

**HEAD START
NUMBERED MEMORANDUMS**

**ACS Division of Financial Services
Effective Fiscal Year 2011**



**Michael R. Bloomberg, Mayor
John B. Mattingly, Commissioner**



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

February 18, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

A handwritten signature in black ink, appearing to read "J. Mercado", written over the printed name "Jose Mercado".

Re: Directors' Liability Insurance
Numbered Memorandum # 20

The Administration for Children's Services has been informed by the Administration for Children and Families: Head Start Bureau that Head Start funds can be used to purchase directors' liability insurance. This coverage is in addition to the comprehensive general liability policy, which is provided through the Mayor's Office of Contracts, Central Insurance Program, which covers claims related to property damage, theft, and bodily injury.

Directors' liability insurance protects against harm resulting from decisions made by the Board, including employment practices, mismanagement of finances, and anti-trust violations. Depending on the policy, it might cover attorney's fees, fines, penalties, or punitive damages.

Establishing and enforcing internal controls is the best form of protection against legal action. A Board can reduce its risk by reviewing its policy and procedures in the following areas: Governance, Finance, Procurements, and Volunteers.

If you have any questions, please feel free to contact your budget analyst or Arturo Best at (212) 676-9127 or email him at arturo.best@dfa.state.ny.us.

cc: Maria Benejan
Ayleen Guzman
Arturo Best
Geraldine Gibson-Ross
Evelyn Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
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10th Floor
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Email Address:
jose.mercado@dfa.state.ny.us

February 18, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: Head Start UPK Reimbursement
Numbered Memorandum # 21

Effective February 1, 2011 all UPK reimbursements should be submitted on a separate CAP document. All organizations must have UPK expenses and revenues in a separate account, this is also true for Head Start, and should also be reflected in your chart of accounts. This will make tracking these expenditures easier.

If you have any questions, please contact Arturo Best or your Budget Analyst.

cc: R. Beck
G. Assile
P. Singh

D. Borack
S. Shimmele
A. Best
G. Gibson-Ross
E. Lanzo

M. Benejan
A. Guzman



Susan Nuccio
Deputy Commissioner/
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Email Address:
jose.mercado@dfa.state.ny.us

February 18, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: American Recovery Reinvestment Funds (ARRA)
Numbered Memorandum # 22

As your organization prepares for Program Year 45 audits, please keep in mind that the American Recovery Reinvestment Act (ARRA) funds need to be reflected in a separate account and reflected as part of your chart of accounts.

The ARRA funds you report in your general ledger should match the award letter that Ayleen Guzman sent you notifying your organization of this award. ACS is in the process of reconciling the ARRA award to actual payments made. New letters will be sent by Ayleen Guzman reflecting this updated award information. Please make sure all your documentation regarding ARRA funds are well organized.

If you have any questions, please contact Arturo Best or your Budget Analyst.

cc: D. Borack
S. Shimmele
A. Best
G. Gibson-Ross
E. Lanzo
M. Benejan
A. Guzman



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
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Email Address:
jose.mercado@dfa.state.ny.us

February 23, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

A handwritten signature in black ink, appearing to be "J. Mercado", written over the "From:" line.

Re: School Specialty
Numbered Memorandum # 23

New York City Administration for Children's Services and the Head Start Sponsoring Board Council had a meeting with School Specialty. School Specialty provides school supplies and furniture. They are currently offering Head Start programs discounts on their products.

Please see attached document regarding calendar 2011 discounts. If you are interested in these discounts please contact Mitch Bonder and Sonny Thal at (631) 543-2304 for further information.

cc: M. Benejan
A. Guzman

S. Schimmele
A. Best
E. Lanzo
G. Gibson-Ross



Head Start Agencies- Calendar 2011 Discount Agreement

This purpose of this document is to provide clarity around the structure of School Specialty® and how our discounts to **Head Start** programs for Supplemental Materials, Supplies and Furniture business apply. Discounts shall be effective upon the signing date of this document, through the end of calendar 2011.

- We will provide an ADDITIONAL discount of 12% off the catalog noted Educator Price (EP), across these School Specialty catalogs:**
 - School Specialty Education Catalog 2011
 - Sax (School Specialty Art Education 2011)
 - Childcraft and *abc* Catalogs (School Specialty Early Childhood 2011)
 - Sportime (School Specialty Physical Education 2011)
 - Abilitations, Integrations and Speech Bin (School Specialty Special Needs 2011)
- Products offered at Value Price or Promo Price are not eligible for the 12% or any further discounts.**
- Shipping terms for shipments within the continental United States:**
FREE SHIPPING will be applied for eligible items with a 7 or 9 prefix. Items marked with a prefix of 6 or 8 will follow our standard freight policy (currently \$49/min or 15% of the subtotal of these items, whichever is greater). If the total order exceeds \$500, the entire order will ship free.
- School Specialty Furniture & Equipment Catalog:** For this catalog, a 25% discount off list prices will apply. Shipping terms as noted above will apply.
- An ADDITIONAL 2.5% merchandise rebate on purchases made through this contract will be given directly to each Head Start Agency.** (Projects by Design and Freight Charges are excluded from the calculation). The rebate will be issued in the form of merchandise credit towards additional purchases through above mentioned catalogs (credit on net purchases and cannot be used for any applicable freight charges and/or tax or invoice balances) on an annual basis per calendar year. The value of the credit will be offered as an "in-kind" donation to your program.

