

REQUEST FOR PROPOSALS

FOR

FINANCIAL AUDIT SERVICES

Notice is hereby given that The Society for Neuroscience is seeking proposals from firms to provide financial audit accounting services. The requested Audit Services will be conducted in accordance with generally accepted standards and the standards for financial and compliance audits contained in the Government Auditing Standards issued by the U.S. General Accounting Office and as defined within the scope of work in the Request for Proposals (RFP). Request for Proposals (RFP) 110906 Financial Audit Services outlines a description of the services sought and the required documents for submittal. All requested information shall be submitted in the required format by **January 15, 2007**. Any proposal received after the deadline will not be considered.

Society for Neuroscience
1121 14th Street, NW
Suite 1010
Washington, DC 20005
202-962-4000
(f) 202-962-4947

No. RFP-110906

REQUEST FOR PROPOSAL

THIS REQUEST FOR PROPOSAL ("RFP") IS NOT IN ANY MANNER TO BE CONSIDERED AN ORDER FOR, OR AN OFFER FOR, THE SERVICES / PRODUCTS SET FORTH HEREIN, NOR WILL THE SOCIETY FOR NEUROSCIENCE (SfN) INCUR OR BE LIABLE FOR ANY COSTS ASSOCIATED WITH THE PREPARATION OF YOUR OFFER. SfN RESERVES THE RIGHT TO ACCEPT OR REJECT ANY OR ALL OFFERS. ACCEPTANCE OF YOUR RESPONSE IN NO WAY OBLIGATES SfN TO ISSUE SUBSEQUENT RFPs OR CONTRACT INFORMATION TO RESPONDING FIRMS.

BY ACKNOWLEDGMENT OR RESPONSE TO THIS RFP, THE FIRM HEREBY CERTIFIES THAT NO GRATUITIES WERE OFFERED OR SOLICITED BY ANY SfN EMPLOYEE, EITHER DIRECTLY OR INDIRECTLY. ANY SITUATION WHERE A GRATUITY IS SOLICITED BY A SfN ASSOCIATE MUST BE REPORTED IMMEDIATELY TO SfN'S DEPUTY EXECUTIVE DIRECTOR AT (202) 962-4000.

About Society for Neuroscience (SfN): SfN is a nonprofit membership organization of basic scientists and physicians who study the brain and nervous system. Neuroscience includes the study of brain development, sensation and perception, learning and memory, movements, sleep, stress, aging and neurological and psychiatric disorders. It also includes the molecules, cells and genes responsible for nervous system functioning. Recognizing the tremendous potential for the study of the brain and nervous system as a separate field, the Society was formed in 1970. It has grown from 500 members to more than 37,500 and is the world's largest organization of scientists devoted to the study of the brain and nervous system.

SfN owns and occupies, with other tenants, an eleven-story, masonry and steel, professional Class A office building located on a 0.2-acre parcel at 1121 Fourteenth Street, NW, Washington, D.C. The building contains approximately 83,630 square feet of gross rentable space managed by Cassidy & Pinkard Colliers. SfN is the sole member of 1121 Properties, LLC which holds a master lease for the majority of the space in the building and has contracted with Cassidy & Pinkard for the Property Management.

Please visit SFN.ORG for more information.

NUMBER: ***RFP-110906***

ISSUE DATE : ***December 5, 2006***

Registration: ***December 15, 2006***

PROPOSAL VALIDITY PERIOD: Your offer shall be valid for a period of 90 days from the closing date.

CONFIDENTIALITY/NON-DISCLOSURE

This RFP is confidential and the property of SfN. Each Firm that receives this document, by its acceptance hereof represents and agrees that it will not distribute or provide information contained herein to any person not directly responsible for generating a response to the RFP. Firms wishing to respond to this RFP must sign and date the "Non-disclosure" agreement then fax it to the attention of SfN's Procurement Specialist at 202-962-4947.

A Firm may disclose relevant parts of the RFP to partners and/or subcontractors provided that the partner and/or subcontractors first execute a non-disclosure agreement identical to the non-disclosure agreement signed by the Firm. Distributing or sharing of this RFP by the Firm with any other party must be approved in writing by the SfN Procurement Specialist.

