

**Request for Proposal for Auditing Services
Audit Years 2009 – 2011**



**Goodwill Industries of Southern Nevada, Inc.
1280 W. Cheyenne Ave.
North Las Vegas, NV 89030
(702) 214-2030 Office; (702) 214-2035 Fax
www.sngoodwill.org www.powerofwork.org**

Proposals will be accepted until 1:00pm (PST) – March 8, 2010

Deliver or mail three copies of your ***sealed*** proposal to the address above
Attention: David Sommer, CPA, Chairman Audit Committee

Any questions concerning this RFP shall be submitted in writing by mail, email or fax to Sherry Ramsey; sherryr@sngoodwill.org . Answers will be shared with all prospects.



Request for Proposal for Auditing Services Audit Years 2009 – 2011

Goodwill Industries of Southern Nevada, Inc., a Nevada 501(c) 3, is accepting proposals for the auditing of its financial records and production and filing of the Federal 990.

History of Goodwill

The Reverend Edgar Helms, a Methodist minister who was seeking ways to help residents in Boston's impoverished South End, founded GOODWILL at the turn of the century in 1902. Helms collected used household goods and clothing in wealthier areas of the city, then trained and hired immigrants and financially challenged citizens to mend and repair the used goods. The goods were then resold, or given to the people who repaired them. The system worked and the Goodwill philosophy of "a hand up, not a hand out" was born.

The organization was formally incorporated in 1910. Known at the time as Morgan Memorial Cooperative Industries and Stores Inc., (a reflection of its headquarters in Boston's Morgan Memorial Chapel), it provided job skills training programs and even a rudimentary placement service. The name GOODWILL Industries was later adopted after a Brooklyn, New York workshop coined the phrase. Helms had described GOODWILL as an industrial program as well as a social service enterprise.

Today, Goodwill Industries International is the largest provider of vocational services and not-for-profit employer of people with disabilities and other barriers to employment in the world.

Background

In 1975, the Southern Nevada chapter of Goodwill opened its doors as the corporate headquarters for Goodwill of Southern Nevada, Inc., one of 208 affiliate Goodwill members.

Goodwill Industries of Southern Nevada, Inc. (also known as Goodwill of Southern Nevada) is a not-for-profit 501(c) 3 organization whose mission is to educate, train and employ people with disabilities and other special needs to help them maximize the quality of their life.

Goodwill generates most of its multi-million dollar budget through the sale of donated goods. The sale of donated merchandise in Goodwill's retail stores supports the education, job training and job placement services for those in our community with disabilities and barriers to employment.

The Southern Nevada operations include eight retail store/training/donation centers, a central processing center for job training and 23 non store-based attended donation centers which receive "gently used" donated goods provided by valley residents.

Goodwill's business focus has enabled Goodwill to become the fastest growing workforce development service provider for our citizens with disabilities and barriers to employment since 1997. What separates Goodwill from most not-for-profit, charitable organizations is that we manage our operations and services

like a for-profit business. We have an active Board of Directors consisting of volunteer citizens who ensure that Goodwill operates this way and meets the growing needs of our community. Goodwill's Leadership Team fulfills the mission through the implementation of a well-defined strategic plan.

Annual revenues are between \$15 million and \$17 million per year, and the organization employs 390 people across 8 stores, its corporate offices located in North Las Vegas, and 23 attended donation centers across the valley.

The organization has a December 31st fiscal year end, with a requirement to file an audited financial statement and Federal 990 with Goodwill Industries International.

Scope of Services

Your proposal is expected to cover the following services:

1. As a Nevada 501(c)3 with federal funding through WIA/ARRA, Goodwill financials are subject to regular GAAP and our internal controls are subject to scrutiny from Government Auditing Standards. Respondents shall be responsible for complying with all relevant statutory requirements.
2. The contract for auditing services shall be for the fiscal year ending December 31, 2009, with a mutual option to renew for two additional years. All pricing (including escalators) provided shall be firm through the contract period.
3. The audit shall be performed in accordance with generally accepted auditing standards; the provisions of the U.S. Comptroller General's *Government Auditing Standards* (as appropriate), and the provisions of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* (as appropriate).
4. The audit shall include an examination and evaluation of the balance sheet at December 31, 2009 and related statements of revenues, expenditures and changes in net assets for the twelve months then ended; Goodwill's internal control structure elements (please note how much of your audit bid is estimated to be geared towards gauging reliance on internal controls); and Goodwill's compliance with regulatory provisions of state and federal grants. The audit is expected to be shown on a comparative basis with the prior year (our books have been audited by a nationally affiliated CPA firm for more than ten years).
5. The audit firm selected will be responsible for or assist the following:
 - a. Report of Independent Auditors
 - b. Management Letter
 - c. Basic Financial Statements
 - d. Notes to the Basic Financial Statements
 - e. Other Supplemental Financial Statements
 - f. The preparation of Form 990.
 - g. Routine accounting guidance upon request
 - h. Single Audit (A-133) of Expenditures of Federal Awards. The preparation of the A-133 report is to be included; for purposes of this proposal it can be assumed Federal funds will range between \$500,000 and \$2,500,000

