Funds as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Pension Plan Audit, 403(B) Plan as required by the Department of Labor's (DOL) *Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974*.

- HumanKind and HumanKind Lending's management will be responsible for the preparation and fair presentation of the necessary financial statements in accordance with accounting principles generally accepted in the United States of America. This shall encompass the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- The auditor will be responsible for expressing opinions on the financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. The auditor will complete a "Basis for Disclaimer of Opinion" paragraph and disclose any sufficient appropriate audit evidence to provide a basis for an audit opinion.
- In compliance with GAAS, the auditor shall determine whether the financial statements of HumanKind and HumanKind Lending present fairly its financial position, results of operations, and changes in financial position as of January 1st for the year then ended December 31st in accordance with GAAS. Said financial audits shall include all accounts of the organizations including property, plant, and equipment.



- An auditor’s report or opinion as to the fairness with which each financial statement presents fairly its financial position as of January 1, and for the year then ended in accordance with general accepting accounting principles (GAAP) for both HumanKind and HumanKind Lending. Additionally, the auditor’s report or opinion should indicate that any supplemental information included as a part of the basic financial statements is fairly stated in all material respects in relation to the basic financial statements.
- Audited financial statements shall include the Management’s Discussion and Analysis, Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows (direct method) as of January 1 for the year then ended, and other statements as may be required for conformity with GAAS.
- Fifteen (15) bound copies of the audited financial statements and related auditor’s report or opinion per organization, one (1) electronic copy of the audited financial statements per organization, and related auditor’s report or opinion, and Fifteen (15) copies of the management letter shall be provided by the auditor to the HumanKind’s Chief Financial Officer and to HumanKind Lending’s Chief Executive Officer.
- At the conclusion of the audits and prior to the preparation of Fifteen (15) the final bound copies of the audited financial statements and related auditor’s report or opinion per organization and Fifteen (15) copies the final management letter, the auditor shall forward an electronic “draft” copy of each document for preliminary review of the audit reports, the management letters, or other comments or suggestions, and any other findings. These electronic documents shall be made available to HumanKind’s Chief Executive Officer and the Chief Financial Officer no later than ten (10) business days before the final audit completion date.
- Following the preliminary electronic review and prior to the final presentation to the full HumanKind’s Board of Directors and HumanKind Lending’s Board of Directors, the auditor may be required to meet with the Chief Executive Officer and Chief Financial Officer of HumanKind to review the audit reports, the management letters, or other comments or suggestions, and any other findings.
- As part of providing ongoing professional services to HumanKind and HumanKind Lending the auditor will be required to:



- Provide a timely written description of changes in promulgated auditing standards generally accepted in the United States (GAAS) occurring during the contract period and the impact thereof, if any, to HumanKind and HumanKind Lending of said changes.
  - Provide a timely written description of changes in Governmental Auditing Standards Boards occurring during the contract period and the impact thereof, if any, to HumanKind and HumanKind Lending of said changes.
  - Provide current information on prevailing industry practices through mailings of technical material and other publications as appropriate.
  - Invite members of HumanKind’s staff to participate in the firm’s professional development seminars.
  - Provide any other assistance that would further train and develop the Institution staff, with availability to field questions throughout the year as needed.
- Audit work papers and reports shall be retained by the auditor for a minimum of three (3) years from the date of the audit report, unless the auditor is notified otherwise in writing by HumanKind and HumanKind Lending.

F. References.

For your reference, Robinson, Farmer, Cox Associates, PLLC, have performed HumanKind’s audit for the last ten plus (10+) years. They can be contacted as to the number of hours invested in the HumanKind and HumanKind Lending audits. We do not anticipate any additional hours to be required for future general purpose financial audits or duties as outlined in this request for proposal.