Non-Disclosure of Information. Confidential Information means any and all information and technical data of a proprietary or confidential nature disclosed or made available by a party hereto to the other party in the course of performing hereunder, whether in written, oral, magnetic, photographic, optical or other form and whether now existing or hereafter created, including, without limitation, all Trade Secrets, know-how, information systems, technology, data, computer programs, processes, methods, operational procedures, plans, strategies or results, software, source code, drawings, databases, schematics, blueprints, memoranda, flow charts, specifications, test results, production, lab or engineering techniques and manuals, methodologies, all related intellectual property or its physical embodiments, membership lists or information, industry and competitive information, strategic business plans, marketing plans, product and proposed product information, pricing and cost data arrangements and agreements with distributors, licensors and licensees, information concerning employees, financial information and other information of a similar nature that is not generally disclosed by such party to the public, whether any of the foregoing is disclosed by access to a party's facilities or documents or by conversations with a party's employees, directors or consultants. "Confidential Information" shall not include any information which (i) is proven by written evidence to have been in a receiving party's possession prior to disclosure by the other party; (ii) is received from a third party having the right to disclose such information; (iii) is or hereafter becomes public knowledge through no act or fault of a receiving party; (iv) is proven by written evidence to have been independently developed by a receiving party without access to the Confidential Information of the other party; and (v) is required by law to be disclosed; provided that to the extent practicable, the other party is first given notice of the required disclosure and an opportunity to seek appropriate legal relief to prevent such disclosure or limit its use and further disclosure.

Each party acknowledges and agrees that during the RFP process, access to certain Confidential Information belonging to the other party may be required. Each party agrees that it shall keep such Confidential Information in strict confidence and shall not disclose it to any person, firm, partnership or corporation other than to its agents or employees who have a need to know such information in order to perform hereunder, nor use the same for any purpose other than performance hereunder. Each party shall advise all such agents and employees with access to Confidential Information of the other party of its obligations with respect thereto. Notwithstanding the foregoing, each party shall be and remain liable and responsible for the confidentiality obligations of its agents and employees. In addition to the foregoing, each party shall protect and safeguard Confidential Information of the other party by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination or publication of such Confidential Information as such party uses to protect its own confidential or proprietary information of a like nature.

Authorized Officer or Director

Date

DEVELOPMENT COSTS AND CONDITIONS

Neither SfN nor its representatives shall be liable for any expenses a Firm incurs in connection with preparation of a response to this RFP. Applicants should prepare their proposals simply and economically, providing a straightforward and concise description of the Firm's ability to meet the requirements of this RFP.

The issuance of this RFP does not commit SfN to award a contract, to pay any costs incurred in the preparation of a proposal in response to this request or to actually procure the requested services.

SfN reserves the right to reject any or all the RFP applications submitted in response to this solicitation, due to the lack of responsiveness, changes in SfN's operating objectives, lack of funding, or for any reason determined by SfN and at the sole discretion of SfN.

GENERAL INFORMATION

Time Extension: SfN may for good and sufficient reason extend the response deadline, in which case all potential proponents will receive an addendum setting forth the new time and date.

Request for Additional Information: Prior to the final selection, proposers may be required to submit additional information that SfN may deem necessary to further evaluate the proponent's qualifications. As part of the evaluation process proponents shall furnish such additional information as SfN may reasonably require.

Denial of Reimbursement: SfN will not reimburse proponents for any costs associated with the preparation and submission of a proposal or for any travel or other costs that are incurred.

SfN will not be liable for any costs incurred by the proponent in connection with interviews (i.e., travel, accommodations, etc.) conducted as part of the evaluation or negotiation process.

Gratuity Prohibition: Proposers shall not offer any gratuities, favors, or anything of monetary value to any associate at SfN for the purpose of influencing consideration of this proposal. If an SfN associate solicits a gratuity, the proposer is obligated to inform the SfN's Deputy Executive Director.

Right of Withdrawal: A proposal may not be withdrawn before the expiration of ninety (90) days from the proposal due date.

Right of Negotiation: SfN reserves the right to negotiate with the selected proponent the exact terms and conditions for a contract.

Liability and Insurance: The selected Auditor shall purchase and maintain insurance in the amounts and types as needed for the protection from claims caused by the contractor's personnel or work, or by any subcontractor performing work for the contractor. Insurance shall not be for amounts less than those required by the contract.

Legal Compliance: In connection with the furnishing of supplies or performance of work under the contract, the contractor agrees to comply with the Fair Labor Standard Act, Equal Opportunity Employment Act, and all other applicable Federal and State laws, regulations and executive orders to the extent that the same may be applicable.

