



**Request for proposal for single audit services  
for the period**

**July 1, 2021 to June 30, 2026**

**Inquiries should be directed to:**

Name: Ginger Stout  
Title: Finance Director  
Entity: Upper Cumberland Dev. District  
Address: 1104 England Dr. Cookeville, TN 38501  
Phone: 931-476-4100

# Table of contents

## General information

- A. Purpose
- B. Who may respond
- C. Bidder’s conference
- D. Instructions on proposal submissions
  - 1. Closing submission date
  - 2. Inquiries
  - 3. Conditions of proposal
  - 4. Instructions to prospective contractors
  - 5. Electronic or hard copy submissions
  - 6. Right to reject
  - 7. Small and/or minority-owned businesses
  - 8. Presentations
  - 9. Notification of award
- E. Description of entity and records to be audited
- F. Options

## Specification schedule

- A. Scope of a financial and compliance audit
- B. Description of programs/contracts/grants
- C. Performance
- D. Delivery schedule

- E. Price
- F. Payment
- G. Audit review
- H. Exit conference
- I. Workpapers
- J. Confidentiality
- K. AICPA professional standards

## Technical qualifications

- A. Understanding our needs
- B. Understanding our industry
- C. Engagement team
- D. Organization, size and structure
- E. Audit approach to the engagement
- F. Certifications

## Proposal evaluation

- A. Submission of proposals
- B. Nonresponsive proposals
- C. Proposal evaluation
- D. Review process

## Certifications

## Appendix

- A. Sample proposal evaluation

## General information

### A. Purpose

This request for proposal (RFP) is to contract for a financial and compliance audit and preparation of tax returns for the year ending (2022-2026) (as well as any additional services that will benefit our organization). The proposal is for a total of five years.

### B. Who may respond

Only licensed certified public accountants may respond to this RFP.

### C. Bidder’s conference

A bidder’s conference will not be held, but any questions regarding the proposal can be directed to Ginger Stout, Finance Director. See Section D.2. for contact information.

### D. Instructions on proposal submission

1. **Closing submission date:** Proposals must be submitted no later than 4:30 p.m. on Monday, March 28, 2022.
2. **Inquiries:** Inquiries concerning this RFP should be directed to Ginger Stout at 931-476-4100. Offerors may direct questions via email, phone or in-person meeting.
3. **Conditions of proposal:** All costs incurred in the preparation of a proposal responding to this RFP will be the responsibility of the offeror and will not be reimbursed by Upper Cumberland Development District or Upper Cumberland Human Resource Agency.
4. **Instructions to prospective contractors:**

Your proposal should be addressed as follows:

Name: Sherry Thurman  
 Title: Administrative Services Director  
 Entity: Upper Cumberland Dev. District  
 Address: 1104 England Drive  
Cookeville, TN 38501

It is important that the offeror’s proposal be submitted in a sealed envelope clearly marked in the lower left-hand corner with the following information:

Request for proposal  
 4:30 p.m. March 28, 2022  
 Sealed proposal  
 For audit services

5. **Electronic or hard copy submissions:** Proposals can be submitted electronically to the following email address: sthurman@ucdd.org by the closing submission date noted above.

Proposals may also be submitted by hard copy to the following mailing address: 1104 England Dr. Cookeville, TN 38501 by the closing submission date noted above. Three copies of the proposal must be submitted.

It is the responsibility of the offeror to ensure that the proposal is received by Upper Cumberland Development District by the date and time specified above.

Late proposals will not be considered.

6. **Right to reject:** Upper Cumberland Development District/Upper Cumberland Human Resource Agency reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposal will be based on the factors described in this RFP.
7. **Small and/or minority-owned businesses:** Efforts will be made by Upper Cumberland Development District and Upper Cumberland Human Resource Agency to use small businesses and minority-owned businesses. An offeror qualifies as a small business firm if it meets the definition of "small business" as established by the Small Business Administration (13 CFR 121.201).
8. **Presentations:** At the discretion of Upper Cumberland Development District and Upper Cumberland Human Resource Agency, offerors submitting proposals may be requested to make oral presentations as part of the evaluation process. Presentations may be delivered in person or via teleconference. Reasonable advance notice will be provided to selected offerors. Not all offerors submitting a proposal will be asked to participate in oral presentations.
9. **Notification of award:**
  - a. It is expected that a decision about selection of the successful audit firm will be made within five weeks of the closing date for the receipt of proposals.
  - b. Upon conclusion of final negotiations with the successful audit firm, all offerors submitting proposals in response to this RFP will be informed, in writing, if they have been selected.