Order through your School Specialty representatives, Mitch Bonder & Sonny Thal at Office: 631-543-2304 or through Customer Care at 1-888-388-3224, or fax to 1-888-388-6344. Thank you. PLEASE sign and scan this agreement to sonnythal@eptronline.net or fax to 631-864-5363 to sign up for this discount!!

School Specialty

Signature: _____

Date: _____

Agency Name: _____

Signature/Title _____

EIN/TIN: _____

E-Mail _____

Telephone: _____

Agency Address: _____



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
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New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: March 28, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

Re: Vendor Name Check Fees
Numbered Memorandum # 24

Some of you may have noticed that your two months advance payment has been reduced upon reconciliation of your books. This is due to a new policy instituted by the City which charges Contractors a fee for various administrative services. Listed below is the contract language.

Pursuant to the notice of amendment to the PPB Rule § 2-08(f)(2), the following policy is in effect:

The Contractor will be charged a fee for the administration of the VENDEX System, including the Vendor Name Check process, if a Vendor Name Check review is required to be conducted by the Department of Investigation. The Contractor shall also be required to pay the applicable required fees for any of its subcontractors for which Vendor Name Check reviews are required. The fee(s) will be deducted from payments made to the Contractor under the Agreement. If this Agreement has an estimated value of less than or equal to \$1,000,000, the fee is \$175 per Vendor Name Check. If the Agreement has an estimated value of greater than \$1,000,000, the fee is \$350 per Vendor Name Check.

These mandatory fees will be charged from your budget code from the first payment after your Head Start contract is registered.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo

NYC
Administration for
Children's Services

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: March 31, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado



Re: Vendor Name Check Fees Reporting Requirements
Numbered Memorandum # 25

As a follow-up to Numbered Memorandum # 24 regarding Vendor Name Check (VNC), please be advised that the fees charged for the administration of the VENDEX System, including the VNC process must be recorded as an expense in your books and records. In addition, this fee is to be reported on your delegate agency expense report (CAPS) under the category of Administrative Contractual Services.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
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New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: April 4, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

Re: E Rate Reporting Requirements
Numbered Memorandum # 26

This is to inform you that all E-Rate funds, received must be reported in your audited financial statement in the year you received the funds. You should have a separate account for these funds.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



**Administration for
Children's Services**

Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
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New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: April 5, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: **Sponsoring Board and DAPC Approval of Financial Statements
Numbered Memorandum # 27**

This is to inform you that starting with Program Year 45 all Audit Reports submitted to ACS must include a letter signed by the Sponsoring Board of Directors and Delegate Agency Parent Committee (DAPC) attesting their approval of the Financial Statements. Attached is a sample form letter for you to follow.

Also, be reminded that you must submit the Exit Conference Attendance Sheet with your audit report.

If you have any questions, please feel free to contact Ms. Geraldine Gibson-Ross at (212) 676-9145 or email her Geraldine.Gibson-Ross@dfa.state.ny.us.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo

(Letterhead of Delegate Agency/Sponsoring Board)

BOARD ATTESTATION OF PROGRAM YEAR # AUDIT REPORT

Date:

Mr. Jose Mercado
Assistant Commissioner Finance
140 William Street, 10th Floor
New York, New York 10038

Dear Mr. Mercado:

The Board of Directors of *(name of Delegate Agency)* approves and takes full responsibility that the financial statements being presented for the period ending January 31, 20XX, have been reviewed and approved by the Board.

Very Truly Yours,

Board Signature

Title

Print name

DAPC Signature

Title

Print name



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: April 14, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

A handwritten signature in black ink, appearing to read "J. Mercado".

Re: Clarification on Universal Pre-Kindergarten (UPK) Funding
Numbered Memorandum # 28

Many of you have asked if you can roll unspent UPK funds to the next Program Year. In order to maximize UPK funds from the State, all UPK funds are to be recognized as the first dollars spent of your reported operational expenses. As such, starting Program Year 45, there will be no need for rolling UPK Funds to subsequent periods.

Please adjust your books to reflect these changes if you had not implemented them.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: April 27, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: **Updated Audit Policy on Non-Federal Match Waiver Consideration
Numbered Memorandum # 29**

Effective immediately, prior to the preparation of Audit Reports, all Head Start Programs who have not met their Non-Federal Match Contribution Rate, which is 25% contribution of the total program cost, must request a waiver from ACS. All waiver requests for Non-Federal Match consideration must be sent to my attention.

Your written request must include the following information:

- Total amount of Non-Federal Share (In-Kind) required
- Shortfall (amount being requested)

If you need further clarification, please contact Geraldine Gibson-Ross via telephone at (212) 676-9145 or e-mail Geraldine.Gibson-Ross@dfa.state.ny.us

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: April 27, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: **Prior Year Changes in Audit Report
Numbered Memorandum # 30**

ACS has noted that every year auditors are picking up additional expenses from the program's prior year, requiring major revisions in the final audit report. If your agency has not accrued for the additional expenses you cannot make expense adjustments and forward these expenses to the next year. Once the current year books are closed, ACS will be unable to give accruals to the Head Start programs.

If you need further clarification, please contact Geraldine Gibson-Ross via telephone at (212) 676-9145 or e-mail Geraldine.Gibson-Ross@dfa.state.ny.us

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: June 9, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

A handwritten signature in black ink, appearing to be "J. Mercado", written over the printed name "Jose Mercado".

