

Request for Proposals – Financial Audit Services

Section I – Introduction:

The East Carolina University associated entities: ECU Foundation, Inc.; ECU Real Estate Foundation, Inc.; Green Town Properties, Inc.; ECU Innovation Foundation, LLC; ECU Educational Foundation, Inc.; and ECU Medical & Health Sciences Foundation, Inc. (Foundations) are accepting proposals from qualified independent Certified Public Accounting firms having sufficient nonprofit accounting and auditing experience (minimum of five (5) years) to provide financial audit services of the Foundations in accordance with the specifications outlined in this Request for Proposal (RFP) beginning with the fiscal year ending June 30, 2025.

The proposal will provide the option to perform a single independent Foundation financial audit for each of the three (4) nonprofit entities (the ECU Real Estate Foundation, Inc.; Green Town Properties, Inc.; and ECU Innovation Foundation, LLC are consolidated with the ECU Foundation, Inc. for reporting and audit testing purposes) and the option to provide financial audit services for all Foundations, collectively. **Each Foundation is a separate nonprofit entity and firms are required to submit a separate proposal for each Foundation audit individually and an additional proposal for auditing all Foundations collectively.** Each Foundation may decide to select a different CPA firm to perform the annual financial audit if it deems this to be in the best interest of the Foundation and the University.

In addition to audit services, the Foundations are requesting proposals for tax services related to each entity's requirement for annual tax filings with the Internal Revenue Service and the North Carolina Department of Revenue.

We invite your firm to submit a proposal to us by February 19, 2025 for consideration. A description of our organizations, the services needed, and other pertinent information follows:

Background of Foundations:

East Carolina University Foundation, Inc.

The East Carolina University Foundation, Inc. is a 501(c)(3) nonprofit corporation organized under the laws of the State of North Carolina. The Foundation's purpose is to raise, manage, and distribute private gift resources for the benefit of East Carolina University, its students, and academic programs, and to provide positive public advocacy for the University. The Foundation has a June 30 fiscal year end and the financial statements (including consolidation of the ECU Real Estate Foundation, Inc. Green Town Properties, Inc., and ECU Innovation Foundation, LLC) are required to be discretely presented with University financial statements. The University financial statements must be transmitted to the Office of the State Controller (OSC) by late August or by such date as required by OSC. By that date, the audit should be substantially completed to confirm that no adjusting entries are needed. A template (as prescribed by OSC) with the final balances and the audit opinion letter must be available for submission to OSC by early September.

East Carolina University Real Estate Foundation, Inc.

The East Carolina University Real Estate Foundation, Inc. is a 501(c)(3) nonprofit organization and an affiliate of the East Carolina University Foundation, Inc., through a controlling interest and majority voting interest, organized under the laws of the State of North Carolina to own, manage, lease, and sell real property that has been purchased or donated for the sole benefit of East Carolina University.

Green Town Properties, Inc.

Green Town Properties, Inc. is a 501(c)(3) nonprofit organization and an affiliate of the East Carolina University Foundation, Inc., through a controlling interest and majority voting interest, organized under the laws of the State of North Carolina to purchase, own, manage, lease, and sell real property for the benefit of East Carolina University.

ECU Innovation Foundation, LLC

The ECU Innovation Foundation, LLS is a single member limited liability company (LLC) for which East Carolina University Foundation, Inc. is its sole member. The Innovation Foundation was formed to support the planning, development, and management of educational, research, creative, and service programs offered by the University.

East Carolina University Educational Foundation, Inc.

The East Carolina University Educational Foundation, Inc. (commonly referred to as the Pirate Club) is a 501(c)(3) nonprofit corporation organized under the laws of the State of North Carolina. The primary purpose of the Foundation is to provide assistance to worthy young men and women seeking an education at East Carolina University, by raising private support from alumni and friends of the University to help fund student-athlete scholarships; compensation assistance for the coaches and key athletics department personnel; construction of athletics related facilities; purchase of athletic equipment; and other support as may be needed by the University's athletics program. The Foundation has a June 30 fiscal year end, with a request to file an audited financial statement by October 31st.