## E. Description of entities and records to be audited

This proposal will be for audit services for the following organizations (each organization has separate books and accounting records and requires its own audit and audit report):

- Upper Cumberland Human Resource Agency** (Fiscal Year July 1 – June 30)
- Upper Cumberland Development District** (Fiscal Year July 1 - June 30)
- Cumberland Area Investment Corporation** (Fiscal Year July 1 - June 30)
- Cumberland Regional Development Corporation** (Including 990) (Fiscal Year July 1 - June 30)
- Cumberland Regional Development Corporation DBA Beacon Light Apartments** (Fiscal Year January 1 – December 31)

### **HUD 202 & 811 Apartments**

- Clinch River Apartments** (Including 990) (Fiscal Year Jan 1 – December 31)
- Dogwood Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Fairground Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Fiddler’s Annex Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Fiddler’s Manor Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Golden Oaks Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Hillcrest Apartments** (Including 990) (Fiscal Year January 1 – December 31)
- Hilltop Manor Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Laurel Creek Apartments** (Including 990) (Fiscal Year January 1 – December 31)
- Mace Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Pedigo I Apartments** (Including 990) (Fiscal Year January 1 – December 31)
- Pedigo II Apartments** (Including 990) (Fiscal Year January 1 – December 31)
- Peyton Manor Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Robertsville Apartments** (Including 990) (Fiscal Year January 1 – December 31)
- Shenandoah Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- Shenandoah Haven Apartments** (Including 990) (Fiscal Year July 1 – June 30)
- South Carthage Apartments** (Including 990) (Fiscal Year July 1 – June 30)

**Upper Cumberland Human Resource Agency** was established in 1973 in accordance with Title 13, Chapter 26, as amended, of the Tennessee Code Annotated. This legislation provides a regional system to deliver services in the State’s counties and cities. UCHRA operates a number of programs with some of the larger ones being rural transportation, LIHEAP energy assistance, Head Start in Van Buren County, community service block grants, etc. UCHRA and UCDD have a combined administrative management agreement that states UCDD will employ all administrative staff such as Executive Director, Finance Director, HR services etc. At month end UCDD invoices UCHRA for their portion of admin costs. Each agency’s cognizant agency has approved the cost allocation plan. UCHRA employs and processes payroll internally for two hundred ninety-five employees annually. It maintains one general fund account that processes approximately 8,200 checks per year and a payroll account. The payroll checks are all direct deposit. There are two additional accounts for a flower fund and program funds that process ten or less checks per year. These records are maintained in Abila Fund Accounting software.

**Upper Cumberland Development District** is a quasi-governmental agency established by the state legislature under the Tennessee Development District Act of 1965. The purpose of development districts is to provide general planning and economic development, as well as using federal, state, and other resources to provide essential services to the cities and counties in which they serve. Upper Cumberland Development District contracts with the federal and state government to provide a majority of these services. Upper Cumberland Development District has one general fund checking account and two separate accounts for revolving loan funds. UCDD processes approximately 3,000 checks a year and payroll for ninety-three employees annually. All payroll checks are direct deposit. The Development District also has two core component units that are included in its audit CAIC and CRDC. These records are maintained in Abila Fund Accounting software.

**Cumberland Area Investment Corporation** was established in 1982 by UCDD as separate entity to accept and administer federal revolving loan programs. CAIC's goal is to stimulate economic growth by providing loans to manufacturing and commercial businesses in our fourteen-county region. These loans are provided to businesses who may not otherwise be eligible for traditional commercial bank loans. CAIC operates eight bank accounts and processes approximately hundred checks total annually. These accounts are maintained in QuickBooks.

**Cumberland Regional Development Corporation** is a nonprofit organization that has been determined to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It was established by UCDD as a separate entity to assist HUD, THDA, Federal Home Loan Bank and USDA Rural Development in creating low-cost affordable housing. CRDC manages 15 single family homes in Macon County through a THDA grant and 22 single family homes through A Neighborhood Stabilization program in the region. It also owns an apartment complex in Athens, TN, four apartment units in Dekalb County, and manages an additional 4 duplexes for THDA in Dekalb County. CRDC has a general fund account that processes approximately one hundred and fifty checks a year. It also maintains five operational accounts for the above mention rental units that have an additional sixty-five to hundred checks per year, and security, replacement and insurance accounts that run less than ten checks per account each year. These accounts are maintained in QuickBooks.