Re: General Ledger for Medical and Dental Expenses
Numbered Memorandum # 31

In preparation for the upcoming Head Start New York City Single Audit, ACS is requesting that you submit your PY 45 General Ledger for Medical and Dental Expenses.

Your organization is to send these General Ledgers to your assigned ACS/Head Start Budget Analyst no later than Tuesday, June 14, 2011.

As previously mentioned in the attached correspondence sent to your organization on November 24, 2010, this policy and corrective measure was implemented as a result of the NYC Single Audit finding for 2009/2010.

cc: M. Benejan
A. Guzman
J. Bitman
M. White
A. Best
E. Kollore
I. Matsugina
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer
Financial Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

November 24, 2010

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado

A handwritten signature in black ink, appearing to read "J. Mercado", written over the printed name "Jose Mercado".

Re: New York City Single Audit findings for 2009/2010

At the end of each fiscal year New York City undergoes a Federal Single Audit and a financial audit. These audits review both the City's financial statements and the federal awards received by the City. Each year the Head Start Grant is reviewed as part of these audits and is tested on a sample basis on both a financial and regulatory component.

This letter is being sent to you to inform you of the 2009/2010 Single Audit findings against the Head Start Grant and the corrective measures ACS is undertaking in response to these findings. The findings listed below were the result of ACS and the Delegate Agencies not meeting the regulatory and financial requirements of the grant. Some of the corrective measures listed below are already in place and are being strengthened to reduce the exposure to future findings. Other corrective actions include new guidelines that require implementation by the Delegate Agencies. Please read this letter carefully and implement the recommendations as soon as possible. The ACS Audit team will be testing your compliance against the findings and the corrective measures.

Listed below are the findings for noncompliance with performance standards and financial deficiencies and the corrective measures ACS is undertaking.

Findings:

- **Governing Body Composition:** Nine Delegate Agencies did not comply with the governing-body-composition requirements; Boards did not include members with required expertise as stated in the Head Start Act of 2007.
- **Medical/Dental Expenses:** Delegate Agencies could not appropriately document the use of Head Start funds for medical and dental expenses.
- **Enrollment:** Delegate Agencies did not meet the 100% enrollment requirement.
- **Matching Requirements:** Two Delegate Agencies did not meet the 20% matching requirements.
- **Annual A-133 Audits:** Four Delegate Agencies did not submit current audited financial statements (A-133 audits) within the prescribed 9-month deadline.

Corrective Measures:

- **Board Composition:** ACS has sent out information regarding the Board composition requirement and will be requesting Delegate Agencies to send in an attestation that they have met this requirement.
- **Medical / Dental Expenses:** ACS is requiring all Delegate Agencies to establish procedures that outline the use of Head Start funds for medical and dental expenses when all other funding sources have been exhausted. This procedure should outline the process for approving the use of Head Start funds and the documentation of this process. ACS is also requiring that all Delegate Agencies establish a new account for medical and dental expenses in their chart of accounts. This account should record all expenditures associated with medical and dental services under the Head Start funding. The general ledger should track this account and, upon request from ACS, a trial balance should be produced to show that the account exists and if any expenditure has been recorded.
- **Enrollment:** ACS monitors the citywide enrollment to ensure that 100 percent of its funded enrollment is met. ACS continues to track monthly enrollment for all delegate agencies. ACS staff uses enrollment data to identify the delegate agencies not meeting the targeted enrollment requirement and to strategize on how to address the issue with the individual programs. For those programs showing severe or chronic under enrollment the ACS HS Director plans to meet with members of the delegate agencies' governing board, management teams and parent leaders and to offer technical

assistance. Delegate Agencies that do not meet compliance may face possible sanctions and will be noted in its Vendex file.

- **Matching Requirement:** ACS has a policy in place which states that if upon audit a Delegate agency does not meet the matching requirement the Delegate Agency must submit a letter asking for a waiver from this requirement. In the letter the Delegate Agency must note the amount of the shortfall and any/all reason why the requirement was not met. If the waiver is granted a corrective action plan must be provided to illustrate all the steps the delegate agency will take in the upcoming period to meet this requirement in their next audit. If the Delegate Agency does not fulfill its corrective action plan and cannot meet its match requirement this information will be noted in its Vendex file.
- **Annual A-133 Audits:** Regarding year-end audits (A-133 audits) ACS policy indicates that ACS will notify Delegate Agencies 30 days prior to the 9-month deadline and every 30 days after the deadline for the audit). If a Delegate Agency does not meet the deadline a formal correspondence must be sent to ACS requesting an extension of this deadline. If an extension is granted a corrective action plan must be provided to illustrate that the audit timeline will be met for the following year. If the audit is late two years in a row this information will be placed in the Delegate Agency's Vendex file.



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
Budget, Claiming and Revenue
Financial Services

150 William Street
10th Floor
New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: June 21, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: Clarification Regarding the General Ledger for
Medical and Dental Expenses

Numbered Memorandum # 31 B

The purpose of this memorandum is to provide additional clarification regarding ACS's request of the PY 45 General Ledger for Medical and Dental (M & D) expenses. All organizations must include in their Chart of Accounts the Medical and Dental expenses relative to the children who are assigned to their programs. Therefore, a General Ledger for M & D must be submitted even if there are no expenses to be claimed in this account.

