

## **FSUMRD Request for Proposals CPA Services**

### **SECTION A - GENERAL INFORMATION**

Florida State University Magnet Research & Development, Inc. ("FSUMRD") is requesting proposals from qualified Certified Public Accounting firms ("Proposer") to provide audit and tax return preparation services for the fiscal year ending June 30, 2023 through June 30, 2027. FSUMRD intends to award a three year with option to renew years 4 & 5 contract based on annual satisfactory performance of the auditor. However, either party may terminate this agreement if notice is given by January 31st of any year. The deadline for submitting such proposals is March 14, 2023.

The response to the RFP must include the legal name of the Proposer. The proposal shall be signed by a person or persons legally authorized to bind the Proposer to a contract. The Proposer shall include a statement that it is authorized to do business in the State of Florida.

There is no obligation on the part of FSUMRD to award the contract to the lowest cost Proposer. FSUMRD reserves the right to award the contract to the Proposer submitting a responsive proposal, based on the criteria stated and in the best interest of FSUMRD.

The proposals will be reviewed by a team of FSUMRD staff and will be evaluated on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us. The review team will present its recommendations to the FSUMRD Audit Committee for consideration. This group may request that one or more Proposers appear before them to make oral presentations. It is anticipated that the presentations will be made between March 20, 2023 and March 31, 2023.

The key contact for information you may require in preparing your proposal is:

Shauna Walsh, Treasurer  
Florida State University Magnet Research & Development, Inc.  
1800 E. Paul Dirac Drive  
Tallahassee, FL 32310  
(850) 644-8604  
Email: [swalsh@magnet.fsu.edu](mailto:swalsh@magnet.fsu.edu)

A total of five (5) copies of the proposal in electronic format must be sent by email to [swalsh@magnet.fsu.edu](mailto:swalsh@magnet.fsu.edu)

Requests for additional information, visits to our site, review of prior financial statements and tax returns, and/or appointments with key contacts should be coordinated through the FSUMRD Treasurer at the number or email listed above.

### **SECTION B – BACKGROUND**

FSUMRD is a not-for-profit corporation (Florida Statute section 1004.28) established to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University. Its primary purpose is to promote and assist the research and training activities of the University through income from contracts, grants and other sources, including income derived from the development and commercialization of the University's work products. FSUMRD is certified as a Direct Support Organization (DSO) by the Board of Trustees of The Florida State University (FSU) under the provisions of Florida Statutes 1004.28 and must operate in a manner consistent with the goals of the

University and in the best interest of the State of Florida. Additionally, FSUMRD is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

FSUMRD exists to design, develop, invent, assemble, construct, test, repair, maintain and fabricate magnets or magnet systems of any type or design, and any ancillary components necessary or desirable for the development, operation or maintenance thereof. The corporation may consult, advise, cooperate, act jointly, or collaborate with third parties to design, develop, invent, assemble, construct, test, repair, maintain and fabricate magnets or magnet systems of any type or design and any ancillary components necessary or desirable for the operation thereof.

The records and staff of FSUMRD are located at 1800 E. Paul Dirac Drive, Tallahassee, FL 32310. Financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) as applied to governmental audits. The GASB is the standard-setting body for governmental accounting and financial reporting. The financial records are processed on QuickBooks Enterprise Solutions software, Contractor Edition, on a fiscal year basis, with the fiscal year running from July 1 to June 30.

As of June 30, 2022, the total assets of FSUMRD were \$287,131. Of those total assets, \$24,283 was cash, and \$262,848 was in an investment account.

The activities with regard to year-end closing are normally completed by the end of July.

### **SECTION C – SCOPE OF SERVICES**

FSUMRD is soliciting the services of qualified firms of independent certified public accountants to audit their financial statements. In addition, FSUMRD is soliciting services to prepare the required Federal income tax returns for the fiscal year ending June 30, 2023, plus 4 additional one-year engagements. The audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards for financial audits set forth in the General Accounting Office's Government Auditing Standards.