## **PART IV EXPECTATIONS**

To obtain the auditing firm to best meet HumanKind and HumanKind Lending's needs, the following is expected in all requests for proposals:

### Organization and Background

1. Provide the name, address, telephone number and email address of the contact person for this RFP.
2. Provide the address and telephone number for your main office and indicate which office(s) will service this account.
3. Provide a brief description of your firm's background, history and ownership structure. Please include:
  - a. Years of experience delivering the requested services.
  - b. Years of experience serving the nonprofit sector.
  - c. Your firm's expertise serving the nonprofit sector.
  - d. Average experience and tenure of your professionals at your firm.
  - e. Regulatory agencies, both federal and state, are responsible for oversight of your firm, based on its organizational structure.
  - f. Your firm's client base.
  - g. Your firm's licensing information and accreditations, as applicable.
  - h. Any commitments to providing quality audit services (I.e., voluntarily adhering to higher standards of audit quality through American Institute of CPAs external review process, and/or being a dedicated member of one or more firm-based voluntary membership quality centers for firms that perform audits, etc.)
  - i. Proposal specific strengths of the assigned team members to this project.
4. Indicate if, within the past five years, your organization, an officer or principal has been involved in actual or threatened litigation, administrative or regulatory, or similar investigation proceedings relating to your auditing assignments. If so, provide an explanation and indicate the status or disposition. Under disposition, include any censures or reprimands received from the regulatory bodies.



5. Indicate if, within the last three years, there have been any regulatory and/or audit findings. Please provide details about the findings and current status of said findings.
6. Indicate if, within the past five years, there have been any significant developments in your firm such as changes in ownership, restructuring, personnel reorganizations, terminations, or investigations. Do you anticipate significant future changes in your firm?
7. Provide evidence of errors and omissions liability insurance and/or fiduciary liability insurance.
8. Please provide, if any, specifics about what uniquely qualifies your firm to serve our organizations. What skills do you bring, services do you offer, and experience does your firm, and its audit team members have that we should be aware of?

#### Client Service Philosophy and Professional Staff

1. Describe your client service philosophy and service standards.
2. Provide brief professional profiles of individual(s) to be assigned to this account.
3. How many full-time personnel do you employ? How many of these are senior professionals? What is the average percentage in turnover for your certified public accountants per year for each year during the last 3 years?
4. Do you have personnel that specialize in serving the auditing needs of non-profits? If so,
  - a. How many resources are dedicated to this sector?
  - b. How long has your firm-maintained resources dedicated to this sector?
5. Do you have personnel that specialize in providing suggestions for areas of improvement when it comes to auditing and internal control standards? If so, please briefly describe these resources and their qualifications.
6. What is the availability of assigned account representatives to meet with our staff and/or board members in person? Via phone or conference call?
7. Please provide three (3) to five (5) client references, including organization name, contact name, contact title, contact phone number and contact email, if available. At least two (2) references shown should be similar in size and geography to HumanKind and HumanKind Lending, respectively.
8. Please provide resumes for the entire external audit team that would be working with our organizations.



## Support Services

1. Please describe how assigned personnel will support our staff.
2. What types of compliance support are in place? Please include a brief discussion of how you ensure client accounts and auditing practices are following stated generally accepted auditing standards in the United States of America as well as legislative requirements.
3. What additional governance, administrative and/or mission-based support does your organization offer? Please highlight any training, trend management or other methods your organization uses to assist clients in delivering their mission.

## Auditing Services

1. Briefly describe the auditing services delivered by your firm.
2. Please describe your current auditing process.
3. Describe your auditing methodology.
4. Describe your due diligence.
5. What is your firm's most recent "best thinking" regarding suggestions or opinions issued to other non-profits of similar size.

## Fee Structure

1. Please provide your proposed fee structure, itemizing the services covered by the fees shown. Please indicate any separate fees based on the type of service provided. Please include multi-year pricing, including any one-time, first-year audit costs and how those will be handled.
2. Please list the anticipated time by staff level required to complete the scope of work outlined in this RFP.
3. Please state whether you would be willing to have a set fee for each document instead of an hourly fee. If so, what is the proposed fee for each document for each organization?
4. Under what circumstances has your firm sought additional fees in other audit situations? Are there any conditions under which your firm would seek additional fees in the first year of engagement? What, if anything, could prompt increases in subsequent years?
5. How long are your fees guaranteed?

**Note:** Proposals should be no more than 20 pages long. If we have questions or need more information, we will follow up.