Disqualification: No award will be made to any firm, person or party, parent or subsidiary that is de-barred from providing services to the federal or state government, or with which SfN has an outstanding claim against or a financial dispute relating to contract performance.

Performance and Approval of Sub-Consultants: The proponent will perform the project as an independent contractor and not as an agent or employee of SfN. The proponent shall secure written permission from SfN before subcontracting any part of the project. Such permission should be obtained during the proposal evaluation stage.

Licenses, Permits & Taxes: The price or prices for the work shall include full compensation for all taxes, permits, etc. that the proponent is or may be required to pay. SfN is a tax exempt entity.

Minority/Women Business Enterprise (MWBE) Policy: It is the policy of SfN to provide minority and women owned business enterprises with equal opportunity for participating in the selling of goods and services to SfN. In cases where a proponent plans to sub-contract a portion of the work, it is required to make “A Good Faith Efforts” to engage qualified MWBEs for such work. Proponents shall keep records of such efforts, when applicable, that are adequate to permit a determination of compliance with this requirement. If subcontracting is involved in the proposal, a Proposed Schedule of Minority/Women Business Enterprise Participation shall also be submitted.

Please refer to the following in preparation of your Proposal:

1. PROJECT SUMMARY

The Society for Neuroscience (SfN) desires the audit firm to express an opinion on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34. The auditor is to provide an opinion on the respective financial position of SfN’s activities, the business-type activities, SfN’s various grants, each major fund, and the LLC based on the auditing procedures applied during the audit of the financial statements and the reports of other auditors, as applicable. SfN is responsible for completing the Management’s Discussion and Analysis section of the financial statements.

The scope of the audit includes the following activities of SfN:

- Operations
- Investments
- 1121 Properties, LLC

The initial period under audit is SfN’s fiscal year of July 1, 2006 to June 30, 2007. It is SfN’s intent to continue with the selected Auditor for a period of three (3) years, including the initial year, with the possibility of a two (2) year extension.

Deliverables and Services

The following deliverables and services are required to be issued or performed timely as required by SfN:

1. Meeting (via conference call) with Audit Committee to review the scope of the audit
2. Engagement Letter
3. PBC Listing
4. Consolidated Financial Statements, with Summarized Financial Information
5. Single Audit Report, containing
 - a. Independent Auditors’ Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
 - b. Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program, Internal Control Over Compliance in Accordance with OMB Circular A-133 and Schedules of Expenditures of Federal Awards.
 - c. Schedule of Federal Awards

- d. Supporting Notes to Schedules
 - e. Schedule of Findings and Questioned Costs
6. Management Letter
 7. SAS 61
 8. Presentation of audit results to Audit Committee and possibly Council
 9. Preparation of the Annual 990, 990T and DC-20
 10. Mid-year status meeting (via conference call) with Audit Committee to revise/corrections pursuant to the Management letter.
 11. Other requirements as may be promulgated from time to time by the cognizant standards setting bodies.
 12. Field audit of property manager's accounting records of 1121 Properties, LLC.

2. SCHEDULE

This request for proposal will be governed by the following schedule:

Release RFP for Consultant	December 5, 2006
Registration	December 15, 2006
Supplier Questions	December 22, 2006
Proposals Due	January 15, 2007

SfN may delay scheduled due dates if it is to the advantage of SfN to do so. SfN will notify respondents of all changes in scheduled due dates by written notice.

3. REGISTRATION

All Firms that will submit an offer in response to this RFP are required to register with SfN. To register, the Firm must send an e-mail containing a point of contact, statement of intent to file a proposal, and the Firms e-mail address to rfp@sfn.org. The signed and dated "Non-disclosure" agreement must be received by SfN COB December 15, 2006.

4. SUPPLIER QUESTIONS

Questions may be e-mailed to rfp@sfn.org until 12:00 PM EST on December 22, 2006. No further questions will be addressed after this date. SfN will submit written responses to all questions to the e-mail address provided by registered participants.

5. PROJECT STATEMENT OF WORK

To meet the requirements of SfN, the audit shall be performed in accordance with:

- Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
- The standards for financial audits set forth in the U.S. General Accounting Office's *Government Auditing Standards* (as amended) (also known as the Yellow Book).
- The Single Audit Act Amendments of 1996.

- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement for Single Audits of State and Local Governments* (as amended).
- Audits of States, Local Governments, and Non-Profit Organizations.
- Any future audit conventions, audit procedures, or audit pronouncements from or by any state or federal funding agency, entity establishing *generally accepted auditing standards*, or statute from a governmental entity or regulation from a grantor agency or other authoritative entity concerning audits of funds or programs operated, administered or managed by SfN.

