MOMENTUM ACADEMY

Request for Proposal

For

Professional Auditing Services

**2023-2024 Academic Year**

***March 15, 2024***

**Request for Proposal and Contract**

**will be the same document**

***- Deadline to Submit Proposal -***

***April 5, 2024***

***5:00 P.M. C.S.T.***

***To: Antionette Bedessie & Melissa Powers***

Request for Proposal

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**MOMENTUM ACADEMY**

**REQUEST FOR PROPOSAL**

**AUDIT SERVICES**

# I. INTRODUCTION

A. General Information

Momentum Academy (MOMENTUM) is requesting proposals from licensed certified public accountant firms who qualify under the rules of the State of Missouri (licensed according to state law and meets the qualifications regarding continuing professional education, peer review, and independence in accordance with government auditing standards), to audit its financial statements for the fiscal year ending June 30, 2024, with the option of auditing its financial statements for the subsequent two (2) fiscal years. These audits are to be performed in accordance with the provisions included in this request for proposal:

To be considered, an electronic copy of a proposal must be received by Antionette Bedessie, MOMENTUM COO (antionette.bedessie@momentumacademystl.org) and Melissa Powers, MOMENTUM Board Treasurer ([MPowers@lewisrice.com](mailto:MPowers@lewisrice.com)), by 5:00 p.m. on April 5, 2024.

MOMENTUM reserves the right to reject any or all proposals submitted. The selected auditor also must be approved by the Missouri Charter Public School Commission, which is MOMENTUM’s sponsor. MOMENTUM reserves the right, where it may serve the school’s best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of MOMENTUM firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Submission of the proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between MOMENTUM and the firm selected.

It is anticipated the selection of a firm will be completed by April 15, 2024. Following the notification of the selected firm it is expected a contract will be executed between both parties. This RFP will be the basis for the contract. A letter of intent will be forwarded to the selected firm by April 15, 2024 unless conditions dictate otherwise.

B. Term of Engagement

A one (1) year contract with option to renew an additional two (2) years, subject to annual satisfactory negotiation of terms, annual renewals and the concurrence of the MOMENTUM Board of Directors is contemplated.

# II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

1.) The auditor will express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles.

2.) The financial and compliance audit will involve all of the school’s funds and accounts. The auditor is required to analyze and apply audit procedures to the supplementary information in order to comply with reporting requirements as prescribed by the Missouri Department of Elementary and Secondary Education (DESE) *5 CSR 30-4.030 Audit Policy and Requirements*, as well as all state and federal requirements for a non-profit educational institution.

3.) Provide consultation during the year.

4.) Prepare annual tax returns for MOMENTUM

B. Auditing Standards

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards for schools as set forth by the American Institute of Certified Public Accountants, the standards set forth for financial audits in the *Government Auditing Standards*, issued by the Comptroller General of the United States; *Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non Profit Organizations for Federal Single Audit Guidelines.*

C. Reports

The report preparation, editing and printing shall be the responsibility of the audit firm. The auditor shall submit to the MOMENTUM Board of Directors the following reports, with copies of each for transmittal to the Missouri Department of Elementary and Secondary Education (DESE) and other agencies as required:

1. A scope of the examination. The auditor’s opinion as to whether the audit was made in accordance with generally accepted auditing standards applicable in the circumstances; the auditor’s opinion as to whether the financial statements included in the audit report present fairly the results of all operations during the period of time audited; and the auditor’s opinion as to whether the school’s budgetary and disbursement procedures conform to the requirements of Chapter 67 RSMo.
2. Independent Auditors Report on financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.
3. The schedule of selected statistics, as specified annually by DESE.
4. Management Discussion and Analysis - A Management Letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions
5. Independent Auditor’s Report on Compliance and Internal Controls over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
6. Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with *OMB Compliance Supplement*
7. Report on Schedule of Expenditures of Federal awards required by the Uniform Guidance
8. Schedule of Findings and Questioned Costs
9. Status of Prior Year Findings and Questioned Costs
10. Irregularities and illegal acts.Auditors are required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the school’s Board of Directors.

In the required reports on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize, and report financial statement. In addition, the following conditions shall be considered reportable:

* Reportable conditions that are also material weaknesses shall be identified as such in the report.
* Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal controls.
* The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

1. Financial Statements of MOMENTUM.
2. Governmental Fund statements for MOMENTUM
3. Form 990- Return of Organization Exempt from Income Tax

**A minimum of 15 copies of each audit report is required. The school is also requesting PDF files on electronic media of all reports.**

D. Working Paper Retention and access to Working Papers

All working papers and reports must be retained, at the auditor’s expense, for a minimum of five (5) years, unless the firm is notified in writing by MOMENTUM of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

MOMENTUM Board of Directors

Missouri Department Elementary and Secondary Education

U.S. General Accounting Office (GAO)

Parties designated by the federal or state governments or by MOMENTUM as part of an audit quality review process audit.