Those organizations who did not previously submit their PY 45 General Ledger for M & D because they did not have expenses, are required to send the GL to their assigned ACS/Head Start Budget Analyst, asap.

cc: M. Benejan
A. Guzman
J. Bitman
M. White
G. Gibson-Ross
A. Best
N. Walters
E. Kollore
I. Matsugina
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
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Financial Services

150 William Street
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New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: June 29, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: Conversion from Program Year to Fiscal Year.
Numbered Memorandum # 32

Effective July 1, 2011, ACS will convert the Head Start operational year from Program Year (PY) to City Fiscal Year (FY). During the initial first year phase of the conversion to Fiscal Year 2012 (July 2011 through June 2012) two PY's will cover the FY'2012 as follows:

PY 46 July 2011 through January 2012 (7 months)

PY 47 February 2012 through June 2012 (5 months)

ACS shared previously in a PowerPoint presentation which was also shared with your organization, the audit function will be streamlined to require only one audit report instead of two, i.e., A-133.

In order to facilitate and ensure a smooth transitional phase from PY to FY, ACS will be providing training to assist your organization in the areas of Budget, Bookkeeping and Audit. In addition, your current contracted auditor can assist in this conversion process as well.

Please note the following:

- Current PY46 Budgets (February 1, 2011 thru January 31, 2012) will be adjusted to indicate funding for the period ending June30, 2011. We will contact your organization to pick up your revised budget for auditing purposes.
- New operational budgets will be issued in July 2011 to capture CFY 2012 - July 1, 2011 thru June 30, 2012.

(1) The Internal Revenue Service (IRS) indicated that any filing is limited to a 12-month accounting period; as such Head Start Contractors will be required to perform a financial audit that covers February 1, 2011 through June 30, 2011 (PY 46) to properly align the next fiscal year.

If you need further clarification regarding the audit requirements, please contact Geraldine Gibson-Ross via telephone at (212) 676-9145 or e-mail Geraldine.Gibson-Ross@dfa.state.ny.us.

If you have questions regarding the budget information, please contact Arturo Best via telephone at (212) 676-9127 or email Arturo.Best@dfa.state.ny.us.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner/
Chief Financial Officer Financial
Services

Jose Mercado
Assistant Commissioner
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150 William Street
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New York, NY 10038

Email Address:
jose.mercado@dfa.state.ny.us

Date: June 29, 2011

To: Board of Directors
Directors
Administrators
Fiscal Officers

From: Jose Mercado 

Re: Change in Oversight
Numbered Memorandum # 33

Effective immediately, all Head Start contractors who also have Child Care contracts will have their budget administered by Arturo Best and their audits will be administered by Geraldine Gibson-Ross.

If you have questions regarding audits, please contact Geraldine Gibson-Ross, via telephone at (212) 676-9145 or e-mail her at Geraldine.Gibson-Ross@dfa.state.ny.us.

If you have questions regarding the budget information, please contact Arturo Best via telephone at (212) 676-9127 or email him at Arturo.Best@dfa.state.ny.us.

cc: M. Benejan
A. Guzman
A. Best
G. Gibson-Ross
E. Lanzo



Susan Nuccio
Deputy Commissioner
Financial Services

150 William Street
10th Floor
New York, NY 10038

212-676-8901 tel
212-676-8870 fax

Date: July 21, 2011

To: Head Start Sponsors
Head Start Directors
Financial Staff

From: Geraldine Gibson-Ross, Assistant Director 
Head Start Audit Services

Subject: Sample RFP for Audit Services for Program Year 46,
Short Period ending June 30, 2011

Numbered Memorandum # 34

In order to assist you in obtaining audit services for Program Year (PY) 46, short period ending June 30, 2011 attached is a Request for Proposal (RFP) which your organization may use to assist in the process. Head Start Delegate Agencies who have engaged the same Certified Public Accountant (CPA) or audit firm for four consecutive years or more and for any program wishing to change CPA or audit firms can use the attached documents to do so. Directive Five of the New York City Comptroller's Office prohibits organizations to contract with the same audit firm for over four consecutive years. If the same firm provides consulting services for your organization it cannot provide audit services, as this would be a conflict of interest. It is important that the Board is actively involved in this RFP process, it must be sent out with full knowledge of the Board and not just the Executive Director or your Fiscal Staff, since it is the responsibility of the Board to procure audit services for your organization.

If your Head Start organization should engage a new CPA or audit firm through a bidding process for the short period audit of PY 46 period ending June 30, 2011, below is a summary of documents attached to assist in the selection process.

- List of step by step guidelines in processing of the RFP.
- Sample letter to the selected CPA or audit firm to bid.
- RFP for PY 46 period ending June 30, 2011
- List of pre-qualified CPA and audit firms appearing in the New York City Comptroller's list at: www.comptroller.nyc.gov, under the "HELP ME FIND" tab. Click on the CPA list.
- Evaluation Scoring Sheet.
- Notice of Contract Award.
- Audit Service Contract.

It is important to note that NYC Children's Services will no longer accept multiple copies of your audited financial statements, instead one copy should be sent to me via mail and a PDF copy should be sent to my e-mail address at geraldine.gibson-ross@dfa.state.ny.us.

Please Note: all "AT RISK" programs do not have the option of selecting an auditor or CPA to complete the PY46 audit; this will be done by the grantee for you.

As previously advised Head Start exit conferences will not be held at the ACS office nor will ACS staff attend. Final audits are due by October 31, 2011 along with the signed confirmation from the Board and Parent Committee attesting to the validity of the financial statements as presented in the audit report.

If you have any questions or comments, please contact Nathaniel Walters at (212) 676-9188 or call me at (212) 676-9145.

