

Jobs Now, Inc. dba Montana West Economic Development

REQUEST FOR PROPOSAL FOR AUDIT SERVICES

Updated content has been highlighted.

FOR THE PERIODS

January 1, 2022 to December 31, 2022

January 1, 2023 to December 31, 2023

January 1, 2024 to December 31, 2024

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: Lara Russell
Title: Finance Director
Entity: Montana West Economic Development
Address: 44 2nd Avenue West
Kalispell, MT 59901
Phone: 406-257-7711 ext. 6
Email: lara@dobusinessinmontana.com

Montana West Economic Development Proposal Guidelines for Audit Services

TABLE OF CONTENTS

I. GENERAL INFORMATION

- A. Purpose
- B. Who May Respond
- C. Specifics of Proposal Submission
 - 1. Closing Date
 - 2. Submittal Instructions
 - 3. Inquiries
 - 4. Conditions of Proposal
 - 5. Right to Reject
 - 6. Small and/or Minority-Owned Businesses
 - 7. Notification of Award
- D. Description of Entity and Records to be Audited

II. SPECIFICATION SCHEDULE

- A. Scope of a Financial and Compliance Audit
- B. Description of Programs/Contracts/Grants
- C. Performance
- D. Contract Schedule
- E. Price
- F. Payment
- G. Audit Review
- H. Exit Conference
- I. Work Papers
- J. Confidentiality
- K. AICPA Professional Standards

III. OFFEROR'S TECHNICAL QUALIFICATIONS

- A. Prior Auditing Experience
- B. Organization, Size, and Structure
- C. Staff Qualification
- D. Understanding of Work to be Performed
- E. Certifications

IV. PROPOSAL EVALUATION

- A. Submission of Proposals
- B. Nonresponsive Proposals
- C. Review Process
- D. Evaluation

V. CERTIFICATION FORM

Montana West Economic Development *Proposal Guidelines for Audit Services*

I. GENERAL INFORMATION

A. Purpose

The purpose of this Request for Proposal (RFP) is to obtain the services of a public accounting firm (hereinafter referred to as the "Offeror"), whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, to perform financial and compliance audits of Jobs Now, Inc. dba Montana West Economic Development for three consecutive years, commencing with the year ending December 31, 2022.

B. Who May Respond

Audit firms and Licensed Certified Public Accountants may respond to this RFP.

C. Specifics of Proposal Submission

1. Closing Date

Proposals must be submitted no later than **5:00 p.m. on November 21, 2022**. It is the responsibility of the Offeror to ensure that the proposal is received by Montana West Economic Development by the date and time specified above. Late proposals will not be considered.

2. Submittal Instructions

Your proposal should be addressed as follows:

*Lara Russell, Finance Director
Montana West Economic Development
44 2nd Ave West
Kalispell, MT 59901*

Submissions may be made electronically via email to Lara Russell at lara@dobusinessinmontana.com, with the subject line labeled "Sealed Proposal for Audit Services." Please request a read receipt.

Physical proposals may be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Sealed Proposal for Audit Services
5:00 pm, **November 21**, 2022

It is the responsibility of the Offeror to ensure that the proposal is received by Montana West Economic Development by the date and time specified above. It is important that your submission be clearly marked and/or identified as a sealed proposal. Failure to follow instructions may result in premature disclosure of your proposal.

3. Inquiries

Inquiries concerning this RFP should be directed to Lara Russell, Finance Director, 406-257-7711 ext. 6, or lara@dobusinessinmontana.com.

Montana West Economic Development *Proposal Guidelines for Audit Services*

4. Conditions of Proposal

All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the Offeror and will not be reimbursed by Montana West Economic Development.

5. Right to Reject

Montana West Economic Development reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Businesses

Efforts will be made by Montana West Economic Development to utilize small businesses and minority-owned businesses.

An Offeror qualifies as a small business firm, if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).

7. Notification of Award

It is expected that a decision selecting the successful audit firm will be made within 2 weeks of the closing date for the receipt of proposals.

Upon conclusion of final negotiations with the successful audit firm, all other Offerors will be notified in writing that their proposals were not selected. The name of the successful audit firm will be released upon request.

D. Description of Entity and Records to be Audited

Jobs Now, Inc is the legal name of the organization, and its assumed business name is Montana West Economic Development (MWED). MWED is a nonprofit organization that serves six counties, (Lake, Lincoln, Sanders, Flathead, Liberty, and Toole) in Montana. It is a private, nonprofit corporation and has been determined to be exempt from Federal income tax under Section 501(c)(6) of the Internal Revenue Code. The organization is governed by a fourteen (14) member Board of Directors representing the private and public sectors. The office and all records are located in Kalispell.