**Cumberland Regional Development District DBA Beacon Light Apartments** operates a twenty-four-unit U.S. Department of Agriculture Section 515 rental housing project for persons of low and moderate income in Morrison, Tennessee. It maintains four checking accounts for operational, insurance and replacement escrow, and security deposits. The operational account processes approximately two hundred checks annually. The other accounts process less than ten checks per account each year. These accounts are maintained in QuickBooks.

**U.S. Department of Housing and Urban Development** has seventeen apartment complexes in our Upper Cumberland region that CRDC is the management agent for. The complexes are a classified as either 202 or 811 multifamily housing. Section 202 is multifamily housing for low-income elderly persons, and section 811 is for low-income persons with disabilities. Each complex has five checking accounts for the following purposes; operating, reserve replacement, insurance escrow, security deposits, and residual funds. The operating accounts process approximately two hundred checks annually. The replacement,

insurance, and security accounts only process ten checks or less per year. These accounts are maintained in QuickBooks.

#### F. Options

This proposal is for a five-year contract that cannot be extended.

## Specification schedule

### A. Scope of a financial and compliance audit

The purpose of this RFP is to obtain the services of a public accounting firm, whose principal officers are independent certified public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States, hereinafter referred to as the "offeror," to perform a financial and compliance audit of the above-mentioned entities in Section E.

In addition to our financial and compliance audit, Upper Cumberland Development District is also requesting additional services to support our organization. These services include preparation of 990s' and Charitable Solicitations renewal applications for CRDC and all seventeen HUD complexes.

### B. Description of programs/contracts/grants

Please see attached audits Schedule of Federal and State Awards for listing of program and grant awards for UCDD, UCHRA, CAIC, and CRDC.

### C. Performance

All entity records should be audited through their respective fiscal year which is listed by each entity name in Section E.

The offeror is required to prepare audit reports in accordance with Government Auditing Standards and Generally Accepted Accounting Principles.

All HUD and Rural Development complex financial statements must be submitted to within 90 days of fiscal year end in their required delivery system.

### D. Delivery schedule

The offeror is to transmit one copy of the draft audit report to Upper Cumberland Development District's Executive Director and Finance Director. The draft audit report is due on November 30th.

The offeror shall deliver a final draft copy of the audit for each entity to Upper Cumberland Development District and Upper Cumberland Human Resource Agency's board of directors no later than December 15<sup>th</sup> for approval. Final audit reports must be submitted to the State of Tennessee's CARS system by December 31<sup>st</sup> and the Federal Clearing House by March 31<sup>st</sup>.

Reports may be submitted earlier than the schedule above. However, if the offeror fails to make delivery of the audit reports within the time schedule specified herein, or if the offeror delivers audit reports that do not conform to all of the provisions of this contract, all entities may, by written notice of default to the offeror, terminate the whole or any part of this contract. Under certain extenuating circumstances, the contracting agent may extend this schedule upon written request of the offeror with sufficient justification.



## E. Pricing

The offeror's proposed price for services should include a not-to-exceed total fee and a fee per service (audit services, tax services and additional services as requested in this RFP). Any out-of-pocket expenses should also be indicated.

## F. Payment

Payment will be made when Upper Cumberland Development District/Upper Cumberland Human Resource Agency has determined that the total work effort has been satisfactorily completed. Should Upper Cumberland Development District/Upper Cumberland Human Resource Agency reject a report, our authorized representative will notify the offeror in writing of such rejection, giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for 90 days after the offeror submits the final invoice for payment.

Progress payments will be allowed to the extent that Upper Cumberland Development District/Upper Cumberland Human Resource Agency can determine satisfactory progress is being made.

Upon delivery of the 10 copies of the final reports for each entity to Upper Cumberland Development District/Upper Cumberland Human Resource Agency and their acceptance and approval, the offeror may submit a bill for the balance due on the contract for the audit.

## G. Audit review

All audit reports prepared under this contract will be reviewed by Upper Cumberland Development District/Upper Cumberland Human Resource Agency and its funding sources to ensure compliance with the General Accounting Office's (GAO) Government Auditing Standards and other appropriate audit guides.

## H. Exit conference

An exit conference with UCDD/UCHRA's representatives, board of directors, and the offeror's representatives will be held at the conclusion of the fieldwork. Observations and recommendations must be summarized in writing and discussed with UCDD/UCHRA management and board representatives. It should include internal control and program compliance observations and recommendations.