To comply with Section 1004.28, Florida Statutes, certain supplemental information is also required. The Board of Trustees of The Florida State University requires preparation of the following reports related to F S U M R D 's audit:

- Audited Financial Statements for Florida State University Magnet Research & Development, Inc.
- Preparation of the IRS Form 990, including related schedules and extensions.

Due to the requirements of GASB 39, Direct Support Organization audited financial statements must be included in Florida State University's annual financial statements. Therefore, the following reports and documents must be substantially complete and submitted to the University by the deadlines noted below.

The final audited financial statements for FSUMRD are due to the University by September 30th.

- a. The following unofficial, materially-correct statements (except for Cash Flow statement) and

footnotes must be available for submission to the University Controller by the noted dates:

- Financial Statements – September 15th
- b. Management Discussion and Analysis will be completed by September 1st.
- c. Final audited financial statements (including cash flow statement) and management letter (if applicable) must be completed by September 30th.
- d. Form 990 must be completed by November 15th.
- e. Presentation of completed financial statements will be required at the next board meeting after October 1st or at an alternate time agreed upon by all parties. If attendance of the audit firm is required, sufficient notice will be provided.

The following reports should be included in the audited financial statement reporting package:

- f. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
- g. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
- h. A report on compliance with applicable laws and regulations.
- i. A report on supplementary information in relation to the basic financial statements taken as a whole.
- j. A letter detailing significant opportunities to improve management practices, if applicable.

FSUMRD Staff will be primarily responsible for preparation and submission (including drafts of the financial statements and supporting schedules), however, collaboration with auditors is expected. Auditor recommendations regarding appropriate accounting principles and their applications is expected. It is also anticipated that the selected Proposer will be available during the year without further charge for reasonable consultation on any tax or accounting issue that may arise. Those questions requiring additional research or work by the auditor firm will be billed to FSUMRD at a rate agreed upon in advance.

Working papers will be retained by the selected Proposer for five years. These working papers will be made available for examination at the audit site to authorized FSUMRD staff and to subsequent auditors in accordance with professional auditing standards.

FSUMRD's Board has established an Audit Committee to represent FSUMRD in matters related to the audit of the financial records. The Audit Committee meets to establish an audit plan and to review the results of the audit. A representative of the Proposer is expected to attend these meetings and present the audit plan and the results of its audit.

## **SECTION D – RESPONSE FORMAT AND INFORMATION CONTENT**

- 1. Cover Page**
- 2. Table of Contents**
- 3. Brief Overview**

- a. Not more than one page summarizing the major points in the response.

#### **4. Firm Qualifications**

- a. Describe the firm, including the number of offices, number of partners, and professionals.
- b. Indicate for the firm the number and type of not-for-profit and government clients served and the types of engagements.
- c. Provide a brief statement indicating your understanding of the work to be performed.
- d. Describe the firm's experience with audits of not-for-profit entities subject to governmental accounting standards, specifically those in higher education.
- e. If the firm is the subject of any litigation or professional disciplinary action that might adversely affect its ability to carry out a multi-year audit engagement, describe the litigation or disciplinary action.
- f. Provide a copy of the firm's most recent peer review report, the related letter comments, and the firm's responses to the letter of comments.
- g. Make a statement concerning the independence of the Proposer, including the relationship of the proposed audit team to employees and board members of FSUMRD.

#### **5. Staffing of Audit Engagement**

- a. Identify the firm's office that will staff the FSUMRD engagement and describe the number of partners and professionals in the office and the not-for-profit and government practice for the office.
- b. Identify the partner-in-charge and other professional staff that will be assigned to the FSUMRD audit. For each person named, provide a brief biographical background with a list of not-for-profit and government clients served that includes the type of engagement and the capacity served.
- c. Include a statement that the CPA in charge of the audit and other staff assigned to the audit will meet continuing education requirements of the Florida State Board of Accountancy and Government Auditing Standards (as appropriate).
- d. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years. Address in the response what assurances can be given that staff assigned will have had experience at comparable organizations and have fund accounting competence.
- e. Describe the firm's policy of staff and management rotation.
- f. Provide a list of the performing office's present government and not-for-profit clients.
- g. Identify professional organizations to which the engagement team belongs and leadership positions held in those organizations that would demonstrate your expertise related to the government and not-for-profit industry.
- h. Describe procedures to be utilized that will monitor the progress of work for periodic evaluation. Discuss the communication process to be used by the firm to discuss issues with management and the Audit Committee.

