

Insights for Nonprofits

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Tips to Improve Your Nonprofit Audit RFP Template

Is your organization planning to put your nonprofit audit services out to bid this year? The AICPA and various other nonprofit industry associations offer free downloadable templates for nonprofit audit RFPs (requests for proposal).

These templates are very thorough and conveniently accessible for nonprofit organizations. However, if left untailored they can result in proposals filled with lengthy technical explanations to read and very little “meat” that addresses the core reason(s) you are seeking a new provider.

Following are a few sample questions from the [AICPA](#) nonprofit audit RFP template, along with our suggestions on how to refine them so that the proposal document you receive is a more value-oriented and readable document.

Identify the partner, manager and in-charge accountant who will be assigned to the job if you are successful in your bid, and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.

While inquiring about corrective actions is important, you can ask for more helpful details when it comes to the professional expertise of the team who will serve you. Request that these professionals:

- Describe their industry experience;
- List the community organizations they’re involved with;
- List how many years they’ve worked with nonprofits and how many nonprofits they currently serve;
- List their recent continuing education courses that will be beneficial to your organization.

Discuss the firm’s use of technology in the audit.

All audit firms in existence are utilizing some sort of technology. Be more specific if this truly matters to your organization. Ask them to expand upon:

- Their familiarity with your accounting software package;
- Whether the firm operates in a paperless environment;
- How their technology will bring value to the audit.

Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external accountants is the best decision we could make.

This is probably the MOST important question you could possibly ask, and the AICPA template places it in the number 12 spot of their 13 questions. Move this conversation to the very beginning of your RFP and ask even more questions here such as:

- Describe any customer service training you provide to your personnel.
- Describe any educational resources you offer to your clients.
- Discuss how your firm supports community service and volunteerism.

Describe your timeline for planning, fieldwork and completion of the audit, including expected delivery of the financial statements.

This is also a very important question. However, in order for a CPA firm to accurately answer this question, it is imperative to make yourself available prior to the proposal deadline to discuss this timeline with the prospective CPA. Meeting your needs and timing requirements is a shared goal for both parties.

Finally, when preparing to send your RFP to firms, make sure you tap into resources such as your board members, employees and other contacts in your professional network for suggestions on firms to invite to the RFP process. Don’t feel the need to survey the same default choices year after year.

The RFP process is intended to help you narrow down the broad selection of audit professionals who will serve the unique needs of organization – not to bury you and your evaluation committee with lengthy documents. By issuing a more customized RFP, you’ll be well on your way to identifying the firm best-suited to serve your organization.