The audit shall be designed to accomplish the following objectives:

- To determine whether the general purpose financial statements present fairly the financial position and results of financial operations and cash flows in accordance with generally accepted accounting principles and the supplementary information is fairly presented in all material respects in relation to the financial statements taken as a whole.
- To obtain an understanding of internal control over financial reporting sufficient to plan the audit by performing procedures to understand both the design of controls relevant to an audit of financial statements and whether they have been placed in operation, and assess control risk, in accordance with the AICPA's Statement on Auditing Standards (SAS) Number 55, *Consideration of Internal Control in a Financial Statement Audit* as amended by SAS Number 78, *Consideration of Internal Control in a Financial Statement Audit: An Amendment to SAS No. 55*.
- To provide reasonable assurance that the financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts in accordance with SAS Number 54, *Illegal Acts by Clients*, as described in SAS Number 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance*, and to provide reasonable assurance that the financial statements are free of material misstatements (whether caused by error or fraud), as described in SAS Number 82, *Consideration of Fraud in a Financial Statement Audit*, and SAS Number 47, *Audit Risk and Materiality in Conducting an Audit*. The Codification of Statements on Auditing Standards, Section AU 317 requires the Auditor to consider laws and regulations that are generally recognized by Auditors to have a direct and material effect on the determination of financial statement amounts. The Auditor's responsibility to detect and report misstatements resulting from illegal acts having a direct and material effect on the determination of financial statement amounts is the same as that for errors and irregularities. In addition, the Auditor should be aware of the possibility that illegal acts that may, in particular circumstances, be regarded as having material but indirect effects on financial statements have occurred. If specific information comes to the Auditor's attention that provides evidence concerning the existence of possible illegal acts that could have a material indirect effect on the financial statements, the Auditor should apply audit procedures specifically directed to ascertaining whether an illegal act has occurred.
- To provide reasonable assurance of detecting material misstatements resulting from noncompliance with provisions of contracts or grant agreements that have a direct and material effect on the determination of financial statement amounts. If specific information comes to the Auditor's attention that provides evidence concerning the existence of possible noncompliance that could have a material indirect effect on the financial statements, the Auditor should apply audit procedures specifically directed to ascertaining whether noncompliance has occurred.
- To follow up on known material findings and recommendations from previous audits.

- To prepare working papers containing sufficient information to enable an experienced Auditor having no previous connection with the audit to ascertain from them the evidence that supports the Auditor's significant conclusions and judgments.
- To determine whether SfN complied with laws, regulations, and the provisions of contracts or grant agreements pertaining to federal awards that have a direct and material effect on each major program.

6. PROPOSAL REQUIREMENTS

Content of Proposal

The proposal must be submitted using the format as indicated below in the proposal format guidelines.

Preparation of Proposal

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

Number of Proposal Copies

Please submit an original and five copies of your proposal.

Submission of Proposals

Please submit proposals to:

Society for Neuroscience
1121 14th Street, NW
Suite 1010
Washington, DC 20005
Attention: Paul Troxell
Telephone: (202) 962-4000
Email: ptroxell@sfn.org

All proposals must be delivered to the above office no later than 4:00 P.M. Eastern time on **January 15, 2007**. Proposals received after the above date and time will not be considered.

Rejection of Proposals

The Society reserves the right to reject any or all proposals, to waive any irregularity or informality in a proposal, and to accept or reject any item or combination of items, when to do so would be to the advantage of Society. It is also within the right of the Society to reject proposals that do not contain all elements and information requested in this document. The Society for Neuroscience shall not be liable for any losses incurred by the proposers throughout this process.

Proposal Format Guidelines

Interested contractors are to provide the Society with a thorough proposal using the following guidelines:

Proposal should be as brief as possible. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward and concise and provide "layman" explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected. The following proposal sections are to be included in the proposer's response:

1. Cover Letter

A cover letter, not to exceed three pages in length, should summarize key elements of the contractor proposal. An individual who is authorized to bind the company must sign the letter. The letter must stipulate that the proposed terms will be valid for a period of at least 180 days. Indicate the address and

telephone number of the contractor's office located nearest to the Society's headquarters, and the office from which the project will be managed.

2. Background and Approach Section

The Background and Approach section should describe your understanding of the Society, the work to be done, and the objectives to be accomplished.