#### **6. Approach to Audit Engagement**

- a. Describe the overall approach that the firm would take in the audit engagement including the firm's use of technology. Include a proposed schedule indicating the approximate times for completion of the various phases of the audit. Indicate the number of audit hours that will be budgeted for these engagements (please provide separate budgeted hours).

- b. Indicate the approximate percentage of expenditures and grants to be sampled.
- c. Describe procedures used to review and test internal controls.
- d. Describe procedures used to review and test compliance.
- e. Describe the firm's plan for communicating with staff and senior management during the engagement, including communication of management letter items.
- f. Please identify recent accounting standards affecting institutionally related foundations by FASB, GASB, and the AICPA. Please indicate positions taken by your firm on these issues. In addition, please identify emerging problematic areas that you predict must be addressed in future years. Indicate the level of assistance you would provide to us with regard to these matters.

## **7. References**

- a. Provide three recent not-for-profit or government audit clients that can be contacted as references. Include the client name, address, telephone number, and the name of the contact person.

## **8. Approach to Tax Engagement and Staffing**

- a. Identify the partner-in-charge and other professional staff that will be assigned to the FSUMRD tax review. For each person named, provide a brief biographical background with a list of not-for-profit clients served and the capacity served related to tax work.
- b. Please list a timeline for review of the 990 once the FSUMRD's staff provides the necessary supporting work papers and information.
- c. Describe the overall approach that the firm would take in the tax review and include the firm's technology and any resources provided to FSUMRD to complete the tax forms.
- d. Discuss the manager and partner communication with staff during the tax review, specifically relating to any proposed changes. Include the expected communication method and the allowed time that management will be provided to respond.

## **9. Fee Quote**

- a. Include a quotation of fees for the proposed audit and tax return preparation services individually. The proposal must also indicate a total, all-inclusive maximum price for the first year engagement for the audit and tax return, including direct and indirect costs, all out-of-pocket expenses and the anticipated total number of person hours required to complete the audit. Please include an explanation of the firm policy on separate billings for inquiries. Provide fee schedules that would apply for such special services.
- b. Furnish standard billing rates for classes of professional personnel for each of the last three years.
- c. Explain the firm's policy for distinguishing between billable consulting services and non-chargeable services.
- d. Identify ways in which FSUMRD's resources might be utilized to contain the costs of the audit. Separately disclose what the estimated reduction in fee related to such services would be.
- e. Indicate the impact on FSUMRD of the transition to a new audit firm. Indicate the approach to be taken, any first-time costs, additional time required in the first year, etc.
- f. Provide an estimate of subsequent year's audit fees barring unforeseen developments.

- g. Describe progress payments of the firm.

## **EVALUATION CRITERIA**

The submitted proposal responses will be evaluated on the following criteria.

- a. Experience Providing Professional Auditing Services for University organizations.
- b. Overall Responsiveness of Proposal to Satisfy Specifications of the RFP.
- c. Overall Value and Pricing.

### **10. Tentative Schedule**

RFP issued February 15, 2023

Deadline to Submit Proposals, March 14, 2023

Evaluation of Proposals March 14, 2023, to March 17, 2023

Discussions with top firms, March 20, 2023, to March 31, 2023

Decision routed through approval channels, April 17, 2023, to April 21, 2023

Engagement Letter, late June 2023

Entrance Interview, early July 2023

Fieldwork, August 2023

Preliminary and/or preparatory work can be scheduled as mutually convenient

Out brief, late September 2023

Unless otherwise revised by a subsequent addendum to this RFP, the dates, and times by which stated actions should be taken or completed are listed above. If FSU MRD determines, in its sole discretion, that it is necessary to change any of these dates and times, it will issue an Addendum to the RFP. All times listed are Eastern Standard Time (EST). It is the Respondent's responsibility to check [FSU-MRD Public Portal](#) for any updates or addendums to this RFP.