



**Independent Auditor
Request for Proposal (RFP)**

OVERVIEW

AVANCE – Houston Inc. (AVANCE) is accepting proposals from qualified accounting firms to conduct its annual audit, prepare the IRS 990 and provide consultation on an as needed basis. AVANCE- Houston Inc. will select one firm and offer a one (1) year contract with 2 or (4) one year renewal options. AVANCE is requesting the following services:

- Audit of the financial statements for the year ending June 30, 2010.
- Preparation of the related management letter.
- Presentation of the results of the audit and the management letter at the board's Audit Committee meeting in September.
- Preparation of IRS Form 990.
- Consultation on financial and other matters related to the organization as required annually.
- Consultation on other matters as required.

The Audit firm will submit its findings to the Board of Directors and the Audit Committee. An audit report is required by and submitted to AVANCE Inc. (the national office) federal state funding Agencies, United Way of Houston, foundations and other funding sources. In addition to the audit of the financial statements and meetings with management and the Audit Committee, AVANCE may require additional services from the firm for consultation with management throughout the year.

You are invited to submit your qualifications in a written proposal to provide these services. Specific questions to which we ask your response are listed in Exhibit I. Please note that your proposal fees should be based on a one (1) year period, with two additional one year options beginning June 1, 2011, and an annual fee for the routine and consultative services outlined above.



AVANCE AUDIT RFP

In an effort to minimize the time required for you to prepare your proposal, we have enclosed the following background information for your consideration:

Overview (Page 1)

- Exhibit I Audit Time Table and Deliverables
- Exhibit II Scope of Operation
- Exhibit III Organizational Charts
 Office of Finance
- Exhibit IV Audited Financial Statements for the year ended June 30th 2010
- Exhibit V Federal Awards for the Year ended June 30, 2010

AVANCE does not intend to host a proposer's conference and should you need any additional information you may contact:

:

Carla Danbury, Chief Operations Officer
713- 812 -0033, extension x 111
4281 Dacoma
Cdanbury@avancehouston.org

Three copies of your written proposal are due in our office – 4281 Dacoma, by February 11, 2011 at 5:00 p.m. The proposal will be reviewed by Finance Committee prior to the March 09, Board meeting. The Board of Directors must approve the selection. Provided there are no delays the Board will select one firm and a notice will be sent no later than March 11, 2011.

AVANCE Houston Inc. reserves the right to reject any or all proposals submitted and to also make an award where it appears it will be in its best interest. AVANCE encourages firms classified as Small, Disadvantaged Business Enterprise, Minority and Women owned and Historically Underutilized Businesses to submit proposals. Acceptance of a proposal by AVANCE is not to be misconstrued as intent to award a contract. In making a selection AVANCE will not discriminate on the basis of race, sex, religion and national origin. AVANCE is not responsible for the cost of proposal preparation.

Thank you in advance for your interest in representing AVANCE. You may contact Carla Danbury if you have any questions in regard to this request.



AVANCE AUDIT RFP

AVANCE-Houston, Inc.
4281 Dacoma, Houston, TX 77292

Questions for Prospective Accounting Firm

Profile of Firm:

1. Describe the Firm on an overall basis, both locally and nationally.
2. Summarize the Firm's qualifications and experience with nonprofit organizations from an audit, EDP and tax perspective.
3. Give the Firm's present complement of personnel by specialty, division, and employment classification in the local office that will have responsibility for this review.
4. Describe your local audit staff turnover experience within the past three years and how you would provide continuity of assigned personnel on this engagement.
5. Describe the overall results of your Firm's most recent peer review.

Quality of Audit:

1. Describe the Firm's audit approach, including review of internal controls.
2. Describe how your Firm will obtain a basic understanding of AVANCE-Houston Inc.'s operations and activities for planning the audit.
3. Describe the local office's experience with nonprofit clients similar to the AVANCE – Houston, Inc.
4. Describe the local office's capability to audit in a computer environment.
5. Describe the key personnel to be utilized on the engagement along with resumes of key personnel. Indicate their degree of expertise and prior experience, which would be appropriate for the engagement.
6. Describe any services, other than audits, that are offered by the local office especially as related to internal controls and EDP operations.
7. Describe you Firm's staff training and development policies and programs.