East Carolina University Medical & Health Sciences Foundation, Inc.

The East Carolina University Medical & Health Sciences Foundation, Inc. d/b/a "ECU Health Foundation" is a 501(c)(3) nonprofit corporation organized under the laws of the State of North Carolina. The Foundation exists for the purposes of supporting and promoting the educational and charitable purposes and the lawful activities of the ECU Health Sciences Campus. The Foundation has a June 30 fiscal year end, with a request to file an audited financial statement by October 15th.

Section II – Scope of Services:

1. Term: The annual Foundation audits will be awarded for one year beginning with fiscal year 2024/2025, which ends June 30, 2025. The Foundations will have the option to renew each year for up to two additional fiscal years.
2. The annual audits must be conducted in accordance with:
 - a. Auditing standards generally accepted in the United States of America and include tests of the accounting records and other procedures considered necessary to express an opinion that the financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles;
 - b. Financial Accounting Standards Board (FASB) accounting standards; and
 - c. Statewide accounting policies established by the Office of State Controller, if applicable.

The selected firm will perform the audits and issue an independent auditor's report on the financial statements of the Foundations.

3. The auditors will report each year and at other times as needed directly to the respective Audit Committees.

4. The selected firm should begin their preliminary work after May 1 but no later than the third week of May.
5. Timing, Location, and Conduct of Audit Work:
 - a. The Foundations expect to receive, prior to May 15 of each year, a list of schedules to be prepared and other items required for the audit.
 - b. Pre-closing, interim, tests and procedures shall be conducted at a mutually agreeable time.
 - c. The audit will be conducted on Foundation premises and the Foundations will provide space deemed adequate by the auditor to efficiently conduct the audit. Remote completion of the audit may be discussed with Foundation management after completion of the first year of the audit.
 - d. During the audit, employees of East Carolina University's Financial Services unit will assist in providing needed information selected for testing and other information requested relevant to the audit.
6. The final audit report for each Foundation for each fiscal year must be completed by the dates previously stated. Printed copies of the audit reports, if requested, and an electronic copy will be provided to each of the Foundations. The Foundations will send electronic copies of the audit reports to the Office of the State Auditor and the Office of State Controller.

As required by North Carolina General Statute 147-64.6D: "Each audit report prepared for a State agency by a Certified Public Accountant shall itemize the number of hours used in conducting the audit and in preparation of the audit report and the total cost of conducting the audit and preparing the audit report." This cost disclosure must be presented **on the last page** of reports that are presented in the University CAFR and **not as the final note in the Notes to the Financial Statement section** of the audit report. It must be in the following format:

"This audit required _____ audit hours at a cost of \$_____."
7. A financial penalty of up to 10% of the contract amount can be imposed on the audit firm if a required due date for deliverables is not met.
8. The auditor will also issue as a part of the regular audit, a separate management letter, if necessary, and report to the Foundation Audit Committees as required by Statements on Auditing Standards.
9. The Foundations must meet annual filings as required by the Internal Revenue Service and NC Department of Revenue. Five of the entities are required to file Forms 990 (ECU Innovation Foundation, LLC is a disregarded entity, and its activity is included with ECU Foundation's return). In addition, the ECU Foundation, Inc., the East Carolina University Medical & Health Sciences Foundation, Inc. and the ECU Educational Foundation, Inc. file Forms 990-T and North Carolina Forms CD-405. The proposal shall include a separately identifiable section detailing proposed costs for tax preparation for each entity with costs detailed by return type. For example, quote the costs for preparation of the Form 990 separately from the Form 990-T for each entity. The Foundations reserve the right to contract these services selectively.
10. All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years from the fiscal year end under audit, unless the firm is notified in writing by the Foundation of the need to extend the retention period. The auditor will be required to make working papers available to appropriate parties, including the State of North Carolina Office of State Auditor and the University Internal Auditors, upon request.

