



Saint Joseph's College of Maine

REQUEST FOR PROPOSAL (RFP) FOR EXTERNAL AUDITING SERVICES

SPECIAL NOTE: This Request for Proposal (RFP) does not obligate Saint Joseph's College of Maine or its Board of Trustees to award a contract or complete the proposed project, and each reserves the right to cancel this RFP if it is considered to be in its best interest. Proposals must be clear and concise. Proposals that are difficult to follow or that do not address the RFP specifications may be rejected. Responding vendors must include the required information called for in this RFP. Saint Joseph's College of Maine (aka, Saint Joseph's College; Saint Joseph's; SJC, the college) reserves the right to reject a proposal if required information is not provided or is not organized as directed. Saint Joseph's College also reserves the right to change the evaluation criteria or any other provision in this RFP by posting notice of the change(s) on the college's website. For this RFP, posting on the college's website constitutes written notification to each vendor.

Section I. General Information & Background

HISTORY & MISSION

Saint Joseph's College is a Roman Catholic liberal arts college for men and women of all faiths and ages. The 474-acre campus, on the shore of Sebago Lake in Standish, Maine, is in view of Mount Washington and the Presidential Range of the White Mountains.

Saint Joseph's was founded by the Portland Regional Community of the Sisters of Mercy of the Americas in 1912 and chartered by the Maine Legislature in 1915. Today, it is Maine's only Catholic college. Saint Joseph's grants degrees in fulfillment of the educational ideals of the Sisters of Mercy, founded by Catherine McAuley in Dublin, Ireland, in 1831. From the time the Sisters of Mercy arrived in Portland in 1873, they dreamed of establishing a college in the area—and worked toward it. From 1912 to 1956, the College was located on the grounds of the Sisters of Mercy Motherhouse in the Deering district of Portland. In 1949, the name of the College was changed from Saint Joseph's to The College of Our Lady of Mercy, but with the change of site to Standish in 1956, the original name of Saint Joseph's was reinstated. In 1970, Saint Joseph's became a co-educational institution. The College began offering distance education programs in 1976. Today, Saint Joseph's College provides certificates as well as undergraduate and advanced degrees for working adults through an online learning program that operates in collaboration with the College's Sebago Lake campus.

Saint Joseph's College maintains an on-campus enrollment of approximately 1,000 students. Graduate and Professional Studies programs for adult learners account for ~2,000 additional students who reside throughout the United States and in more than 20 other countries.

Mission Statement

Rooted in and professing fidelity to the teachings of Jesus Christ and the doctrines and heritage of the Roman Catholic Church, Saint Joseph's College, sponsored by the [Sisters of Mercy](#), is a liberal arts college that nurtures intellectual, spiritual, and social growth in students of all ages and all faiths within a value-centered environment.

In fulfillment of this mission, Saint Joseph's College will:

- foster a strong academic community dedicated to the pursuit of truth through serious study, integration of knowledge, and an ongoing dialogue between faith and reason
- encourage all students to explore widely the arts and sciences while they also prepare to live ethical and meaningful lives
- provide a strong foundation for graduate study, professional service, and career advancement
- offer as an extension of its Mission to multiple areas of the world, both degree and non-degree programs through distance education
- enhance students' awareness of human dignity and the meaning of life
- advocate for justice and peace in recognition of each person's responsibility for the welfare of both humankind and the environment

Section II. Governance, Management, Approval

Saint Joseph's College is governed by a Board of Trustees. Within the Board of Trustees, the Audit and Risk Management Committee has the authority to approve the selection of an independent auditing firm, or empower the Chief Financial Officer to do so. The Audit and Risk Management Committee has authorized the Chief Financial Officer to initiate a process to acquire external auditing services proposals. The Board of Trustees, Audit and Risk Management Committee, and/or Chief Financial Officer may elect to remain with the currently engaged firm.

Saint Joseph's College's is requesting proposals to provide independent external auditing services. The college shall select the vendor whose proposal and presentation (if requested), demonstrates in the college's sole opinion, the clear capability to best fulfill the purposes of this RFP in a cost effective manner, with reasonable assurance of high quality and ongoing stewardship of a professional relationship. The college reserves the right to accept or reject proposals, in whole or in part, and to negotiate separately as necessary in order to serve the best interests of Saint Joseph's College. This RFP shall not obligate the college to award a contract or complete the proposed project and it reserves the right to cancel this RFP if it is considered to be in its best interest to do so.

