



Request for Proposal

October 12, 2020

Dear Sir or Madam:

Our organization is accepting proposals from CPA firms to provide audit (and tax) services for our organization in the future. We invite your firm to submit your proposal to us by November 2, 2020, for consideration. A description of our organization, the services needed, and other pertinent information follows:

Background of The Ocean Pines Association, Inc.

The Ocean Pines Association is a 501(c)(4) homeowners association, Annual net revenues are approximately \$16 million per year, and the organization employs approximately 75 fulltime and 200 seasonal/part-time people. The organization is membership-based and has approximately 8,450 members. The organization has an April 30 fiscal year-end, with a requirement to present an audited financial statement to the general membership by the annual meeting in early August each year. Prior year audit reports, monthly internal financial reports and budget documents are posted and can be found posted within the oceanpines.org website under the Departments/Finance path.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual audit to be completed in compliance with the previously mentioned filing requirement and meetings with General Manager and or board of directors, as necessary
2. Tax filings for the organization, such as form 990 and 990T plus personal property taxes
3. Update the Association's Fixed Asset Records and prepare electronic depreciation schedules by location.

Key Personnel

Following are key contacts for information you may seek in preparing your proposal:

Steve Phillips	Director of Finance	sphillips@oceanpines.org	(410)-641-7717
Julia Johnson	Accounting Manger	jjohnson@oceanpines.org	(410)-641-7717

Requests for additional information, including review of prior financial statements and tax return, should be coordinated through the Director of Finance. Please also return the completed proposal to the Director of Finance at the email address provided above.

Your Response to This Request for Proposal

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

1. Detail your firm's experience in providing auditing and tax services to organization in the not-for-profit industry, as well as associations of a comparable size to the Ocean Pines Association, including those with memberships.
2. Provide information on whether you provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to the Ocean Pines Association.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the five largest not-for-profit clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances when loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. 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. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. 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 the board.
8. Set forth your fee proposal for the upcoming 2020-21 audit, along with the subsequent 2 annual fiscal year audits for 2021-2022 and 2022-2023 (accounting for any applicable price escalation). **Your proposed fee must be separated out and broken down for each of the services being requested:**
 - **Annual audit and financial statement preparation (includes mapping of G/L accounts for financial statement preparation)**
 - **Preparation and Tax Filings of 990/990T and personal property taxes**
 - **Utilization of internal fixed assets (tax) software to update annual depreciation schedules by location within Ocean Pines**
9. Provide information on the software you will utilize to prepare the annual depreciation reporting for Ocean Pines, and how you will ensure that the asset#/record#'s currently assigned remain consistent.
10. Describe how you will bill (if applicable) for questions on technical matters that may arise throughout the year.
11. Provide a descriptive timeline consisting of a range of dates and estimated hours for audit preliminary and final fieldwork to be completed in May and June each year.
12. Furnish current standard and discounted billing rates for classes of professional personnel.
13. Provide the names and contact information of at least four **similarly sized clients of the partner and manager** that will be assigned to our organization for reference purposes. These references should all be in the not-for-profit industry, and at least one of the references should be a Homeowners Association.
14. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external accountants is the best decision we could make.
15. 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

We will evaluate proposals based 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.

We would also appreciate a response if you decline to submit a proposal.

Sincerely,

Steve Phillips

Director of Finance