In addition, the firm shall respond to the reasonable inquiries of successor

auditors and allow successor auditors to review working papers relating

to matters of accounting significance.

E. Timing, Location, and Conduct of Audit Work

In addition to time requirements established by the Missouri DESE Instruction,

the following conditions shall apply:

1. MOMENTUM expects to receive a list of schedules to be prepared and other items required for the audit prior to August 1st of each year.

2. Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.

3. The final onsite audit must be completed by the first week in September. The audit will be conducted at the Regional Offices of MOMENTUM located at 2000 South 8th Street., St. Louis, MO 63104. MOMENTUM will provide space deemed adequate by the auditor to efficiently conduct the audit.

4. Prior to completion of the onsite audit, the auditor will meet with the COO and School Finance Manager to review adjusting journal entries.

5. Audits of individual activity funds shall be conducted within the same timeframe as the financial audit.

6. Prior to submission of the completed report, the auditor will be required to review a draft of the proposed report and management letter with the COO and School Finance Manager.

7. The financial audit reports must be submitted to the MOMENTUM Board’s Finance Committee no later than November 15th of each year. The financial Audit Statement must be submitted to the Missouri Department of Education by December 31st of each year.

8. The auditor will present the financial statement and management letter at a meeting of the MOMENTUM Board as requested. (Generally the fourth Monday in the month of November.)

# III. DESCRIPTION OF THE ORGANIZATION

A. Principal Contact

The auditors will report to the Treasurer of the Board and will receive information from the COO and School Finance Manager, who will coordinate the assistance to be provided by the School to the auditor.

B. Background Information

MOMENTUM consists of four schools located in the City of St. Louis. The four schools serve students in grades PK-8. The LEA provides services for approximately 850 students.

Due to the nature of MOMENTUM, the Financial Statements must be prepared in accordance with Financial Standards Board for Not-for-Profit organizations.

The MOMENTUM Board of Directors is authorized by the Missouri Department of Elementary and Secondary Education as a non-profit educational entity approved to provide education services as a Charter School.

The school maintains its books and records on the Software Unlimited accounting system under the modified cash method.

2022-2023 Financial Statements are provided (Appendix A)

C. Federal and State Financial Assistance

As part of the Single Audit Act, all Federal and State Finance Assistance received by MOMENTUM must also be audited. MOMENTUM receives approximately $3,130,000 of Federal grants and assistance from the U.S. Department of Education, U.S. Department of Agriculture, State of Missouri, and other entities.

# IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are required to be submitted:

Requests for proposals issued ***March 15, 2024***

Questions concerning RFP due ***March 25, 2024***

Responses to Questions Released ***March 29, 2024***

Due Date for proposals April 5, 2024

B. Notification and Contract Dates

Letter of Intent Issued ***April 15, 2024***

(Contract to Follow)

C. Date Audit May Commence

MOMENTUM will have all records, posted statements, bank reconciliations, and other necessary reports ready for audit and all management personnel available to meet with the firm’s personnel on or about **July 29, 2024.** The auditor may visit the site and do preliminary work to prepare for the actual audit activities.

D. An on-site inspection of the schools may be arranged for firms interested in submitting proposals with a prior scheduled appointment.

# V. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries

Inquiries concerning the request for proposals and any related questions concerning the request for proposals must be made in writing to:

***Antionette Bedessie (antionette.bedessie@momentumacademystl.org)***

***Melissa Powers (MPowers@lewisrice.com)***

Inquiries and questions about the Proposal should be e-mailed to the above address. A response to inquires/questions posed by vendors will be sent to all vendors that have requested the RFP packet.

2. Submission of Proposals

The following material must be received by ***April 5, 2024*** for a proposing firm to be considered:

A master copy (so marked) of the Proposal and two (2) copies to include

the following:

I. Title page

Title page showing the request for proposal’s subject; the firm’s name, address and telephone number of a contact person; and the date of the proposal.

II. Table of Contents

III. Transmittal Letter

A signed letter of transmittal briefly stating the proposer’s understanding of the work to be done, the commitment to perform the work within the time period, a statement of why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.

IV. Work Plan

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposals.