Section III. Project Overview & Services to be Provided

This request for proposal seeks to acquire external auditing services from an independent accounting firm duly licensed to practice in the State of Maine, pursuant to Maine law and codes, and similarly qualified in the view of government agencies. General scope of work includes an annual audit in compliance with generally accepted auditing standards and rendering an independent audit opinion on the financial statements for Saint Joseph's College. These statements include, but are not limited to: Statement of Financial Position; Statement of Activities; and Statements of Cash Flows. Preparation and filing of any and all IRS Form-990's (and related forms to include 990-T; 990-PF, etc.), and any other state or federal filings shall be included in the project scope.

Proposals are being sought from parties interested in providing external auditing services for Saint Joseph's College for all financial statements audits for three fiscal years to include 2018, 2019, and 2020.

Services shall include preparing, reporting on, filing, and reviewing:

1. Internal controls relating to the financial statements and compliance with the provisions of laws, contracts, and grant agreements non-compliance with which could have a material effect of the financial statements as required by Government Auditing Standards.

2. Internal controls related to major programs and an opinion or disclaimer of opinion on compliance with the provisions of law, regulation, contracts, or grant agreement non-compliance which with could have a direct and material effect on each major program in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under the OMB (the "UAR").
3. A-133 compliance audits of federal student financial aid
4. Schedule of expenditures of federal awards
5. Perkins Loans Closeout Audits.
6. Pell Grants
7. Endowment activity & reconciliation
8. Catherine's Cupboard activity and reconciliation
9. Mission-Aligned Business activity
10. Bond holders and related Debt Covenant issues
11. An audit of the College's financial statements for fiscal year ending June 30, 2018, in accordance with auditing standards generally accepted in the United States of America.
12. The selected auditor will also audit the College's Federal Programs following the U. S. Federal Accounting Office's "Standards for Audits of Government Organizations Programs, Activities, and Functions", and the Office of Management Budget's "Circular A-133".
13. The selected auditor will also review and file the college's annual tax returns (Form 990 and Form 990T).
14. The engagement partner of the accounting firm is expected to meet with the Finance Committee and the Audit and Risk Management Committee of the Board of Trustees to discuss the results of these audits.
15. The auditor may also be called upon to provide professional advice as needed.

FINANCIAL & SOFTWARE

- Annual operating budget, including financial aid, is approximately \$37 million. The FY17 EOY market value of the endowment was ~\$13 million.
- Accounting AIS is Great Plains
- ERP is Campus Cafe
- The payroll function is contracted with ADP.

REPORTS REQUIRED BY THE COLLEGE

1. An auditor's report on the college's financial statements that expresses an opinion on whether the financial statements present fairly the financial position of the college and the related statements of activities and cash flow in conformity with generally accepted accounting principles.
2. An auditor's report concerning the review of the college's "Federal Programs".
3. If applicable, an auditor's report to the college's Audit and Risk Management Committee and Finance Committee, including recommendations designed to help the college improve internal controls and achieve further operational efficiencies.

MINIMUM QUALIFICATIONS OF AUDITOR

Due to the specialized nature of accounting and financial reporting for colleges and non-profit organizations, qualifying firms must meet the following minimum requirements:

- Registered to practice in the State of Maine.
- Maintain office(s) in one of the New England States.
- Have at least 5 years' experience as a firm with at least five other comparable clients (colleges or similarly sized and nonprofit organizations).
- Assign to the Saint Joseph's College engagement staff members that have experience in colleges or nonprofit audits.
- Comply with Federal Laws regarding equal employment opportunity.

- Be of sufficient size that the Saint Joseph’s College engagement does not compromise either the firm’s independence or its appearance of independence.
- Not maintain client relationships with other business or not-for-profit organizations that have contractual relationships with Saint Joseph’s College that are of sufficient magnitude to place the auditor in a potential conflict of interest.
- Be capable of performing a full range of audit and tax services, specifically including all of the reports and returns described previously in this document.

RESPONSE PROCEDURES

The following procedures should be followed when completing the request for proposal. An authorized partner of the firm must sign the proposal. The proposal and presentations will serve as the basis of selection, subject to potential further negotiation.

DEADLINE FOR RESPONSE

The proposal response to this RFP must be received by 4:30 p.m., E.D.T. on February 12, 2018. Provide ten paper copies to Mr. William Clark, CFO, Saint Joseph’s College of Maine, 278 Whites Bridge Road, Standish, Maine 04084-5236, and a PDF format of the proposal electronically to vpcfo@sjcme.edu. Firms are responsible for ensuring timely delivery of bid proposals. Late responses will not be considered. There will be no formal bid opening. Proposals must remain firm for a minimum of ninety (90) days from the due date. All costs incurred by the firm in preparation of its proposal are the responsibility of the firm. All information contained within each proposal (including pricing) will remain confidential.