- i. Report of Independent Auditors on Internal Controls
 - ii. Report of Independent Auditors on Compliance
 - iii. Final Schedule of Expenditures of Federal Awards
 - iv. Final Notes to Schedule of Expenditures of Federal Awards
 - v. Schedule of Findings and Questioned Costs (if applicable)
 - vi. Summary schedule of prior audit findings (if applicable)
 - vii. Corrective action plan for current findings (if applicable)
 - viii. Data Collection form
6. Administrative requirements including typing, collating, assembling, copying, binding and proofing the financial reports & 990.
 7. The 2009 audited Financial Statements and Auditor's Reports must be completed and issued on or before June 15th, 2010 with IRS Form 990 timely filed, including an extension if necessary, within four weeks thereafter. For Goodwill's 2010 and 2011 fiscal years, the audited Financial Statements and Auditor's Reports must be issued on or before March 31st and the Form 990 must be filed on or before May 15th
 8. Goodwill will provide the following:
 - a. Draft of the Basic Financial Statements
 - b. Draft of the Notes to the Basic Financial Statements
 - c. Supplemental Financial Schedules
 - d. All schedules needed to substantiate the Basic Financial Statements
 - e. All schedules needed to perform the A-133 audit (if applicable)

Proposed Calendar of Events

February 8, 2010 Issue RFP

March 8, 2010 by 1:00pm Proposal Due

March 8, 2010 Bidder's Conference to open sealed bids at 2:00pm at Goodwill Corporate Offices
(attendance not a requirement of selection)

March 10, 2010 Selection of Audit Firm

March 11, 2010 Execute engagement letter

Contact Information

You may contact Sherry Ramsey with any requests for additional information, visits to our site, review of prior financial statements and tax returns, and/or appointments with the executive director.

Sherry Ramsey

Controller

(702) 214-2030
sherryr@sngoodwill.org

Relationship With Prior CPA Service Provider

These services have been provided by Houldsworth, Russo & Company, P.C.

To be in compliance with Government Auditing requirements, Goodwill is following a sealed bid procurement process for its 2009 – 2011 fiscal year audit needs. In preparing your proposal, be advised that the Goodwill Audit Committee will give permission to contact the prior auditors.

Your Response to This Request for Proposal

In responding to this request, we request the following information:

1. Respondent shall submit 3 copies of the proposal. These must be sealed and marked "Auditing Services – Sealed Bid – Do Not Open" and addressed to the attention of David Sommer, CPA, Chairman Audit Committee.
2. Proposals are due by March 8, 2010 at 1:00pm at the address listed on our cover page.
3. Detail your firm's experience in providing auditing (including Government audits) and tax services to companies in the not-for-profit sector, as well as associations of a comparable size to Goodwill of Southern Nevada, including those with international memberships.
4. Discuss the firm's independence with respect to Goodwill of Southern Nevada.
5. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
6. Identify three references for which you have provided similar auditing services in the past five years, including any nonprofit organizations. The name of the institution, contact person, address, e-mail and phone numbers must be included.
7. Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies.
8. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.
9. Set forth your fee proposal for the 2009 - 2011 audits on Appendix A
10. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent accountants is the best decision we could make.
11. 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.

Evaluation of Proposals

In addition to Cost/Value as determined by the lowest cost commensurate with the quality of work, Goodwill's Audit Committee evaluation of proposals will include our review of firm's peer review report and related materials, evaluation of the personnel to be assigned to the Goodwill engagement, the

completeness of the proposal, and possible discussions with provided references and senior engagement personnel.

Basis of Awarding

A letter of engagement will be signed with an independent auditor who, based on an evaluation of all responses, applying all criteria and oral interviews (if performed), is determined to be the best qualified to perform the services, & best qualified to deliver the best value package of deliverables.

The right is reserved, as the interest of Goodwill of Southern Nevada may require, to waive any defects or all informalities in any proposal, to reject any or all proposals, to take any or all proposals under advisement or to accept any proposal as may be deemed to be in Goodwill of Southern Nevada's interest in meeting the standards of quality, price & value ("best" proposal).

Equal Opportunity

Goodwill of Southern Nevada is committed to Equal Opportunity. The respondent will not discriminate against any employee or applicant because of race, color, religion, sex or national origin. The respondent agrees to comply with the Fair Labor Standards Act, Fair Employment Practices, Equal Opportunity Act and other applicable State and Federal laws.

Financial Information

Copies of Goodwill's most recent audited financials & 990 are available upon request.

Appendix A

The pricing sheet attached as Appendix A must be included with all proposals.

APPENDIX A PRICING SHEET

Firm Name: _____

It is Goodwill of Southern Nevada’s intent that this bidding process create a three-year relationship, so please prepare your bids with an extended time frame in mind.

However as noted in the body of the RFP, continuation of services from one year to the next remains dependent upon satisfactory completion of the prior year’s services and mutual agreement by both parties to continue the relationship.

Total cost for GAAP audit:

First Year: _____

Second Year: _____

Third Year: _____

Total cost for A-133 audit:

First Year: _____

Second Year: _____

Third Year: _____

Total cost for 990:

First Year: _____

Second Year: _____

Third Year: _____

Total Proposal Cost: _____

Respondent must provide sufficient detail in the proposal to explain fee structure fully (i.e. staff rates vs. partner rates; reimbursed expenses vs. hourly fees). Major phases (prep, review of internal controls, field work, etc) of the engagement process should be specified, including reporting findings and delivering reports to the Board. Contingent fees should be explained fully and an annual estimate provided by the Respondent. Assumptions should be enumerated.