## I. Workpapers

1. Upon request, the offeror will provide a copy of the workpapers pertaining to any questioned costs determined in the audit. The workpapers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The workpapers will be retained for at least three years from the end of the audit period.
3. The workpapers will be available for examination by authorized representatives of the cognizant federal or state audit agency, the GAO, Upper Cumberland Development District and Upper Cumberland Human Resource Agency.

## J. Confidentiality

The offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to UCDD (and related entities) and UCHRA, the offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so, taking such reasonable measures as are necessary to restrict access to the information, while in the offeror's possession, to those employees on the offeror's staff who must have the information on a "need to know" basis.

The offeror agrees to immediately notify, in writing, UCDD and UCHRA's authorized representative in the event the offeror determines or has reason to suspect a breach of this requirement.

## K. AICPA professional standards

The AICPA Professional Standards state:

Ethics Interpretation 501-3 – Failure to follow standards and/or procedures or other requirements in governmental audits.

Engagements for audits of government grants, government units or other recipients of government monies typically require that such audits be in compliance with government auditing standards, guides procedures, statutes, rules and regulations, in addition to generally accepted auditing standards. If a member has accepted such an engagement, and undertakes an obligation to follow specified government auditing standards, guides, procedures, statutes, rules and regulations, in addition to generally accepted auditing standards, he is obligated to follow such requirements.

Failure to do so is an act discreditable to the profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reasons therefor.

## Technical qualifications

The offeror, in its proposal, shall, as a minimum, include the following:

1. Experience and Expertise (see Section D)
2. Past experience with similar organizations (see Section C)

### A. Understanding our needs

The offeror should describe the current challenges and opportunities specific to our organization. Describe how your firm is best suited to assist our organization in facing those challenges and opportunities moving forward.

### B. Understanding the scope of work

The offeror should clearly describe the scope of work to be performed in alignment with this RFP.

### C. Understanding our industry

The offeror should describe its understanding of our industry by providing specific industry knowledge and expertise as well as prior auditing experience.

1. Prior experience working with nonprofit organizations
2. Prior experience auditing grant funded organizations
3. Prior experience auditing other development districts, human resource agencies and HUD multifamily rental entities.
4. Prior experience auditing governmental organizations.

### D. Engagement team

The offeror should briefly describe the qualifications of staff to be assigned to the audits. Descriptions should include:

1. Audit team makeup.
2. Overall supervision to be exercised.
3. Prior experience of the individual audit team members; audit team bios should include education, position in firm, years with the firm, industry-specific experience and training on the recent Uniform Guidance.

### E. Organization, size and structure

The offeror should describe its organization, size (in relation to audits to be performed) and structure.

Description should include:

1. Size of the offeror, including number of employees and physical site locations.
2. Explanation of independence.
3. Any conflicts of interest that exist.
4. Results of peer review.

5. Explanation if the offer is a small business, minority business, women's business enterprise or labor surplus firm.

#### **F. Audit approach to the engagement**

The offeror should describe its approach of the work to be performed.

#### **G. Certifications**

The offeror must sign and include, as an attachment to its proposal, the certifications enclosed with this RFP. The publications listed in the certifications will not be provided to potential offerors by Upper Cumberland Development District, Upper Cumberland Human Resource Agency, and other entities name in Section E because we desire to contract only with an offeror who is already familiar with these publications.

## Proposal evaluation

### A. Submission of proposals

If submitted by hard copy, all proposals shall include 3 copies of the offeror's technical qualifications, 3 copies of the pricing information and 3 copies of the signed certifications. These documents will become part of the contract.

### B. Nonresponsive proposals

Proposals may be judged nonresponsive and removed from further consideration if any of the following occur:

1. The proposal is not received in a timely manner in accordance with the terms of this RFP.
2. The proposal does not follow the specified format.
3. The proposal does not include the certifications.
4. The proposal is not adequate to form a judgment by the reviewers that the proposed undertaking would comply with the Government Auditing Standards of the U.S. Comptroller General.

### C. Proposal evaluation

Evaluation of each proposal will be scored on the following six factors.