Proposers will be required to provide the following information in their

audit approach:

1. Proposed segmentation of the engagement;

2. Level of staff and number of hours to be assigned to each

proposed segment of the engagement;

3. Sample sizes and the extent to which the statistical

sampling is to be used in the engagement;

4. Type and extent of analytical procedures to be used in the

engagement;

5. Approach to be taken to gain and document an

understanding of MOMENTUM Schools internal control structure;

6. Approach to be taken in determining laws and regulations

that will be subject to audit test work;

7. Approach to be taken in drawing audit samples for

purposes of tests of compliance;

8. Estimated number of days required to complete fieldwork.

V. Fixed fee schedule using the attached form. Form includes certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with MOMENTUM.

VI. Hourly rate fees for additional services on attached form.

**B. Payment Terms**

Payment terms are net 30 days upon receipt of invoice.

##### VI. PROPOSAL SUBMITTAL

Interested firms must submit three copies, with one marked “Master Copy” with original signatures no later than April 5, 2024 at 5:00 p.m. CST to:

***Antionette Bedessie (antionette.bedessie@momentumacademystl.org)***

***Melissa Powers (MPowers@lewisrice.com)***

###### VII. COMPLIANCE WITH LAWS AND STANDARDS

##### A. Non-Discrimination

During the performance of this Contract, the auditor shall not unlawfully discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, disability, sexual orientation, age, marital status or public assistance status. The auditor will take affirmative action to ensure that applicants are employed and that employees are treated during employment without unlawful discrimination or harassment because of their race, color, creed, religion, sex, national origin, disability, sexual orientation, age, marital status or public assistance status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

**B. Licenses**

Auditor shall procure and maintain, at its own expense, all licenses, permits or other rights necessary to perform its duties under this Contract. Auditor shall inform the Board of any changes in any necessary licenses within five days of the change. Auditor’s failure to maintain licenses or certification necessary for this Contract, constitute just cause to terminate this Contact.

**C. Missouri Law to Prevail**

Missouri law shall be used to construe and interpret this Contract, without giving effect to the principles of conflict of laws. All proceedings related to this Contract shall be venued in the State of Missouri.

**D. Conflict of Interest**

Auditor agrees that it will not contract for or accept employment for the

performance of any work or services with any individual, business, partnership, corporation, government, governmental unit, or any other organization that would create a conflict of interest in the performance of its obligations under this Contract.

**E. Independent Auditor**

Auditor is to be and shall remain an independent contractor with respect to any and all work performed under this Contract. It is agreed that nothing in the Contract is intended or should be construed in any manner as creating or establishing the relationship of agents, partners, joint-ventures or associates between the parties hereto or as constituting Auditor as the employee of the Board.

**F. Assignment and Subcontracting**

Auditor shall not assign this Contract to any third party without the prior written consent of Board. Board shall not unreasonably withhold its written consent. Any agreement between Auditor and any subcontractor shall obligate the subcontractor to comply with the terms of this Contract.

**G. Data Privacy**

For purposes of this Contract, all data created, collected, received, stored, used,

maintained or disseminated by Auditor in the performance of this Contract is subject to the requirements of the Missouri State Laws, Rules and Regulations now in force or hereafter adopted, as well as the Federal laws on data privacy, and Auditor must comply with requirements as if it were a government entity. Auditor does not have a duty to provide access to public data to the public if the public data are available from the government agency, except as required by the terms of this Contract. All subcontracts shall contain the same or similar data practices compliance requirements.

**H. Auditor’s Records**

Auditor’s bonds, records, documents, papers, accounting procedures and practices and other evidences relevant to this RFP/Contract are subject to the examination, duplication, transcription and audit by the county and either the Legislative or State Auditor, pursuant to Missouri Statutes. Such evidences are also subject to review by the Comptroller General of the United States, or a duly authorized representative, if federal funds are used for any work under this RFP/Contract. The Auditor agrees to maintain such evidences for a period of six (6) years from the date services or payment were last provided or made or longer if any audit in progress requires a longer retention period.

**I. Convicted Felons**

It is the policy of MOMENTUM that convicted felons are prohibited from working with or on the premises of any school location.

VIII. INSURANCE AND INDEMNITY REQUIREMENTS

1. The Auditor shall indemnify and save and hold MOMENTUM, their Boards, employees, officers, directors, subcontractors and agents harmless from any and all claims, demands, suits, costs, judgments, or other forms of liability to third parties, actual or claimed, including attorney fees, for injury to property or persons, occurring or allegedly occurring as a result of the acts or omissions of the Auditor or its employees, officers, directors, subcontractors, or agents. Upon timely written notice from, the Auditor shall, with competent counsel, defend the School from any such action(s) or proceeding(s) brought thereon.