C: Jose Mercado
Ayleen Guzman
Nathaniel Walters
Arturo Best
Evelyn Lanzo
Audit Staff
Budget Staff

MULTI-PURPOSE PROGRAM

The following are step by step guidelines in processing the Request for Proposal (RFP) for selecting a Certified Public Accountant (CPA) or audit firm to conduct your Program Year (PY) 45 audit:

- Fill-in all the necessary information in the RFP as follows:
 - 1) The “entity name” represents the name of Sponsoring Board.
 - 2) Organization number is your tax identification number that is consistent with VENDEX and New York City (NYC) contractual information.
- Send the letter of invitation to bid to the selected CPA or audit firm by July 29, 2011
- Send the RFP to the selected CPA or audit firm by the week of August 8, 2011
- Provide the CPA or audit firm with your PY 46 revised June 30, 2011 total budget, which is the sum of the total head start program costs, Child and Adult Care Food Program (CACFP), and In-Kind budgets.
- Selected at least 5 or more CPA or audit firm from the latest Comptroller’s list. Mail one copy of the RFP to each selected CPA firm; do not include pages 13, 14, 15 and the evaluation form. These pages will be used after the RFP has been received from the CPA firm. Attached is a sample letter to CPA or audit firm.

Ascertain that all bids received from the CPA or audit firms are in sealed envelopes and will be opened only in the presence of qualified evaluators. You must receive a minimum of three bids. There should be at least four representatives from your organization present to evaluate the bids (Sponsoring Board, fiscal person, program’s director and parent). The CPA or audit firm selected should be informed immediately and provided with the completed Notice of Contract Award and the Audit Service Contract. The Audit Service Contract must be signed and notarized by the CPA or audit firm and returned to the Sponsoring Board. The sponsor must provide NYC Children’s Services/Head Start Audit Unit at 150 William Street with a copy or a PDF copy **to my e-mail address at geraldine.gibson-ross@dfa.state.ny.us**, of the completed Audit Service Contract and Bid Evaluation Summary Form by August 31, 2011.

- Ascertain that the following deadlines are met for the smooth processing and submission of the CPA or audit firm report. A penalty clause must be included in the contract. A 2% penalty per day will be assessed if the audit report is not submitted to ACS/Head Start Audit Unit by the specified due date:
 - 1) Audit Period: February 1, 2011 to June 30, 2011.
 - 2) The submission deadline for receiving bids is August 19, 2011, 4:00 P.M.
 - 3) The sponsoring board and the CPA firm must sign the new audit contract form by August 26, 2011.

- 4) The starting date of the audit should be set on or before September 1, 2011. Upon completion of the audit fieldwork the CPA or audit firm must submit a draft audit report five (5) days before the scheduled exit conference. The audit exit conferences must be held at your location. The exit conference attendance must be presented to ACS immediately following the meeting, by fax @ 212 676-9147 or e-mail.
- 5) The final audit report is due on or before October 31, 2011. The CPA firm must deliver 1 copy of the final audit report to ACS/Head Start Audit at 150 William St., NYC and one PDF copy to **my e-mail address** at geraldine.gibson-ross@dfa.state.ny.us, unless an extension has been granted by NYC Children's Services/Head Start Audit Unit. Extension can only be granted to CPA or audit firm with proper justification for the audit delay.

Following are the basis for determining the maximum allowable audit fee:

- 1) Audit fee must be expensed in FY12.
- 2) The audit fee ranges must be used for reference only and not to be shared with the bidders.

<u>GROUP</u>	<u>BUDGET RANGE</u>	<u>MAXIMUM AUDIT FEE</u>	<u>BUDGETED</u>	
			<u>A-133 TOTALS AUDIT FEE</u>	<u>AUDIT FEE</u>
I	\$400,000 to 600,000	\$5,400	\$1,300	\$6,700
II	\$601,000 to 1,000,000	\$6,700	\$1,300	\$ 8,000
III	\$1,001,000 to \$1,600,000	\$8,000	\$1,300	\$ 9,300
IV	\$1,601,000 to \$2,000,000	\$9,300	\$1,300	\$10,600
V	\$2,001,000 to \$4,000,000	\$10,600	\$1,300	\$11,900
VI	\$4,001,000 to \$6,000,000	\$11,900	\$1,300	\$13,200
VII	\$6,001,000 & Higher	\$13,200	\$1,300	\$14,500

NYC Children's Services/Head Start Audit Unit will be available to provide you technical assistance in the bid evaluation process.

REQUEST FOR PROPOSAL (RFP)

FOR DELEGATE AGENCY RECEIVING

FEDERAL FUNDS FROM MULT-SOURCES AND

THE DELEGATE AGENCY'S FISCAL YEAR IS

DIFFERENT FROM HEAD START PROGRAM

YEAR OF 1/31/2011.

DELEGATE AGENCY IS TO CONTRACT FOR

HEAD START SPECIFIC AUDITS BASED ON ACS/HS

AUDIT GUIDELINES AND OTHER AUDIT REQUIREMENTS

BUT NOT INCLUDING THE AUDIT REQUIREMENT

UNDER OMB CIRCULAR A-133.

DELEGATE AGENCY SHOULD CONTRACT

SEPARATELY FOR THE AUDIT UNDER OMB CIRCULAR

A-133.