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 continuing accounting significance at no charge.

11. The proposing firms must provide the option to perform single independent Foundation financial audit and tax services for each of the three (3) nonprofit entities and the option to provide financial audit and tax services for all Foundations, collectively.

Section III – Response and Proposal Requirements:

The response to the RFP shall consist of the following sections:

- Executive Summary
- Technical Proposal
 - Scope of Services
 - Project Organization and Key Personnel
 - Anticipated Staff Hours
 - Firm Qualifications and Experience
 - Peer Review Reports
 - Regulatory Actions
 - License to Practice in North Carolina
 - Independence Certification
 - Additional Information, if needed
- Cost Proposals
 - Cost Proposal #1 – Package for all three (3) combined Foundation audits
 - Cost Proposal #2 – Package for separate proposals for performing an audit for each respective Foundation
 - Cost Proposal #3 – Package for preparation of applicable tax filings for all entities
 - Cost Proposal #4 – Package for separate proposals for preparation of applicable tax filings for each entity separately

1. Executive Summary

The executive summary must consist of the proposal letter highlighting the contents of the proposal, bearing the authorized representative's signature, a brief description of your understanding of the work to be performed and your firm's ability to perform the work within the time period provided.

2. Technical Proposal

A. Scope of Services

The technical proposal shall describe the scope of services (see Section II of this RFP) to be provided under the contract. This section shall include, in narrative, outline, and/or graph form the bidder's approach to performing the audit. A description of each task and the schedule for accomplishing each shall be included.

B. Project Organization and Key Personnel

This section must include the proposed staffing, deployment and organization of personnel to be assigned to this project under both scenarios of performing all three (3) audits or performing an individual audit for one of the three (3) Foundations. Provide information on the relevant qualifications and auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

This section should also include the proposed staffing, deployment and organization of personnel to be assigned to this project under both scenarios of performing tax services for all entities or

performing individual tax services for each entity. Provide information on the relevant qualifications and tax experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of these tax services.

C. Anticipated Staff Hours

This section shall provide the anticipated staff hours to be used in conducting the audit under both scenarios of performing all three (3) audits or performing an individual audit for one of the four (4) Foundations.

This section shall also separately provide the anticipated staff hours to be used in conducting the tax services under both scenarios of performing all tax services or performing individual tax services for each foundation.

D. Firm Qualifications and Experience

This section shall include background information on the organization and should give details of experience with similar projects. Include experience related to preparation of not-for-profit tax filings. A list of references, including contact persons and telephone numbers, for which similar work has been performed shall be included along with the length of time that the firm has audited each. Describe your firm's resources devoted to not-for-profit organizations and provide copies of newsletters or other resource materials addressing issues relevant to not-for-profit organizations.

E. Peer Review Reports

The firm is required to provide a copy of its most recent external quality control peer review, with a statement on whether that quality control review included a review of specific, relevant engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years.

F. Regulatory Actions

The firm is required to provide a description of any regulatory actions taken against the firm or key personnel in the last three years or a statement that no regulatory actions have been taken against the firm or key personnel in the last three years.

G. License to Practice in North Carolina

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in North Carolina.

H. Independence Certification

The firm should provide an affirmative statement that it is independent of all Foundations as defined by generally accepted accounting standards. The firm should also list and describe the firm's professional relationships involving any of the Foundations for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audits.

I. Additional Information

Provide any additional information, not specifically requested, but which you believe would be useful in evaluation of your proposal.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT

3. Cost Proposals

A. Cost Proposal – Performing all Three (3) Foundation Audits

The cost proposal should itemize the amount expected to be billed and describe the billing arrangements. Billings must itemize the number of hours used in conducting the audits and the total cost of conducting the audits. Separate billings will be required for each Foundation.

The Cost Proposal shall include per diem costs for personnel, the projected number of days to complete each annual audit, travel and subsistence expenses, and other costs where applicable. A total cost representing the maximum amount for all work to be performed for each annual audit must be specified on the Execution of the Cost Proposal section of the RFP (see page 9). Include a standard audit engagement letter.