MWED is an economic development organization focused on expanding and diversifying the economic base of Northwest Montana by attracting quality jobs through the recruitment of new businesses to the area, growth and expansion of existing business, and providing a revolving loan fund program to assist in establishing businesses in the region.

All accounts payable, accounts receivable, and payroll are done in house. All grants and contracts are segregated into separate funds. Each month, all funds are reviewed for accuracy, completeness, and reasonableness. Actual expenditures are compared to budgeted amounts to determine whether contributions and loan income are being spent according to budget constraints. Financials are reviewed and approved on a regular basis by the MWED Executive Committee and the board of directors.

The organization uses cloud hosted Abila (formerly Sage) MIP Fund Accounting on a Dell workstation using Windows 10 Business to record and report financial transactions. All loan program transactions are recorded in cloud based DownHome Solutions loan servicing software and imported into the MIP software on a monthly basis. Fundraising contributions are recorded

Montana West Economic Development *Proposal Guidelines for Audit Services*

in the MemberZone cloud hosted program and imported into the MIP software on a monthly basis. All software and hardware are documented and available for review to the successful proposer.

There are currently five Repurchase Agreement accounts, two checking accounts, and one money market account that are reconciled on a monthly basis. The organization utilizes online banking platforms available through the banking institutions, which includes remote deposit, online payment processing, and ACH cash management.

The organization employs five full-time and one part-time staff members, as well as contract services. Payrolls are processed on the Abila MIP Fund Accounting Payroll module on a bi-monthly basis.

Funds must be audited at the individual fund and contract level for the audit period. An adjusted trial balance based on the calendar year will be provided to the successful proposer before the commencement of fieldwork.

A copy of last year's audited financial statements is included to assist proposers in their assessment of the agency.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "Offeror" to perform a financial and compliance audit of Montana West Economic Development, including submission of the required annual IRS return form(s).

Generally Accepted Government Auditing Standards (GAGAS, also known as the "Yellow Book") states in section 1.17:

Financial audits provide independent assessments of whether entities' reported financial information (e.g., financial condition, results, and use of resources) is presented fairly, in all material respects, in accordance with recognized criteria. Financial audits conducted in accordance with GAGAS include financial statement audits and other related financial audits.

At this time, the organization has two federal programs which meet the Single Audit requirements per the U.S. Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance 2 C.F.R. Part 200, 2014). The Single Audits for these programs are done on an alternating, biennial basis. The organization may take on additional federal programs suitable to the economic development mission at any time.

B. Description of Programs/Contracts/Grants

Montana West Economic Development provides economic development services through a number of different programs. The loan program currently consists of eleven separate funds from five different loan funding sources. The two sources subject to *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* include the Intermediary Lending Program (IRP) and Community Development Block Grant (CDBG). The other three loan funding sources include Montana Board of Investments (BOI), State of Montana

Montana West Economic Development *Proposal Guidelines for Audit Services*

Microbusiness Finance Program (MBDC), and the organization's proprietary Flathead Valley Revolving Loan Fund (FVRLF). The organization is seeking to participate in the Montana Department of Commerce State Small Business Credit Initiative 2.0 (SSBCI), which has recently become available. The organization will also be applying for the EPA Brownfields Assessment Grant, and if successful the program would begin in late 2023.

Montana West Economic Development also applies for grants on behalf of eligible assisted business through the Big Sky Economic Development Trust Fund Program (BSTF), and also hosts a Procurement Technical Assistance Center (PTAC) Manager who provides government contracting assistance to regional businesses.

Additionally, the organization holds service contracts with two separate entities. The first is Flathead County Economic Development Authority (FCEDA), who is a government entity and a component unit of Flathead County. FCEDA compensates the organization with a flat-rate fee as stated in the annual Management Agreement contract. FCEDA concurrently has a request for proposals for audit services open, which can be found on their website at www.flatheadcountyeda.com.

The second entity is Montana West Economic Development Foundation (the Foundation), which is a 501(c)3 nonprofit created in 2022 and controlled by the Executive Committee of MWED. It is anticipated that the Foundation financials would need to be consolidated with the MWED financials due to the ability for MWED to exert control. The Foundation compensates MWED based on direct costs plus de minimis indirect costs. For the Foundation's inaugural year (2022), the entity *is estimated to have approximately* up to 20 transactions, ~\$56,000 in revenue, ~\$50,000 in expenses, with ~\$6,000 in equity.