SAMPLE LETTER

DELEGATE AGENCY'S LETTERHEAD

Date: _____

Jane Doe, CPA
Certified Public Accountant
134 Pennsylvania Ave., 9th Floor
New York, N.Y. 10001

Dear Ms. Doe:

We are a multi-funded Early Childhood Education Program. We serve income eligible children and we receive our Federal funding via a purchase-of-service agreement through the City of New York/Children's Services.

You were selected from the New York City Comptroller's Office pre-qualified list of _____. We invite you to bid to perform audit services for our fiscal year which ended June 30, 2011, Program Year 46.

We serve _____ children and have a total budget of \$ _____ which includes our Title-V, UPK, Day Care, Child and Adult Care Food Program, ARRA (if applicable) and In-Kind funds. Please deliver your response to _____ (address) by 4:00 P.M., August 19, 2011.

If you have any questions, please contact _____ at _____.

Sincerely,

Sponsoring Board Chairperson

REQUEST FOR AUDIT PROPOSALS

(Entity Name)

**REQUEST FOR PROPOSAL
FOR AUDIT SERVICES FOR THE PERIOD ENDING 1/31/2011**

INQUIRIES AND PROPOSALS SHOULD BE DIRECTED TO:

Name: _____

Title: _____

Entity: _____

Mailing Address: _____

Phone: _____

Fax number:

E-mail Address:

I. GENERAL INFORMATION

A. Purpose

This Request for Proposal is to contract for financial and compliance audit for the year ending **June 30, 2011.**

B. Who May Respond

Only licensed Certified Public Accounts registered with New York City Comptroller's Office may respond to this RFP.

C. No Bidder's Conference needed.

D. Instructions on Proposal Submission Date:

1. Closing Submission Date:

Proposals must be submitted and received no later than 4:00 on August 19, 2011.

2. Inquiries:

Concerning this RFP should be directed to Geraldine Gibson-Ross at (212) 676-9145 or e-mail address geraldine.gibson-roos@dfa.state.ny.us.

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 _____ . (Entity name)

4. Instructions to Prospective Contractors

Your Proposal should be addressed as follows:

Name: _____

Title: _____

Entity: _____

Address _____

E-mail Address:

Fax number:

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

Proposal data and time: **August 19, 2011 4:00 PM**
SEALED PROCUREMENT for Audit Services

Failure to do so may result in premature disclosures of your proposal.

It is the responsibility of the Offeror to insure that the proposal is received by _____ (entity name) by the date and time specified above. Late proposals will not be considered.

5. Right to Reject:

_____ (entity name) reserves the right to reject any and all proposals received in response to this RFP. A contract for the accepted proposals will be based upon the factors described in this RFP.

6. Small and/or Minority-Owned Business:

Efforts will be made by _____ (entity name) to utilize small and/or 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 (13 121.3-8), by having annual receipts for the last three fiscal years of less than four million dollars.

7. Notification of Award:

It is expected that a decision selecting the successful CPA or audit firm will be made within (30 days) of the closing date for the receipt of proposals. Upon conclusion of which the successful CPA or audit firm, along with all Offerors submitting in response to this RFP will be informed, in, of the name of the successful CPA or audit firm. It is expected that the contract shall be a one-year fixed price.

E. Description of Entity and Records to be Audited:

_____ (entity name) is non-profit organization (# _____) serving in _____ counties in the state of _____ (entity name) is a private, non-profit corporation and has been determined to be exempt from Federal Income Tax under Section 501 (C) of the Internal Revenue Code. It is governed by a _____ member volunteer Board of Directors. Administrative Offices and all records are located at _____ (address). Other offices are located throughout the (geographic) area.

II. SPECIFICATION SCHEDULE

A. Scope of a Financial and Compliance Audit

The purpose of this RFP is to obtain the services of a CPA or audit 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 "Offeror" to perform a financial and compliance audit of _____ (entity name).

Government Audit Standards – "Standards for Audit of Government Organizations, Programs, Activities, and Functions" (1994 Revision), states on page 2-1:

"Financial Statement Audits determine (1) whether the financial statements of an audited entity present fairly the financial position, results of operations, and (2) whether the entity has complied with the laws and regulations for those transactions and events that may have a material effect on the financial statements.

B. Description of Programs/Contracts/Grants

C. Performance

The _____ (entity name) records should be audited through June 30, 2011. The Offeror is required to prepare audit reports in accordance with the Government Audit Standards – "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (June, 1994 Revision), Children's Services Head Start Audit Guidelines, and Health and Human Services (HHS) Audit Guide (Revised 1977) and OMB Circular A-133.

D. Delivery Schedule

Offeror is to transmit 1 copy of the final audit report to ACS at 150 William Street, 10th Floor, attention to Geraldine Gibson-Ross NYC Children's Services Head Start Audit Unit and one PDF copy to her e-mail address at geraldine.gibson-roos@dfa.state.ny.us. The audit report is due on or before October 31, 2011 and reports may be submitted earlier than that. 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 which do not conform to all of the provisions of this contract, _____ (entity name) 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.

There will be a 2% penalty per day for reports submitted after the due date for the submission of the audit report unless extension is granted by the Children's Services/Head Start Audit Unit.

E. Price

The Offeror's proposed price should be submitted separately. Include information indicating how the price was determined. For example, the Offeror should indicate the estimated number of hours by staff level, hourly rates, and total cost by staff level. Any out-of-pocket expenses should also be indicated. The pricing information should be in a separate sealed envelope.