B. Cost Proposal – Performing an Individual Audit of a Single Foundation

This proposal shall contain separate and distinct bids for an audit for each respective Foundation. The cost proposal should itemize the amount expected to be billed and describe the billing arrangements.

The Cost Proposal shall include per diem costs for personnel, projected number of days to complete each annual audit, travel and subsistence expenses, and other costs where applicable. Include a standard engagement letter for each individual audit. A total cost representing the maximum amount for all work to be performed for each annual audit must be specified on the Execution of the Cost Proposal section of the RFP (see page 9).

C. Cost Proposal – Preparation of applicable annual tax filings for all Foundations

The cost proposal should itemize the amount expected to be billed and describe the billing arrangements. Billings must itemize the number of hours used and total cost of conducting the tax services. Separate billings will be required for each Foundation.

The Cost Proposal shall include per diem costs for personnel, the projected number of days to complete each filing, travel and subsistence expenses, and other costs where applicable. A total cost representing the maximum amount for all work to be performed for each annual audit must be specified on the Execution of the Cost Proposal section of the RFP (see page 9). Include a standard engagement letter.

D. Cost Proposal – Preparation of applicable annual tax filings for each Foundation separately

This proposal shall contain separate and distinct bids for tax services for each respective Foundation. The cost proposal should itemize the amount expected to be billed and describe the billing arrangements.

The Cost Proposal shall include per diem costs for personnel, projected number of days to complete each tax filing, travel and subsistence expenses, and other costs where applicable. Include a standard engagement letter. A total cost representing the maximum amount for all work to be performed for each tax return engagement must be specified on the Execution of the Cost Proposal section of the RFP (see page 9).

Section IV – Criteria for Selection:

The following is a general description of the process by which a firm will be selected to provide services:

1. Request for Proposals (RFP) is issued to prospective contractors/firms.
2. Written or emailed questions will be accepted until February 5, 2025, 5:00pm
3. Each firm must submit a proposal to perform all three (3) audits and tax services and a proposal to perform an individual audit and tax services for each Foundation.
4. All proposals must be submitted electronically through eVP (Electronic Vendor Portal) no later than February 19, 2025.
5. At their option, the evaluators may request oral presentations or discussion with any or all bidders for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, bidders are cautioned that the evaluators are not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the bidder.
6. Proposals will be evaluated according to completeness; content and experience with similar projects; reputation, ability and experience of the bidder and its staff; and cost. The firm that provides the best overall value will be selected, which may not be the least expensive choice. Award of a contract to one (1) bidder does not mean that the other proposals lacked merit, but that, all factors considered, the selected proposal was deemed most advantageous to the East Carolina University foundations.
7. When identifying firms as most qualified, the evaluators shall consider deficiencies disclosed in proposing firms' most recent peer review reports. A firm that has not had a peer review covering one of the last three years will not be considered.
8. Bidders are cautioned that this is a request for bidders, not a request to contract, and the Audit Committees of the respective ECU Foundations reserve the unqualified right to reject or accept either the proposal to audit all three (3) Foundations or to accept or reject a proposal to audit an individual Foundation. In other words, it is possible for different bidders to be awarded the contract for individual Foundations.
9. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the submitted proposal and confirmed in the contract between the Foundations and the firm selected.

The Foundations reserve the right without prejudice to reject any or all proposals.

Section V – Availability of Prior Audit Reports

Prior year audit reports and audited financial statements are available on each Foundation's website. Interested proposers who wish to review prior years' management letters should contact Brittany Stockstill, powellb15@ecu.edu, 2200 S Charles Blvd, 2nd Floor, Greenville, NC 27858, or (252) 737-4811. The Foundations will make every effort to provide prior year information to proposers and assist with questions regarding this request for proposals.