It should be noted that the Foundation will be applying for Brownfields Assessment Grants through the US Environmental Protection Agency. If successful, program funds would not be available to the organization until the end of 2023, so there would be some impact on the December 31, 2023 financials. However, the bulk of the transactions would be 2024 and beyond, as it would be a four-year contract.

Additional information on the various programs and the organization itself can be found on the website at www.dobusinessinmontana.com, by reviewing the attached audited financial statements, or by calling the MWED contact listed on page one of this RFP.

C. Performance

The agency's records should be audited for each year ending December 31, 2022 through December 31, 2024.

The Offeror is required to conduct the audit and prepare reports in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards (GAGAS)*.

In addition, an accompanying schedule of expenditures of federal awards should be prepared as required by *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance 2 C.F.R. Part 200, 2014).

D. Contract Schedule

Montana West Economic Development Proposal Guidelines for Audit Services

A consolidated trial balance and adjusted trial balances by fund will be available to the auditor no later than Feb 15th of the year following the audit period.

Fieldwork should be scheduled no later than February/March of the year following the audit period.

Offeror is to transmit a copy of the draft audit report to Montana West Economic Development's Accounting Manager no later than March 15th of the year following the audit period.

The Offeror shall file the annual IRS required tax form(s) by May 15th of the year following the audit period, or by the extended deadline in the event an extension is necessary and has been formally requested and granted.

The Offeror shall deliver a PDF version and three (3) final audit reports to Montana West Economic Development's Board of Directors no later than March 31st of the year following the audit period.

Reports may be submitted earlier than the above schedule. However, if the Offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the Offeror delivers audit reports which do not conform to all of the provisions of this contract, the agency may, by written notice of default to the Offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances the contracting agent may extend this schedule upon written request of the Offeror with sufficient justification.

E. Price

The Offeror's proposal must include price quotes for each audit year and include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated.

Price quotes should be presented as single, fixed-fee engagement bids, and should include the cost for a Single Audit. Price quotes shall include three (3) separate prices:

1. Price to include preparation of all financial statements, notes, supplemental schedules, and required annual IRS return form(s) for the audit for the year ending December 31, 2022.
2. Price to include preparation of all financial statements, notes, supplemental schedules, and required annual IRS return form(s) for the audit for the year ending December 31, 2023.
3. Price to include preparation of all financial statements, notes, supplemental schedules, and required annual IRS return form(s) for the audit for the year ending December 31, 2024.

F. Payment

Payment will be made when Montana West Economic Development has determined that the total work effort has been satisfactorily completed. Should the agency reject a report, its authorized representative will notify the Offeror in writing of such rejection giving the reason. The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Montana West Economic Development *Proposal Guidelines for Audit Services*

Progress payments will be allowed to the extent that the agency can determine that satisfactory progress is being made.

Upon delivery of the PDF and three (3) copies of the final reports to Montana West Economic Development, and with their acceptance and approval, the Offeror may submit an invoice for the balance due on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by Montana West Economic Development and its funding sources to ensure compliance with appropriate audit guides.

H. Exit Conference

An exit conference with Montana West Economic Development's Audit Committee, Executive Committee, and/or the Board of Directors and the Offeror's representative(s) will be held upon completion of the final audit report. Observations and recommendations must be summarized in writing and discussed with the respective committee. It should include internal control and program compliance observations and recommendations.

I. Work Papers

Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.

The work papers will be retained for at least three years from the end of the audit period.

The work papers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the General Accounting Office, and Montana West Economic Development.

J. Confidentiality

The Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to Montana West Economic Development, the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form or authorize or permit other to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the Offeror's possession, to these employees on the Offeror's staff who must have the information on a "need-to-know" basis. The Offeror agrees to immediately notify, in writing, the agency's authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. AICPA Professional Standards

The AICPA Code of Professional Conduct and Bylaws (Professional Standards) ET Section 501.-3 (paragraph .04) states:

Failure to follow standards and/or procedures or other requirements in governmental audits. Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statutes, rules, and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement and undertakes an obligation to follow specified government audit standards, guides, procedures, statutes, rules, and regulations, in

Montana West Economic Development Proposal Guidelines for Audit Services

addition to generally accepted auditing standards, he or she is obligated to follow such requirements. Failure to do so is an act discreditable to the profession in violation of Rule 501 (sec. 501 par. .01), unless the member discloses in his or her report the fact that such requirements were not followed and the reasons therefore.

III. OFFEROR'S TECHNICAL QUALIFICATIONS

The Offeror, in its proposal, shall, as a minimum, include the following:

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone numbers of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing not for profit business development agencies.
2. Prior experience auditing similar programs funded by Montana.
3. Prior experience auditing programs financed by the Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing nonprofit organizations.
6. Prior experience designing and/or installing accounting systems in nonprofit agencies.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, if the firm is a small or minority-owned business.