- |   | Point range |
|---|-------------|
| 1. Understanding our industry   | 0 - 10      |
| a. Understanding our current challenges and opportunities   |             |
| b. Firms approach to addressing our challenges  |             |
| 2. Understanding our industry   | 0 – 30      |
| a. Prior experience working with nonprofit organizations  |             |
| b. Prior experience auditing grant funded organizations   |             |
| c. Prior experience auditing organizations similar to <i>(entity name)</i>                                      |             |
| d. Prior experience providing additional services to organizations similar to <i>(entity name)</i>              |             |
| 3. Organization, size, and structure of offeror's firm<br>(consider size in relation to audits to be performed) | 0 - 5       |
| a. Adequate size of the firm  |             |
| b. Minority business/small business/women's business enterprise/labor surplus firm                              |             |

4. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted. Include education, position in firm, and years and types of experience.	0 – 20
a. Prior experience of the individual audit team members	
b. Overall supervision to be exercised	
5. Offeror’s audit approach to the engagement	0 – 15
a. Adequate coverage	
b. Realistic engagement timetable	
6. Price	0 – 20
Maximum points	100

#### D. Review process

In compliance with Uniform Guidance 2 CFR Part 200.319 – Competition, Upper Cumberland Development District/Upper Cumberland Human Resource Agency has conducted this procurement in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference.

The UCDD/UCHRA may, at its discretion, request presentations by or meetings with any or all offerors to clarify or negotiate modifications to the offerors’ proposals.

However, UCDD/UCHRA reserves the right to make an award without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints, that the offeror can propose.

## Certifications

On behalf of the offeror:

1. The individual signing certifies that they are authorized to contract on behalf of the offeror.
2. The individual signing certifies that the offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the offeror.
3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition.
4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the offeror prior to an award to any other offeror or potential offeror.
5. The individual signing certifies that there has been no attempt by the offeror to discourage any potential offeror from submitting a proposal.
6. The individual signing certifies that the offeror is a properly licensed certified public accountant or a public accountant licensed on or before July 1, 2021
7. The individual signing certifies that the offeror meets the independence standards of the Government Auditing Standards.
8. The individual signing certifies that they are aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.
9. The individual signing certifies that they are aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.
10. The individual signing certifies that they have read and understand the following publications relative to the proposed audits:
  - a. Government Auditing Standards (Yellow Book)
  - b. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance")
  - c. Audits of Not-for-Profit Entities (AICPA Audit Guide)
  - d. Audits of State and Local Governments (AICPA Audit Guide)

Note: The RFP should also list any regulations, publications or audit guides that are relevant to specific programs to be audited. For example, if a Department of Energy weatherization program is to be audited, the offeror should be familiar with 10 CFR Part 600, DOE's administrative requirements, and 10 CFR Part 400, DOE's weatherization program requirements.

11. The individual signing certifies that he/she has read and understands all of the information in this RFP, including the information on the programs/grants/contracts to be audited.

12. The individual signing certifies that the offeror, and any individuals to be assigned to the audit, does not have a record of substandard audit work and has not been debarred or suspended from doing work with any federal, state, or local government. (If the offeror or any individual to be assigned to the audits has been found in violation of any state or AICPA professional standards, this information must be disclosed.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Offeror's firm name)

\_\_\_\_\_  
(Signature of offeror's representative)

\_\_\_\_\_  
(Printed name and title of individual signing)



## Appendix

### A. Sample proposal evaluation

Using the attached form, board/audit committee members who are part of the proposal evaluation process should score proposals individually. Evaluation of each proposal will be scored on the below six factors. In compliance with 2 CFR Part 200.319 – Competition, no geographic preferences will be given in the evaluation of this proposal, since the section states: “The non-Federal entity must conduct procurements in a manner that **prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals**, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.”

Total points will be calculated from each board/audit committee member, providing a total point value for each responding offeror. The offeror, meeting all of the outlined criteria, that also accumulates the highest total point value will be awarded the contract.

Proposal evaluation		
	Point range	Points earned
<b>Understanding our needs</b> Understanding our current challenges and opportunities Firms approach to addressing our challenges	<b>0 - 10</b>	
<b>Understanding our industry</b> Prior experience working with nonprofit organizations Prior experience auditing grant-funded organizations Prior experience auditing organization similar to <i>(entity name)</i> Prior experience providing additional services to organizations similar to <i>(entity name)</i>	<b>0 - 30</b>	
<b>Organization, size and structure of offeror's firm</b> Adequate size of the firm Minority-owned/small business/women's business enterprise	<b>0 - 5</b>	
<b>Qualifications of staff to be assigned to the audits to be performed</b> Prior experience of the individual audit team members Overall supervision to be exercised	<b>0 - 20</b>	
<b>Offeror's audit approach to the engagement</b> Adequate coverage Realistic time estimates of each audit step	<b>0 - 15</b>	
<b>Price</b>	<b>0 - 20</b>	
<b>Total Points</b>	<b>0 - 100</b>	