Attachment B
Sample Request for Proposal Letter to send to Potential Auditing Firms

Date

Dear Colleague:

Name of Organization, a **XX** year old 501(c)(3) organization, is requesting proposals to perform the audits of their financial statements as of **Date**. It is the policy of the Board of Directors to periodically request bids for the audit.

Accounting records are maintained on the XX computerized general ledger system. Payroll records, tax deposits, and required payroll reporting is done through PAYROLL FIRM. .

The staff of **Name of Organization** will provide the following information for the field work:

(Indicate what you will be able to provide to the auditor.)

Financial Statements	Detail General Ledger and Trial Balances
Schedule of Accounts Receivable	Schedule of Furniture & Fixtures and Depreciation
Schedule of Accounts Payable	Schedule of Accruals
Schedule of Deferred Revenue	Copies of all leases
Copies of all grant and contract documents	Copies of all minutes of the Board of Directors

Any additional information requested prior to the start of the audit.

It is expected that the final audits be available by **Date**.

The staff of **Name of Organization** will prepare the 990. Or alternatively, "Include the cost of preparing the 990 in this bid."

A copy of the audit for the year ending **Date of last audit** is included. Additional information may be found at Guidestar.org. Or alternatively, "This is the first audit for the organization."

The reply to this proposal should include the following: proposed fee for one and for three years, estimated on-site time required to complete the audit, names partner in charge and of key members of the team who will be assigned to do the field work and perform the final review, and a list of references (nonprofits preferred.) Proposals should be limited to three typewritten pages. Submit one copy of your proposal to our Treasurer c/o **Name of Organization** by **Date**.

Proposals will be evaluated by the audit committee of the organization. The selection of the auditor will be based on a combination of fees, required time to complete the audit, and evidence of proficiency in the auditing of nonprofit organizations. The final decision will be made by the board of directors by **Date**.

Please call me if you need additional information.

Sincerely,

Person requesting RFP
Enclosures

Attachment C

Sample Independent Nonprofit Auditor Policy,

Standards for Excellence Institute

ABC Nonprofits is committed to ethical and accountable practices in its financial management and reporting. As such, ABC Nonprofit works to ensure the highest standards in auditor independence are in place.

It is the policy ABC Nonprofit to contract with the Certified Public Accountant firm selected by the board, after considering the advice of the audit committee, to annually audit the organization. Contracts for the auditing firm shall not exceed three years.

At the end of the contract with the auditing firm, the organization's Treasurer (with assistance from staff and the audit committee), will solicit bids and interview a minimum of three Certified Public Accountant firms that specialize in auditing for nonprofit organizations and make a recommendation to the board of directors for final selection.

One of the bidders may be the organization's current audit firm. In this case, a condition for retaining the same audit firm should be the rotation of the partner in-charge of the audit every three years or less.

The audit contract will include a clause allowing ABC Nonprofit to contract with another firm before the end of the contract period if the firm provides unsatisfactory service or if a full audit is not required.