C. Staff Qualifications

The Offeror should describe the qualifications of staff to be assigned to the audits.

Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members.

Only include resumes of staff to be assigned to the audits. Education, position in firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, etc. will be considered.

D. Understanding of Work to be Performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information. Describe the level of familiarity with Montana West Economic Development and the various programs the organization uses in its service capacity.

E. Certifications

The Offeror must sign and include as an attachment to its proposal the Certifications enclosed with this RFP. The publications listed in the Certifications will not be provided to potential Offerors by Montana West Economic Development, because the agency desires to contract only with an Offeror who is already familiar with these publications.

Montana West Economic Development Proposal Guidelines for Audit Services

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include the Offeror's technical qualifications, the pricing information, and the signed Certifications. These documents will become part of the contract.

B. Nonresponsive Proposals

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

1. The proposal is not received timely in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the Certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the *Government Audit Standards* of the U.S. Comptroller General.

C. Review Process

The agency may, at its discretion, request presentations by, or meetings with, any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, the agency reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, which the Offeror can propose.

Though Montana West Economic Development contemplates award of the contract to the responsible Offeror with the highest total points in the evaluation, the organization reserves the right to make the award to the Offeror determined to be best suited to perform these services.

D. Evaluation

Evaluation of each proposal will be based on the following criteria:

| Factors | Point Range |
|--|-------------|
| 1. Prior experience auditing and/or designing and installing accounting systems. | |
| a. Prior experience auditing not for profit business development agencies | 0-5 |
| b. Prior experience auditing similar programs funded by Montana | 0-5 |
| c. Prior experience auditing programs financed by the Federal Government | 0-5 |
| d. Prior experience auditing similar county or local government activities | 0-5 |
| e. Prior experience auditing nonprofit organizations | 0-5 |
| f. Prior experience designing and/or installing accounting systems in non profit agencies | 0-5 |
| Montana West Economic Development will contact prior audited organizations to verify the experience provided by the Offeror. | |
| 2. Organization, size, and structure of Offeror's firm (considering size in relation to audits to be performed). | |

Montana West Economic Development Proposal Guidelines for Audit Services

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|---|------------|
| a. Adequate size of the firm | 0-5 |
| b. Minority/small business | 0-5 |
| 3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Education, position in firm, years and types of experience, continuing professional education, and state(s) in which licensed as a CPA, etc. will be considered. | |
| a. Audit team makeup | 0-10 |
| b. Overall supervision to be exercised | 0-5 |
| c. Prior experience of the individual audit team members | 0-10 |
| 4. Offeror's understanding of work to be performed. | |
| a. Does audit team provide adequate coverage for audit needs | 0-10 |
| b. Ability to meet and/or exceed contract schedule deadlines | 0-5 |
| c. Familiarity with MWED and/or programs | 0-10 |
| 5. Price | 0-10 |
| | |
| MAXIMUM POINTS: | 100 |

Montana West Economic Development *Proposal Guidelines for Audit Services*

CERTIFICATIONS

On behalf of the Offeror:

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The individual signing certifies that the Offeror 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 Offeror.
- C. 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.
- D. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or a public accountant licensed on or before June 2022.
- G. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.
- H. The individual signing certifies that he/she is aware of and will comply with the GAO Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of the 80 hours education will be in subjects directly related to the government environment and to government auditing for individuals.
- I. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
 - 1. *Generally Accepted Government Auditing Standards* (GAGAS, also known as the Yellow Book)
 - 2. OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2014)
 - 3. OMB Circular A-133, *Audits of Institutions of Higher Education and Other Nonprofit Institutions* (June 1997)
 - 4. *OMB Circular A-133 - Compliance Supplement* (March 2002)
 - 5. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations* (1997)

Montana West Economic Development Proposal Guidelines for Audit Services

6. OMB Circular A-122, *Cost Principles for Nonprofit Organizations* (June 1998)
 7. *A Guide for Nonprofit Organizations: Cost Principles and Procedures for Establishing Indirect Cost and Other Rates for Grants and Contract with the Department of Health and Human Services* (May 1983)
 8. *Audits of Voluntary Health and Welfare Organizations* (AICPA Audit Guide)
 9. *Audits of Certain Nonprofit Organizations* (AICPA Audit Guide)
- K. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, 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 Offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.

Dated this _____ day of _____, 2022

Offeror's Firm Name

Signature of Offeror's Representative

Printed Name and Title of Individual Signing