3. Work Plan and Approach to the Audit

Submit a work plan to accomplish the scope as defined in this RFP. The work plan must include identification of and time estimates for each significant segment of the work, and the staff level to be assigned. Planned use of specialists or sub contractors must be specified. The work plan should address the following information on the audit approach:

- a. Type of audit program used (tailor-made, standard government or standard commercial).
- b. Use of sampling techniques and the extent to which statistical sampling may be used in the engagement.
- c. Type and extent of analytical procedures that may be used in the engagements.
- d. Approach to be taken to gain and document an understanding of the SfN's internal control.
- e. Approach to be taken in determining laws and regulations that will be subject to audit test work..
- f. Approach to be taken in drawing audit samples for purposes to tests of compliance.
- g. Number of hours to be allocated to this engagement for each team member.
- h. For senior level hours estimated above, state approximately how many hours will be on-site.
- i. Tentative schedule for completing audit within specified deadlines of the RFP.
- j. Include a statement that if any of the audits are judged to be unacceptable by SfN, or any other government agency, that you will do whatever is necessary to satisfy the agency which rejected the audit at no extra cost to SfN.
- k. Describe briefly how you would conduct the audit.

4. Project Organization and Staffing Section

Describe your approach and methods for managing the operation as well as the completion of this audit. Identify the project director and/or manager and the person(s) who will be the key contact(s) with the Society during the audits. Include resume for project director and key contact(s).

Proposer must include in the proposal a complete disclosure of any alleged significant prior or ongoing contract failures, any civil or criminal litigation or investigation pending which involves the Proposer or in which the Proposer has been judged guilty or liable. Failure to comply with the terms of this provision will disqualify any proposal. SfN encourages the formation of teams or working groups that pool specialized expertise throughout project development, and reserve the right to encourage vendors to form teams after initial proposal review, if appropriate.

The Society reserves the right to reject any proposal based upon the Proposer's prior history with the Society or with any other party, which documents, without limitation, unsatisfactory performance, adversarial or contentious demeanor, significant failure(s) to meet contract milestones or other contractual failures.

5. References - At least three references for projects of similar scope should be included. For each reference, indicate the reference's name, organization affiliation, title, complete mailing address, and

telephone number. The Society reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- a) Client name
- b) Project description
- c) Project dates (starting and ending)
- d) Technical environment
- e) Staff assigned to reference engagement that will be designated for work per this RFP
- f) Client project manager name and telephone number

6. Statement of Qualifications

State the specific individuals who will be assigned to this engagement and for each:

- a. State staff classification of each individual.
- b. Describe the experience audits including years on each job and their position while on each audit.
- c. Describe relevant educational background including seminars and courses attended within the past three years. Particularly note governmental accounting seminars and courses attended during the past two years.
- d. Describe experience in auditing relevant non-profit organizations, programs, activities, or functions.
- e. Describe experience in auditing organizations that own real estate, especially those with an LLC element if applicable.
- f. Describe any specialized skills, training, or background in public finance which include participation in state or national professional organizations, speaker or instructor roles in conferences or seminars, or authorship of articles and books.
- g. State your organization's intention of complying with the yellow book educational standards for all individuals.

7. Other Information – Include any other information you consider to be relevant to the proposal. Acceptability of alternates will be determined solely by the Society.

It is the intention of the Society for Neuroscience to award a contract to a Proposer who furnishes satisfactory evidence that the Proposer has the requisite experience, ability, sufficient capital, facilities, and plant to enable the Proposer to execute the work successfully and properly, and to complete it within the timeframe specified in the contract.

7. EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

- The firm's prior experience with audits of non-profit institutions with building ownership.
- Technical experience of the audit firm, especially with respect to Government Auditing Standards, specifically A-133 audits.
- The experience and professional qualification of the audit team.
- Cost of the auditing services.
- Client References.
- Extent of assistance expected from SfN's staff.
- Audit Timeline.
- Involvement of principal of auditing firm.
- Other supportive considerations as documented by the firm submitting the proposal.

Presentations

During the review of the proposals, SfN's Audit Committee may, at its discretion, request any one or more firms to make a presentation. Such presentations will provide firms with an opportunity to answer any questions the Audit Committee or SfN may have about their proposal. Not all firms may be asked to make presentations. SfN will not be liable for any costs incurred by the firm in connection with such presentations (i.e., travel, reproduction costs, etc.).

Final selection

Selection of an audit firm will be made solely by the SfN Audit Committee.