Section VI – Submission of Proposals

The following material is required to be received by February 19, 2025 for a proposing firm to be considered:

- A. Technical Proposal, including an Executive Summary, to include: title page including firm's name, contact person's address and telephone number and date of proposal; table of contents; transmittal letter including a statement that the proposal is a firm and irrevocable offer until the contract is signed; and the detailed proposal.
- B. The dollar cost bid for audit and tax services in a separate file labeled as follows: Dollar Cost Bid Proposal for the ECU Foundations and each individual foundation (total of four bid sheets) by February 19, 2025.
- C. Electronic Submittals ONLY will be accepted for this solicitation.

eVP (Electronic Vendor Portal)

If applicable to this RFP and using eVP, all proposal responses shall be submitted electronically via the electronic Vendor Portal (eVP). Additional information can be found at the eVP updates for Vendors link: <https://eprocurement.nc.gov/news-events/evp-updates-vendors>.

Failure to submit a bid in strict accordance with these instructions shall constitute sufficient cause to reject a Vendor's bids(s). Vendors are strongly encouraged to allow sufficient time and file size to upload associated documents and bids.

Critical updated information may be included in Addenda to this RFP. It is important that all Vendors responding to this RFP periodically check the State's eVP website for any Addenda that may be issued prior to the bid opening date. All Vendors shall be deemed to have read and understood all information in this RFP and all Addenda there to.

Attempts to submit a proposal via facsimile (FAX) machine, mail, telephone or email in response to this RFP shall NOT be accepted.

- a. All File names should start with the vendor's name first, in order to easily determine all the files to be included as part of the vendor's response. For example, files should be named as follows: Vendor Name-your file name.
- b. File contents **SHALL NOT** be password protected, the file formats must be in .PDF, .jpeg, or png format, and shall be capable of being copied to other sources.

PROPOSAL SUBMITTAL

Due Date: **Wednesday February 19, 2025**

Time: **5pm Eastern Time**

IMPORTANT NOTE: This is an absolute requirement. Late bids, regardless of cause, will not be opened or considered, and will be automatically disqualified from further consideration. Vendor shall bear the risk for late submission due to unintended or unanticipated delay. **Vendor must include all the pages of this solicitation in their response. It is the Vendor's sole responsibility to ensure its bid has been received/delivered as described in this RFP by the specified time and date of opening.** The time and date of receipt will be marked on each bid when received. Any bid or portion thereof received after the bid deadline will be rejected.

Note: For a contract to be awarded to you, your company (you) must be a North Carolina registered vendor in good standing. You must enter the vendor number assigned through eVP (Electronic Vendor Portal). If you do not have a vendor number, register at <https://vendor.ncgov.com/vendor/login>

Execution of Cost Proposals:

By submitting this proposal, the potential firm/contractor certifies the following:

- The proposal is signed by an authorized representative of the firm.
- The firm can obtain insurance certificates as required within 10 calendar days after notice of award.
- The cost and availability of all equipment, materials, and supplies associated with performing the services described herein have been determined and included in the proposed cost.
- All labor costs, direct and indirect, have been determined and included in the proposed cost.
- The potential contractor has read and understands the conditions set forth in this RFP and agrees to them.

Therefore, in compliance with this Request for Proposals, and subject to all conditions herein, the undersigned offers and agrees, if this proposal is accepted by May 1, 2025 to furnish the subject services for a cost not to exceed the costs below. Note: this schedule will be provided as part of the cost proposal for a combined Foundation audit, and for each Foundation individually as part of the cost proposals provided for the separate and distinct audit of an individual Foundation.

Fiscal Year	2025	2026	2027
Total Cost Not to Exceed for Audit Services			
Total Cost Not to Exceed for Tax Services			

Name of Bidder (Print): _____

Address: _____

City, State, Zip: _____

Telephone Number: _____ Fax Number: _____

Federal Employer Identification Number: _____

Email Address: _____

Principal Location of Business if different from above: _____

Completed by: _____

Signature

Title

Printed Name

Date

Unsigned Proposals Will Not Be Considered