



Sample Request for Proposal Letter for CPA Services

PURPOSE OF THIS TOOL: This tool contains sample language that may be used by an organization requesting a proposal letter from qualified CPA firms when seeking a new service provider. As such, the sample letter may be subject to audit committee review or discussion, if an audit committee exists.

[Organization Letterhead]

[Date]

*[Managing Partner]
[CPA Firm]
[Street Address]
[City, State, Zip]*

Dear Sir or Madam:

Our organization is accepting proposals from CPA firms to provide audit (and tax) services for our organization in the future. We invite your firm to submit a proposal to us by June 30, 20XX, for consideration. A description of our organization, the services needed, and other pertinent information follows:

Background of ABC Organization

ABC Organization is a 501(c)(6) trade association, with a related 501(c)(3) foundation, representing manufacturers of widgets. Annual revenues are between \$10 million and \$12 million per year, and the organization employs 35 people in one location. The organization is membership-based and has approximately 20,000 members worldwide. The organization has a June 30 fiscal year end, with a requirement to file an audited financial statement with the bank and general membership by September 30 of each year.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual audit to be completed in compliance with the above filing requirement and meetings with audit committee and or board of directors, as necessary.
2. Tax filings for the organization and related foundation.
3. Quarterly reviews of internally prepared financial statements.

Key Personnel

Following are key contacts for information you may seek in preparing your proposal:

Mr. Green	CEO	(123) 456-7891
Ms. Brown	CFO	(123) 456-7892
Mr. White	Controller	(123) 456-7893
Ms. Blue	Accounting Manager	(123) 456-7894

Requests for additional information, visits to our site, review of prior financial statements and tax returns, and/or appointments with the executive director or chief financial officer should be coordinated through our controller. You may reach him at the number listed above. Please return the completed proposal to my attention at the above address.

Relationship With Prior CPA Service Provider

These services have been provided by XYZ, CPAs. However, that firm is no longer able to provide the services our organization requires. In preparing your proposal, be advised that management will give permission to contact the prior auditors.

[You may use this section to disclose whether the decision to change auditors is a function of changes in your organization, changes in the audit firm, or the result of a periodic review of your satisfaction with the services provided. Other aspects of your relationship with the prior auditor that you are willing to disclose at this stage in the proposal process may also be described here. CPA firms may request additional information, which you may choose to disclose only if the CPA firm signs a nondisclosure agreement.]

Other Information

[Use this space to discuss other information that a CPA firm may need to make an informed proposal on the accounting and/or auditing work that you require. As mentioned above, you should only disclose information here that you are comfortable disclosing; additional information may be available to the CPA firms interested in making a serious proposal only after signing a nondisclosure agreement.]

Your Response to This Request for Proposal

In responding to this request, we request the following information:

1. Detail your firm's experience in providing auditing and tax services to companies in the not-for-profit sector, as well as associations of a comparable size to ABC Organization, including those with international memberships.
2. Provide information on whether you provide services to any related industry associations or groups.

3. Discuss the firm's independence with respect to ABC Organization.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the five largest clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances where loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. Identify the partner, manager, and in-charge accountant who will be assigned to our 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.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication process used by the firm to discuss issues with the management and audit committees of the board.
8. Set forth your fee proposal for the 20XX audit, with whatever guarantees can be given regarding increases in future years. Provide your proposed fee for the required quarterly review work and for tax preparation.
9. Furnish standard billing rates for classes of professional personnel for each of the last three years.
10. Provide the names and contact information for other, similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
11. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent accountants is the best decision we could make.
12. Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

Evaluation of Proposals

ABC Organization will evaluate proposals on a qualitative basis. This includes our review of the firm's peer review report and related materials, interviews with senior engagement personnel to be assigned to our organization, results of discussions with other clients, and the firm's completeness and timeliness in its response to us.

Please submit your response to this request for proposal by June 30, 20XX. We would also appreciate a response if you decline to submit a proposal.

Sincerely,

Ms. Brown, CPA
Chief Financial Officer

Attachments:
Most recent financial statements and Form 990.

