REQUEST FOR PROPOSAL (RFP) FOR
ANNUAL AUDIT SERVICES AND 990 TAX RETURN PREPARATION

Community Action Kentucky, Inc. (CAK) is requesting proposals for the completion of a single audit and 990 tax return preparation. The scope of the audit is from July 1, 2025, to June 30, 2026. This RFP includes options for four additional years. Proposals should be received by 5:00 p.m. EST, November 15, 2025 to be considered.

Proposals should be sent to:

Attn: Audit 2025
Community Action Kentucky, Inc.
101 Burch Court
Frankfort, KY 40601

Emailed submissions will be accepted at: audit2025@capky.org

Only licensed Certified Public Accountants (CPA's) or licensed firms may submit proposals responding to this RFP. Any costs incurred by the firm in preparing the RFP are the responsibility of the applicant.

Questions regarding the proposal should be directed to Rick Baker at audit2025@capky.org.

Upon delivery, all materials submitted in response to this RFP become the property of CAK and may be appended to any formal documentation establishing a contractual relationship between CAK and the audit firm. The audit firm shall not submit any information that is of a proprietary nature or mark its proposal as proprietary or confidential.

The audit firm agrees in submitting a proposal that the proposal may not be modified, withdrawn, or canceled by the firm for one hundred eighty (180) calendar days following the submittal date. The firm's proposal will be valid for a period of one hundred eighty (180) calendar days following the submittal date.

Each proposal will be reviewed and scored. CAK expects to select an audit firm by December 15, 2025. CAK reserves the right to reject any or all responses received or any part thereof. A contract will be negotiated with the selected firm.

Following contract negotiations with the selected firm, all entities that submitted a proposal will be notified in writing of the firm selected.

CAK is a private, nonprofit corporation. It is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. A Board comprised of executive directors of the 23 Kentucky community action agencies governs CAK.

The mission of CAK is to build and strengthen the network of Kentucky's community action agencies resulting in the improvement in the lives of the people we serve.

Annual revenues are estimated to be $70-80 million, the majority of which is subcontracted to member agencies. The net annual operating budget of CAK is estimated to be $750 thousand. Attached for reference is copies of CAK's approximate funding for the year. To receive a copy of the most recently completed audit and the most recent interim financial statements, comparative to the budget, please email Rick Baker at rick@capky.org

CAK is an Equal Opportunity employer. As such, it attempts to empower all employees regardless of race, color, national origin, religion, sex, gender identity, pregnancy, disability age, medical condition, veteran status, genetic information, marital status, retaliation, citizenship, sexual orientation, family status, or any other legally protected characteristic. The firm must work in accordance with this philosophy.

The firm should conduct their audit between November 2026 and February 2027. Prior to submission to the Federal Clearinghouse on March 31, 2027, a draft audit will be provided to the CAK Executive Director, and a final audit presented to the CAK Board of Directors.

An exit conference shall be scheduled with CAK at the end of the audit. However, final payment for the engagement will not be made until after the final audit is received and tax return preparation is completed. During the exit conference, the firm should discuss the audit, any findings, and make recommendations.

Copies of any work papers may be requested by CAK. Workpapers must be made available for review to any of CAK's funding sources with written consent from CAK. The work papers must be retained for at least three years following the end of the audit period.

The RFP should be submitted using the following format. It will be evaluated based on the factors included in Attachment B.

1. A cover letter should include the following: Complete legal name of the firm, address, telephone number, name and title of contact person and federal tax identification number. It should state the firm's ability and willingness to submit the RFP. Assurance must provide adequate general comprehensive, liability, and the firm maintains bonding insurance. The firm should indicate if it is a small or minority business.
2. Provide a description of the firm's prior auditing experience with nonprofits, similar types of programs and funds. Names, addresses, telephone number, and number of years audited should be included in the description.
3. The structure and size of the firm should be described.

   Description should include:
   - Size of the Offeror, including number of employees and physical site locations.
   - Explanation of independence.
   - Any conflicts of interest that exist.
   - Results of peer review.
   - Explanation if the Offeror is a small, veteran-owned, minority-owned, women's

business enterprise, labor surplus area firm, or disadvantaged business enterprise (DBE), etc.

