

REQUEST FOR PROPOSALS

Audit and Tax Services – Deadline 30 October 2020

About IYF

For 30 years, the International Youth Foundation (IYF) has driven positive youth development around the world. Through our experience and partnerships, we continue to enrich the global understanding of how to connect young people with hope, jobs, and a brighter future. Anchored by our mission, we are constantly deepening our research and bridging new partnerships to innovate and provide scalable, sustainable solutions for the most challenging problems young people face. To learn more, visit us at <https://www.iyfnet.org/>.

Background

IYF is a USA based public charity, tax-exempt under Section 501(c) (3) of the Internal Revenue Code and has been determined by the IRS not to be a private foundation.

IYF's operating budget is approximately \$21 million, including \$15 million in program grants and contracts. Funding of IYF's program work is divided between corporations/corporate foundations and government overseas development assistance (ODA) agencies (e.g., US Agency for International Development).

IYF has recently upgraded its accounting software to Infor Cloud SunSystems in December 2019. Grant records are kept using GIFTS Online, a specialized database program managed by Blackbaud. IYF finance staff work closely with auditors assisting in the audit process by preparing detailed schedules, reconciliations to the trial balance, and other financial reports. IYF operates on a calendar year, ending December 31.

IYF's headquarters is in Baltimore, Maryland, USA. IYF has fully registered country offices in Kazakhstan, Mexico, Morocco, Mozambique, South Africa, Tanzania and Zimbabwe. The following table delineates the size, staff and transaction levels by location.

Locations	Size	# Staff by Location	Monthly Average Volume of Transactions
USA	HQ	57*	300
Kazakhstan	Small	1	25
Mexico	Large	21	85
Morocco	Small	7	35
Mozambique	Medium	14	50
South Africa	Small	8	35
Tanzania	Large	22	70
Zimbabwe	Medium	16	40

*Includes 1 US expatriate staff

Scope of Services

IYF is currently reviewing its auditing relationship, particularly the level of service and advisement on GAAP and US government rules and regulations. The basic services required are as follows:

- Audit of consolidated financial statements and consolidating schedules
- Uniform guidance audit (2 CFR 200)
- Other special project audits
- Preparation of IRS Form 990 for IYF
- Preparation of Income Tax returns for expatriate staff

Financial Statement Audit

The objective of the audit is to provide an opinion on the financial statements taken as a whole.

The audit will be a financial statement audit with a report on IYF's internal controls over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts and grants. The examination of IYF's financial records must be made in accordance with generally accepted auditing standards.

The preliminary audit testing should be completed by 15 January, and audit fieldwork should be completed by 31 March of each year. The statements must be ready for publication by 30 April.

The Auditor will submit a Management Letter of Comments and Recommendations, if applicable, for improvement of program and financial management per the Auditor's opinion after examining IYF's systems.

The Auditor shall submit an audit report which will comply with the applicable reporting standards. Each audit report shall contain at least the following:

- 1) The auditor's reports on:
 - a. The annual financial statements and any supplementary data within the scope of the audit.
 - b. The auditor's study and evaluation of the entity's system of internal accounting control and, where applicable, other pertinent control systems. The auditor's report shall identify those systems established, those systems evaluated, those systems not evaluated and also shall disclose any material control deficiencies coming to the auditor's attention.
 - c. Compliance matters which may have a material effect on the financial statements reported upon. The auditor's report shall include statements of positive assurance based on all items tested and negative assurance on items not tested.
 - d. Additional activities, if any, required to be included within the scope of the annual financial audit and required to be included in the audit reports.
- 2) A statement that the audit was made in accordance with generally accepted auditing standards as well as all applicable laws and provisions.

The Auditor will present to the Chief Executive Officer and Chief Financial Officer findings and recommendations regarding compliance and internal controls. The CEO and CFO shall have the opportunity to respond, orally or in writing, to the findings. Any such written responses shall be included in the audit report.

The Auditor shall present the audit to the Investment and Audit Committee of the Board of Directors and respond to their questions before the report is made public.

Uniform Guidance Audit

The objective of the audit is to provide an opinion on the consolidated financial statements taken as a whole.

The audit report will include the following supplementary schedules in addition to the consolidating schedules presented in the financial statement audit above:

- Schedule of functional expenses
- Schedule of calculation of indirect cost rate
- Schedule of calculation of fringe benefit rate
- Schedule of federal award expenditures
- Schedule of findings & questioned costs

In addition, the audit will include a report on compliance and on internal control over financial reporting, a report on compliance with requirements applicable to major programs, and a report on internal control over compliance. Test work will be performed and reports issued in accordance with that required by US Government Auditing Standards.

Consistent with the financial statement audit, the audit fieldwork should be completed by 31 March of each year. The statements must be ready for publication by 30 April.

Other Special Project Audits

The objective of special project audits is to provide an opinion on the annual expenditures of a specific project. This will include financial and operational information, the evaluation of the internal control system, and the utilization of project resources in accordance with the terms and conditions of the funder award agreement. Special project audits are based on specific funder award agreements and/or requests.

Tax Preparation

The Auditor will prepare separate 990 tax filings for the International Youth Foundation by 15 May.

Expat Income Tax Returns

The Auditor will prepare separate expatriate staff income tax returns.

Other Services

Finally, IYF also expects the auditors to provide guidance throughout the year on tax, accounting, revenue recognition and compliance issues as IYF takes on new funders and new work.

Eligibility Criteria

To be eligible for this assignment, the individual/professional firm must meet the following criteria:

- Legally registered and based in USA
- Experience with US-based international NGOs
- Presence and ability to conduct annual audits of IYF's branches offices in country locations
- Fluency in oral and written English. Fluency in other languages is an advantage.

Work Performance

Performance of the field work may be offsite, remote and virtual. Firm and its partners and employees need to be able to work remotely and securely from the firm's office location or from home office(s).

Proposals

Proposals should include:

- Subject Line: Audit and Tax Services - [Firm Name]
- Information about the firm, including number of partners and CPAs and years in existence.
- A general outline of the approach to the organization's audits, including the number of professional staff assigned and time spent in the field.
- Proposed members of the audit team, including resumes.
- Experience of the proposed engagement team members in auditing non-profit organizations, especially US government funded organizations.
- History on engagement team continuity.
- Results of firm's most recent peer review.
- Firm's resources to address technical accounting, audit, and tax issues.
- Firm's approach to keeping the organization current on accounting, tax, and regulatory issues.
- Firm's practice in consulting with management and the appropriate Committees of the Board on accounting and tax matters during the year.
- At least three references (name, organization and e-mail address) from international NGO clients.
- Proposed annual fee, including expenses, for the 2020, 2021, and 2022 audits and tax returns preparation. Fees should be assigned to each of the required audits as well as the tax preparation.

Proposals should be submitted to the Chief Financial Officer by **30 October 2020**.

Yvonna Stevens, CFO
International Youth Foundation
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Questions

Specific questions related to the details of this RFP should be directed to the Controller, Eddie Naming'ona at e.namingona@iyfnet.org by **15 October 2020**.

Timeline

IYF plans to make its selection by 15 November 2020 and would like to conduct interviews during the week of 9 November. The engagement would begin in December 2020 for the year ended 31 December 2020. Proposals shall be reviewed for eligibility criteria, cost and quality considerations, as well as history working with international non-profit organizations.

Thank you for your interest in the International Youth Foundation.