2. Before commencing any work, and during the entire period of this agreement, the

Auditor shall secure and maintain, at its sole expense, the following types and amounts of insurance:

a. General Liability $1 million per occurrence/ $2 million aggregate

to include Products/ Completed Operations

b. Business Auto $1 million combined single limit

c. Umbrella Liability $5 million

d. Workers’ Compensation Statutory with $1 million Employers’ Liability

e. Professional Errors $100,000. Coverage to extend at least 2 years after

and Omissions the termination of services under this agreement

3.The above insurance may not be cancelled, suspended or modified during the period of this contract. Cancellation, suspension or modification of said policy or policies shall be considered just cause for the Board to immediately cancel the contract and/or halt work on the contract, and/or to withhold payment for any work performed on this contract.

4. MOMENTUM. must be named as Additional Insured under the General Liability, Auto, Umbrella and Professional Errors & Omissions policies.

5. The General Liability, Auto, Umbrella and Workers’ Compensation policies must be endorsed to provide waiver of subrogation in favor of MOMENTUM

6. All deductibles and Self-Insured Retentions are the sole responsibility of the Auditor.

7. Prior to beginning work and on renewal of the required insurance, but no less than annually, the Auditor shall provide a Certificate of Insurance showing evidence of the above insurance to:

***Antionette Bedessie (antionette.bedessie@momentumacademystl.org)***

***Melissa Powers (MPowers@lewisrice.com)***

**IX. TERMINATION OF CONTRACT**

1.) Non-Appropriation of Funds – The Board may terminate this contract, in whole or in part due to insufficient funding or non-appropriation of funds with written notice. Board shall

pay for all services, if any, incurred up to the date of the termination notice.

2.) Termination for Cause – If, for any reason, or through any cause, the Auditor shall fail to fulfill in a timely or proper manner his obligations under this Contract, or if the Auditor shall violate any of the covenants, agreements or stipulations of this Contract, the Board shall thereupon have the right to terminate this contract by giving written notice to the Auditor of such termination and specifying the effective date thereof, at least 15 days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports or other materials prepared by the Auditor under this Contract shall, at the option of MOMENTUM become its property, and the Auditor shall be entitled to receive just and

equitable compensation for any satisfactory work completed on such documents and

other materials which are usable to MOMENTUM Schools.

3.) Termination for Convenience – the Board may terminate the Contract at any time by giving written notice of such termination and specifying the effective date thereof, at least 30 days before the effective date of such termination. Auditor shall be compensated for services rendered prior to the date of termination.

4.) Termination for Default – When the Awarded Firm has not performed or has unsatisfactorily performed the contract; payment shall be withheld at the discretion of the Board. Failure on the part of an Awarded Firm to fulfill contractual obligations shall be considered just cause for termination of the contract, and the Awarded Firm is not entitled to any costs incurred up to the date of termination.

This document contains an RFP solicitation for the furnishing of auditing services for MOMENTUM and sets forth the terms and conditions applicable to the proposed procurement of services. Upon acceptance, this document shall constitute the contract between the Auditor and MOMENTUM.

By submission of this RFP, the Auditor certifies that, in the event the Auditor receives an award under this solicitation, the Auditor shall operate in accordance with all applicable current regulations. This agreement shall be effect for one year and may be renewed by mutual agreement for two additional one-year periods.

**APPENDIX A**

**2022-2023 Financial Statements**

See Attachment

**APPENDIX B**

**SCHEDULE OF AUDIT QUOTATIONS**

AS PROPOSED

2024 2025 2026

Annual Fixed Fee for Services defined in RFP: \_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

TOTAL ALL-INCLUSIVE MAXIMUM PRICE $\_\_ \_\_\_\_\_ $\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_

**SCHEDULE OF FEES FOR ADDITIONAL SERVICES AND AUDITS**

**IF REQUESTED BY MOMENTUM ACADEMY**

2024

HOURLY RATE

PARTNERS \_\_\_\_\_\_\_\_\_\_\_\_\_\_

MANAGERS \_\_\_\_\_\_\_\_\_\_\_\_\_\_

SUPERVISORY STAFF \_\_\_\_\_\_\_\_\_\_\_\_\_\_

STAFF \_\_\_\_\_\_\_\_\_\_\_\_\_\_

OTHER (SPECIFY) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**APPENDIX C**

**PROPOSER GUARANTEES**

I. The Proposer certifies it can and will provide and make available, as a minimum, all services set forth in the Nature of Services.

II. The Proposer has read Appendix and Contractual Requirements and agrees that the MOMENTUM retains the rights and prerogatives as detailed.

III. The Proposer agrees to be bound by the contractual requirements delineated in RFP.

IV. The Proposer certifies that they are authorized to act on behalf of the Audit firm and enter into an agreement and to set forth services as defined.

Signature of Official: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name (typed): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Firm: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_