4. The qualifications of staff that will be assigned to the audit should be described. Levels of supervision should be indicated.
5. Audit approach, including time frames, work plan and requirements placed on CAK for completion.
6. Specific tasks/work to be performed should be described. (Audit work plan)
7. Provide a list of all information required of CAK prior to, during, and after fieldwork.
8. Assurances that the firm is competent to perform the audit and is familiar with any rules and regulations that govern federal and state grants.
9. The proposed price of the audit and tax return preparation should be indicated. A description of how the price was determined should also be included. This includes estimated number of hours by staff and average hourly billing rates for staff. Prices for future audits should be stated. The Offeror's proposed price should include a not-to-exceed total fee and a fee per service (audit services, tax services, etc.). Any out-of-pocket expenses should also be indicated.
10. The Offeror should include an explanation of other value-added services during and after the audit that can and have been provided to organizations similar to CAK. Value-added services provide efficiencies and improved compliance that contribute to the continued success of CAK Value-added services can include consulting and training services as well as industry-specific products. Any limitations on or additional fees for value-added services should be explained.
11. Signed "Certifications". (Attachment A). 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 CAK because CAK desires to contract only with an Offeror who is already familiar with these publications.

	Approximate Funding	
Office of Community Services (OCS)	$	400,000
Weatherization DOE	$	30,000
Weatherization LIHEAP	$	30,000
Low Income Home Energy Assistance Program (LIHEAP)	$	65,000,000
Community Services Block Grant (CSBG)	$	200,000
KYNECT	$	7,200,000
Home Energy Assistance (HEA) Programs	$	615,000
Interest Income	$	23,815
Dues	$	280,466
Rental	$	22,800
Other	$	79,516
Total	$	73,881,597

Attachment A

Certifications

On behalf of the Offeror:

1. The individual signing certifies that he/she is authorized to contract on behalf of the Offeror.

2. The individual signing certifies that the Offeror is not involved in any agreement to pay money or other consideration for the execution of this agreement, other than to an employee of the Offeror.

3. The individual signing certifies that the prices in this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition.

4. The individual signing certifies that the prices quoted in this proposal have not been knowingly disclosed by the Offeror prior to an award to any other Offeror or potential Offeror.

5. The individual signing certifies that there has been no attempt by the Offeror to discourage any potential Offeror from submitting a proposal.

6. The individual signing certifies that the Offeror is a properly licensed certified public accountant.

7. The individual signing certifies that the Offeror meets the independence standards of the *Government Auditing Standards*.

8. The individual signing certifies that he/she is aware of and will comply with the GAO's continuing education requirement of 80 hours of continuing education every two years and that 24 hours of the 80 hours of education will be in subjects directly related to the government environment and to government auditing for individuals.

9. The individual signing certifies that he/she is aware of and will comply with the GAO requirement of an external quality control (peer) review at least once every three years.

10. The individual signing certifies that he/she has read and understands the following publications relative to the proposed audits:
    - *Government Auditing Standards*
    - *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance")*
    - *Audits of Not-for-Profit Entities* (AICPA Audit Guide)
    - *Audits of State and Local Governments* (AICPA Audit Guide)
    - *Regulations, publications, or audit guides that are relevant to CAK's specific programs (i.e., Department of Energy's Weatherization program requirements, etc.)*

11. 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.

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

Dated this________day of______________, 2025.

____
(Offeror's Firm Name)

____
(Signature of Offeror's Representative)

____
(Printed Name and Title of Individual Signing)

Proposal Submitted By:____

Attachment B

Proposal Evaluation

Evaluation of each proposal will be scored on the following factors:

Factor	Point Range	Score
1. Prior audit experience		
a. Prior experience auditing *nonprofit organizations*	0 – 15	
b. Prior experience auditing similar programs funded by CAK.	0 – 15	

CAK may contact prior audited organizations to verify the experience provided by the Offeror.

Factor	Point Range	Score
2. Value-Added Services Beyond the Audit	0 – 5	
3. Organization, size, and structure of Offeror's firm (consider size in relation to audits to be performed)		
a. Adequate size of the firm	0 – 2	
b. Proper independence	0 – 2	
c. No conflicts of interest	0 – 2	
d. Results of peer review	0 – 5	
e. Minority-owned/veteran/small business/women's/disadvantaged business enterprise/labor surplus area firm	0 – 5	
4. Qualifications of staff to be assigned to the audits to be performed.		
a. Prior experience of the individual audit team members	0 – 15	
b. Overall supervision to be exercised	0 – 3	
5. Offeror's audit approach to the engagement		
a. Adequate coverage	0 – 3	
b. Realistic time estimates of work to be performed	0 – 3	
6. Following RFP Format	0 – 3	
7. Signed Certifications (Attachment A)	0 – 2	
8. Price	0 – 20	
	Maximum Points 100	