AVANCE AUDIT RFP

Responsiveness to *AVANCE-Houston, Inc.*:

1. Describe procedures utilized to monitor the progress of the work for periodic evaluation and communication to management of the *AVANCE-Houston, Inc.* so that problems can be resolved.
2. Identify key local engagement personnel who will be continuously available for consultation or discussion.
3. Describe any relationships with your existing clients that might jeopardize your objectivity or independence.

Responsiveness to *AVANCE-Houston, Inc.*:

1. Estimate total fees and hours by employment classification and out-of-pocket cost annually for each of three years, given the services required as outlined in the attached letter.
2. Estimate the "first time through" hours, which would be required of your Firm and our staff.
3. Estimate the "internal control review" hours, which your Firm is committed to provide to our staff.

Responsiveness to *AVANCE-Houston, Inc.*:

1. Submit client references for each key member of the proposed client service team.
2. Submit local non-profit client references.
3. Provide any other information you deem desirable.

Criteria for Selection:

The selection criteria will be based on:

1. The firm's history and experience
2. The firm's experience with non-profits, government funded grants and agencies similar in scope to AVANCE-Houston, Inc.
3. The experience of the project leader and the team assigned to conduct the audit
4. The time line and demonstrated ability to complete the audit within the expected time frame.
5. Price



AVANCE AUDIT RFP

Exhibit I

***AVANCE-Houston, Inc.
4281 Dacoma, Houston, TX 77292***

Time Tables:

<u>Month(s) Firm is needed</u>	Audit Planning
<u>(Fiscal Year-End Date)</u>	Year-End
<u>Month(s) Firm is needed</u>	Final Audit Work
<u>Date/Month</u>	Copy of Audited Financial Statements (We will be responsible for printing)
<u>Date/Month</u>	Management Letter
<u>Date/Month</u>	Presentation to: Audit Committee

Deliverables:

1. Audited financial statements of *AVANCE-Houston, Inc.* for year ending June 30, 2011.
2. Management letter comments.
3. Audit Committee presentation of the results of the audit and the management letter.
4. Completed IRS Form 990

Other Consultation Services:

Financial, operational, consultation may be required annually on matters related to management. These services are expected to be included in your base fee for services which are expected to require approximately 8 additional hours annually from a partner or manager.



AVANCE AUDIT RFP

Exhibit II

**AVANCE - Houston, Inc.
4281 Dacoma, Houston, TX 77292**

Scope of Operations

Description of Entity and Records to be audited

AVANCE-Houston, Inc. is a nonprofit organization organized in Houston in 1988. AVANCE is a local independent chapter of AVANCE Inc. located in San Antonio, Texas. AVANCE-Houston, Inc. is a private, nonprofit corporation and has been determined to be exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code. It is governed by a 15 member volunteer Board of Directors. Administrative offices and all records are located at 4281 Dacoma in Houston, Texas 77092.

AVANCE-Houston Inc.'s mission is to unlock America's potential by strengthening families in at risk communities by offering effective education and support services. AVANCE offers parent and child services and early childhood education through an extensive array of programs: Parent and Child, Head Start, Early Head Start, Healthy Marriage, Adult Education – ESL, GED and Computer literacy. AVANCE offers services mostly in classroom settings in Houston, Pasadena and the lower Rio Grande Valley and Del Rio, Texas – 19 locations. AVANCE operates on a budget of approximately \$28 million dollars, with a staff of 425. Approximately \$26 million dollars come from Head Start, U.S. Department of Health and Human Services. Private funding comes from the United Way of Houston, Houston Endowment, Brown Foundation, Fondren Foundation and other local foundations, corporate contributions and fundraising events.

AVANCE-Houston, Inc.'s accounting staff is comprised of a Fiscal Officer, an Accountant, an Accounting Specialist, a Payroll Administrator, an Accounts Payable Clerk, and a Bookkeeper II. The agency has four (4) bank accounts including Operating, Payroll, and two (2) Reserve accounts. The Operating account writing approximately 4,716 checks a year. In addition the agency uses ABRA software to process approximately 1,957 payroll checks a year. The agency maintains one set of books through the Micro Information Products (MIP) accounting software. AVANCE processes its own payroll and uses Time Star to record employee time. You may call or email the contact person should you need more information regarding accounting records.

Avance is governed by a board of directors with a committee structure. The Board of directors meets 6 times each year. The Board of Directors selects the Chapter Executive Director who is the chief staff person for the agency. The majority of the AVANCE-Houston Inc.'s income is used in support of program operations.