F. Payment

Payment will be made when _____ (entity name) has determined that the total work has been satisfactorily completed. Should _____ (entity name) reject a reports, _____ (entity name) authorized representative will notify the Offeror in writing of such reject giving the reason(s). The right to reject a report shall extend throughout the term of this contract and for ninety (90) days after the Offeror submits the final invoice for payment.

Upon delivery of the 1copy and the PDF copy of the final report to NYC Children's Services Head Start Audit Unit, and their acceptance and approval, the Offeror may submit a bill for the balance fee on the contract for the audit.

G. Audit Review

All audit reports prepared under this contract will be reviewed by the Administration for Children Services Office of Audit Services and the New York City Children's Services/Head Start Audit Review Unit and its funding sources to ensure compliance with General Accounting Office's (GAO) Government Audit Standards – "Standards for Audit Governmental Organizations, Programs, Activities, and Functions: and other appropriate audit guides.

H. Exit Conferences

An exit conference with Offerors representatives will be held at the _____ (entity name and address) _____ (Borough), New York upon conclusion of the field work. Observations and recommendations must be summarized in writing and discussed with _____ (entity name). It should include internal control and program compliance observations and recommendations.

I. Work papers

1. Upon request, the Offeror will provide a copy of the work papers pertaining to any questioned costs determined in the audit. The work papers must be concise and provide the basis for the questioned costs as well as an analysis of the problem.
2. The work paper will be retained for a period of six (6) years from the end of the audit period.

3. The work papers will be available for examination by authorized representatives
Of the cognizant federal or state audit agency, the New York City Children's
Services and _____ (entity name).

J. Confidentiality

Offeror agrees to keep the information related to all contracts in strict confidence. Other than the reports submitted to _____ (entity name), the Offeror agrees not to publish, reproduce or otherwise divulge such information in whole or in part, in any manner or for or authorize or permit others to do so, takings 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 _____ (entity name) authorized representative in the event the Offeror determines or has reason to suspect a breach of this requirement.

K. Audits of Certain Nonprofit Organization Professional Standards – The American Institute of Public Accountants (AIPCA) Professional Standards state:

"Ethics Interpretation 501-3-Failure to follow standards and/or procedures of other requirements in Governmental Audits.

"Engagements for audits of government grants, governmental units or other recipients of government monies typically require that such audits be in compliance with government audit standards, guides, procedures, statues, 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 audit standards, guides, procedures, statues, 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 profession in violation of Rule 501, unless the member discloses in his report the fact that such requirements were not followed and the reason therefore."

III. OFFEROR'S TECHNICAL QUALIFICATIONS

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

A. Prior Auditing Experience

The Offeror should describe its prior auditing experience including the names, addresses, contact persons, and telephone number of prior organizations audited. Experience should include the following categories:

1. Prior experience auditing and type entity.
2. Prior experience auditing Head Start Delegate Agency(s).
3. Prior experience auditing program(s) funded by the State or Federal Government.
4. Prior experience auditing similar county or local government activities.
5. Prior experience auditing non-profit organizations.

B. Organization, Size, and Structure

The Offeror should describe its organization, size (in relation to audits to be performed) and structure. Indicate, if appropriate, that the firm is a small or minority-owned business. Offeror should include a copy of the most recent peer review, if the Offeror has had a peer review.

C. Staff Qualifications

The Offeror should 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.

Only include resumes of staff to be assigned to the audit, education, position in Firm, years and types of experience, continuing professional education, state(s) in which licensed as a CPA, will be considered.

D. Understanding of work to be performed

The Offeror should describe its understanding of work to be performed, including audit procedures, estimated hours, and other pertinent information.

E. 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 _____ (entity name) because _____ (entity name) desires to contract only with an Offeror who is already familiar with these publications.

IV. PROPOSAL EVALUATION

A. Submission of Proposals

All proposals shall include two copies of the Offeror's technical qualifications, two copies of pricing information (in a separately sealed envelope), and two copies of the signed Certifications. These documents will become part of the contract.

B. Non-responsive Proposals

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

1. The proposal is not received timely 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 proposal undertaking would comply with the Government Audit Standards "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" of the U.S. Comptroller General (1994 Revision) and other appropriate audit guides mentioned on page 4 of this RFP.

Review Process

The _____ (entity name) may, at its discretion, request presentations by or meeting with any or all Offerors, to clarify or negotiate modifications to the Offerors' proposals.

However, _____ (entity name) reserves the right to make and 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, which the Offeror can propose.

_____ (entity name) contemplates award of the contract to the responsible Offeror with the highest total points.

CERTIFICATIONS

- A. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.
- B. The signing certifies that the Offeror is not involved in an agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.
- C. The individual signing certifies that the prices quoted in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.
- D. The individual signing certifies that the process quoted in this proposals have not been knowingly disclosed by Offeror prior to an award to any other Offeror or potential Offeror.
- E. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.
- F. The individual signing certifies that the Offeror is a properly licensed certified public accountant, or public accountant licensed on or before December 31, 1970.
- G. The individual signing certifies that the Offeror meets the independence standards of the Government Audit Standards – “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions: (June, 2003 Revision).
- H. The individual signing certifies that he/she is aware of – the Government Accountability Office (GAO) Continuing Education Requirement of 80 hours of continuing education every two years; and that 24 hours of this education have been in subjects directly related to the auditing of government grants by individuals.
- I. The individual signing certifies that he/she has read and understands the GAO requirement of an external quality control (peer) review at least once every three years.
- J. The individual signing certifies that he/she read and understands the following publications relative to the proposed audits:
 - 1. Government Audit Standards – “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions” (2003 Revision). The Federal Yellow Book).
 - 2. Guidelines for Financial and Compliance Audits of Federally Assisted Programs (February Red Book).
 - 3. OMB Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institution of Higher Education, Hospital, and other nonprofit organization” (revised November 1993).