NOTIFICATION

Finalists will be notified no later than February 16, 2018. The selection process may, but is not required to include phone or in-person presentations. If in-person or phone presentations to the Audit and Risk Management Committee are elected by SJC, they will occur at the March 1, 2018 Audit & Risk Management Committee meeting between 8:30 a.m. and 10:30 a.m. Presentations to college management may occur as mutually agreed upon by the firm and SJC management.

RESPONSE FORMAT

The format outlined below must be followed. Each section (I-XI) must be labeled in conformity with the titles used below. Please provide concise responses, limiting the proposal, including exhibits, to no more than 25 pages in length.

I. Executive Summary

This section is to contain a summary of the key points of the proposal. The summary should include the proposed implementation schedule and fee quotations as well as a brief summary of how your firm differs from other firms being considered and why our selection of your firm would be the best decision for the College.

II. Firm Profile

This section should address the firm’s qualifications for this engagement. The following table should be included in your response.

Item	Firm-wide	Office that would service Saint Joseph’s College Location:
Gross billings	\$	\$
Approximate percentage of gross billings derived from:		

Audit services	%	%
Tax services	%	%
Other services	%	%
Approximate number of professional staff assigned to:		
Audit services		
Tax services		
Other services		

III. Related Client Experience

Provide a summary of similar clients (colleges or other similarly sized and non-profit organizations) in support of the firm's proposal. Include a list of at least five client references with contact names, addresses, telephone and facsimile numbers. Please also include the five largest clients your firm/office has lost in the past three years and the reasons.

IV. Audit Plan

Provide a detailed explanation of the proposed audit plan. Include the following five sections:

- Scope
- Steps to be performed
- Expected involvement of Saint Joseph's College staff (financial and information services including estimated hours and tasks to be performed)
- Automated tools to be used
- Reporting and format

Include a discussion of the definition of materiality as it applies to generally accepted accounting principles. How do you intend to measure materiality in the context of Saint Joseph's College's current financial statement format?

V. Proposed Audit Schedule

Provide a timeline that explains the steps from engagement to reporting, including proposed completion dates and estimated hours.

VI. Proposed Audit Team and Credentials

Provide detailed information about the staff who will be assigned to the Saint Joseph's College audit engagement including names, related client experience, education, skills, licensing and credentials, and home office. For reference purposes, provide the names and contact information for other, similarly sized clients of the partner and manager who will be assigned to our organization.

VII. Audit Fee

Provide a binding fee estimate for the 2018 Saint Joseph's College audit engagement detailed in the following format. Firms are asked to provide fee estimates for a three year period although it should be understood that the selected firm will receive an annual appointment.

<u>Description</u>	Year One	Year Two	Year Three
	Hours/Dollars	Hours/Dollars	Hours/Dollars
Annual audit of financial statements			
Federal grants, contracts and Financial Aid in accordance with OMB Circular A-133			

Preparation and submission of Internal Revenue Service Form 990 and 990T			
Out of pocket expenses (detail)			
Total			

Please also include your standard billing rates for classes of professional personnel and a breakdown of the hours estimated above by level of personnel.

VIII. Standard Engagement Letter

Provide a copy of the engagement letter that will be used for the Saint Joseph’s College audit engagement and discuss and provide a copy of any liability limitation language that will be required. By submitting a proposal, the firm acknowledges that all of the terms and conditions and requirements of this RFP have been read and understood and will be a part of the engagement agreement. Compliance with the terms and conditions and requirements will be assumed if not otherwise noted in the submittal.

IX. Peer Review Report

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.

X. Transition

Comment on the impact to the College of the transition to a new firm, indicating the approach to be taken, time involved, handling of start-up costs as well as unanticipated events and other extra costs. Indicate your requirements for access to working papers and cooperation with predecessor auditors.

XI. Other Relevant Information

Provide any additional information that the firm wishes to include for consideration.

Evaluation Criteria

Proposals will be evaluated on the following criteria:

- All minimum requirements met or exceeded.
- Experience with other college and university clients.
- Experience with similarly sized non-profit organizations.
- Assigned staff experience with other college and university clients.
- Efficiency of audit approach and plan for smooth transition.
- Support required from Saint Joseph’s College staff.
- Acceptance of terms and conditions.
- Audit fee.

Timeline

Completion date of the audit is by the October Board of Trustee’s meeting each year, or as agreed to by all parties.

Information & Prior Financial Statements

Upon request, and at Saint Joseph’s College’s discretion, management will review and/or discuss up to two prior fiscal year (FY17 & FY16) financial statements. This review will only be offered to firms considered as finalists and upon request.