4. Head Start Audit Guide (Revised February 2000).
 5. OMB Circular A-122 "Cost Principles for Nonprofit Organizations: (revised May 2004).
 6. OMB Circular A-133 (March, 1990/Revised in 2003).
 7. A Guide for Nonprofit Organizations: Cost Principles and Procedures for establishing indirect cost and rates for grants and contract with the Department of Health and Human Services" OASMB-5 (May 1983).
 8. "Uniform Administrative requirements for Grants and Cooperative Agreements to State and Local Governments: The new "common Rule" - March 1988.
 9. "Audit of Voluntary Health and Welfare Organizations: Audits of Certain Nonprofit Organizations: AICPA Audit Guide.
 10. "Audits of Certain Nonprofit Organization" - AICPA Audit Guide.
 11. 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 weatherization program requirements: and, so on.
- K. The individual signing certifies that he/she has read and understands all of the information in this Request for Proposal, including the information on the programs/grants/contracts to be audited.
- L. The individual signing certifies that the Offeror, and any individuals to be assigned to the audits, 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 of AICPA professional standards, this information must be disclosed.
- M. The individual signing certifies that the Offeror does/does not carry professional malpractice insurance.

Date: This _____ **day of** _____ **(month), 20** _____

(Offeror's Firm Name)

(Signature of Offeror's Representative)

(Printed Name and Title of Individual Signing)

C O N T R A C T S

F O R A U D I T S E R V I C E S

AUDIT SERVICE CONTRACT

I. PARTIES:

This agreement is between the Head Start Sponsor and the Independent Certified Public Accountant specified hereinafter:

Head Start Sponsor

CPA Firm

II. SCOPE OF SERVICES:

A. SCOPE OF AUDIT

The auditor shall perform the audit in accordance with generally accepted auditing standards and ACS Audit Guidelines, Government Auditing Standards (2003 Revision), Health and Human Services (HHS) Audit Guide (Revised 1977).

B. FORMAT OF REPORT

The audit report must be in the form and manner directed by NYC and 1 bounded signed copy and 1 Electronic copy to be submitted to NYC for distribution.

C. AUDIT TERM

The term of this audit contract shall be for five months, the Head Start period ending June 30, 2011 (PY 46).

III. PERIOD OF PERFORMANCE:

A. The period of performance shall begin on or before July 1, 2011 and the final audit report is due no later than October 31, 2011. An extension may be granted through November 30, 2011 with proper justification for the delay.

B. DUE DATE

The audit report is due on or before October 31, 2011. There will be a 2% penalty per day for reports submitted after the due date unless extension is granted by the NYC/Head Start.

IV. PRICE/AUDIT FEES:

Audit fees for this engagement are those specified in The Notice of Contract Award.

V. SIGNATORIES TO CONTRACT AGREEMENT

FOR THE SPONSOR:

Print Name

Signature

Title

FOR THE FIRM:

Print Name

Signature

Title

Notary Public

Date

Date: _____

NOTICE OF CONTRACT AWARD

Dear Mr.

This notice is to certify that your firm has been awarded the contract to perform the Program Year 46 (06/30/11) audit of _____ (entity name).

The sum of \$ _____ represents the audit fee for this engagement. Payment will be made upon delivery of the audit report. However, a 10% retainer will be withheld pending audit review by the New York City Children's Services. Upon the completion of the audit review, the balance due shall be paid promptly.

Sincerely,

Chairperson

EVALUATIONS

EVALUATIONS

DELEGATE AGENCY: _____

CPA FIRM: _____

Evaluation of each proposal will be based on the following criteria:

<u>Factors</u>	<u>Point Range</u>	<u>Point Earned</u>
1. Prior experience in auditing:		
a) Prior experience in auditing - Type of entity _____	<u>0 - 5</u>	_____
b) Prior experience in auditing - Head Start Program(s)	<u>0 - 10</u>	_____
c) Prior experience in auditing - Similar programs funded by the State	<u>0 - 5</u>	_____
d) Prior experience in auditing - County or local government activities	<u>0 - 5</u>	_____
e) Prior experience in auditing - Not-for-profit organizations	<u>0 - 10</u>	_____
2. Organization, size and structure of Offeror's firm. (considering size in relation to audits to be performed)		
f) Adequate size of the firm	<u>0 - 5</u>	_____
3. Qualifications of staff to be assigned to the audits to be performed. This will be determined from resumes submitted by the bidder. Education, position in the firm, years and types of experience, continuing professional education, and state(s) in which licensing as a CPA, etc. will be considered.		
g) Audit team makeup and total hours allotted to the audit	<u>0 - 10</u>	_____
h) Overall supervision to be exercised	<u>0 - 5</u>	_____
i) Prior experience of the individual audit team members	<u>0 - 10</u>	_____
4. Bidder's understanding of work to be performed.		
j) Adequate coverage	<u>0 - 10</u>	_____
k) Realistic time estimates of each audit step	<u>0 - 5</u>	_____
5. Price	<u>0 - 20</u>	_____
Total Points	<u>100</u>	_____