



**California Emerging Technology Fund
Request for Proposals
Annual Audit and Tax Preparation Services
March 17, 2021**

Purpose

The purpose of this Request for Proposals (RFP) is to invite submissions from qualified firms to conduct an annual audit of the statement of financial position and to prepare federal and state information returns for the California Emerging Technology Fund (CETF) for Fiscal Year 2020-2021 ending June 30, 2021 (including Internal Revenue Service Form 990, California Franchise Tax Board Form 199, and California Attorney General Office of Registry of Charitable Trusts Form RRF-1). CETF also will consider engaging the selected firm for subsequent years, provided performance for the 2020-2021 audit is satisfactory. The selected firm will report to and through the CETF Audit Committee on behalf of the Board of Directors. CETF management will be available to work closely with the selected firm to facilitate access to requisite information for the audit and preparation of federal and state information returns.

Responses to this RFP are due by 5:00 PM PDT on Friday, April 23, 2021. Please see below requirements and instructions on preparation and submission of proposals. A bidders' video conference will be held on Friday, April 9, 2021, at 9:00 AM PDT (see below for instructions).

Overview of the California Emerging Technology Fund

The California Emerging Technology Fund is a not-for-profit charitable organization established pursuant to requirements by the California Public Utilities Commission (CPUC) in approving the mergers of SBC-AT&T and Verizon-MCI in 2005. CETF is governed by a Board of Directors in accordance with Articles of Incorporation and Bylaws. The mission of CETF is to provide leadership statewide to close the Digital Divide and achieve Digital Equity by accelerating the deployment and adoption of broadband to digitally-disadvantaged populations in unserved rural communities and underserved low-income urban neighborhoods. State law defines broadband as high-speed Internet infrastructure, including wireline and wireless networks. CETF is technology neutral and focuses on performance-based standards for infrastructure and the functionality of devices appropriate for each household. CETF participates as a legal party in regulatory proceedings before the CPUC and Federal Communications Commission and has negotiated public benefits Memoranda of Understanding (MOUs) with Frontier Communications, Charter Communications, and T-Mobile USA that are being implemented. CETF also operates several programs, including School2Home (currently in partnership with 7 Districts for 30 Schools involving more than 830 teachers and 18,000 students and their parents) and manages grants for the Frontier MOU and San José Digital San Jose Digital Inclusion Partnership. Please see the CETF 5-Year Strategic Plan, Decade Report (2017), 2020 Progress Reports, and past audits online at www.CETFund.org.

The CETF Fiscal Year runs July 1 through June 30. As of June 30, 2020, CETF Assets exceeded \$50 million and total funds under management exceeded \$53.6 million. The 2020-2021 Fiscal Year Approved Budget is \$10,585,000, of which approximately 90% is for Program and 10% for Support. CETF has 10 employees and 3 full-time consultants plus other contract personnel for School2Home and other programs. CETF issues more than 175 Forms 1099 annually. Payroll services are provided by a vendor. CETF operates with 11 bank accounts in 2 different institutions to minimize co-mingling of funds and to assure transparency and accountability. The CETF Board of Directors recently authorized the establishment of 2 additional accounts to receive and disburse donations. Approximately 150-170 checks are written monthly from the various bank accounts. In addition, CETF may seek federal grants before the end of the Fiscal Year requiring a Single Audit and filing with the Federal Audit Clearinghouse.

Qualifications

Responding firms must provide evidence that they meet the following qualifications:

- Licensed to practice by the California Board of Accountancy.
- Experienced in auditing not-for-profit charitable organizations, including federal single audits.
- Knowledgeable about grants management for community-based organizations.
- Proficient in filing federal and state information forms.
- Insured for professional errors and omissions by a nationally-recognized firm.
- Clear of any conflict of interest with CETF or any member of the Board of Directors.
- Able to conduct field examination at the CETF Northern California office.

It is desirable that responding firms have participated in recent peer reviews and can report the results in the proposal submission.

Requirements

Responding firms must be able to meet the following requirements:

- Conduct the audit of financial position and related documents in accordance with generally-accepted auditing standards.
- Complete the audit in a timely manner, preferably in accordance with the schedule set forth below (and specifically consistent with the timeline in your proposal if different).
- Perform the majority of the audit onsite at the CETF Northern California office to minimize the additional workload on CETF staff (such as photocopying or electronically bundling of documents for review offsite).
- Ask questions and request documentation of expenditures as much as possible while on site conducting the field investigation.
- Prepare and file the federal and state information returns on time (including Internal Revenue Service Form 990, California Franchise Tax Board Form 199, and California Attorney General Office of Registry of Charitable Trusts Form RRF-1, and federal Single Audit if relevant).
- Include all expenses in the proposed fee (except federal and state filing fees).
- Provide CETF with electronic and hard copies of all work products, including 10 printed copies of the audit and related management letter.

Proposed CETF Timetable for Fiscal Year 2020-2021 Audit of Financial Statements

CETF Management expects to close the CETF Fiscal Year and produce financial statements for auditing by July 19, 2021. The following timetable is preferred.

Prospective Interview with Audit Committee:	May 2021
Initial Meeting with Audit Committee:	June 2021
Planning and Preparation Meeting with Management:	June 2021
Entrance Meeting with Management:	July 2021
Initiation of Audit Field Examination:	Week of August 2, 2021
Draft Audit Submitted to Management:	By Friday, September 3, 2021
Response from Management Due to Auditor:	By Friday, September 10, 2021
Final Draft Audit Submitted to Audit Committee:	Week of September 27, 2021
Meeting with Audit Committee:	First Week of October 2021
Preparation of Federal and State Information Returns:	By October 30, 2021
Filing of Federal and State Information Returns:	By November 15, 2009

Subsequent annual audits must be performed on a similar schedule.

Proposal Content

Please submit the following information in your proposal (please be specific but concise):

- Name, address and contact information for your firm and the chief executive.
- Name, address, contact information, and resumes for the principal(s) who will conduct the audit and prepare the federal and state information filings (and assurance of continuity).
- Summary overview of your firm, including the number of certified public accountants and description of experience relative to the RFP Qualifications and Requirements.
- Explanation of your policy and practice in rotating audit partners and field examiners.
- Proposed timetable for completion of the audit and preparation of federal and state filings.
- Proposed fee and payment structure for the audit (and additional fee if any for a Single Audit).
- Proposed fee and payment structure for preparation of federal and state information filings.
- Proposed cost reductions or savings for a multi-year engagement.
- Brief description of the number and nature of your not-for-profit clients during the last 2 years.
- General discussion of your approach to the working relationship with an Audit Committee and management while conducting an audit.
- Explanation of your firm's availability and billing rates for minor advice and counsel during the year between audits when involved in a multi-year engagement.
- 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.
- List of professional associations to which the firm or the principals belong.
- Standard letter of engagement for an audit by your firm.
- Standard list of reports and/or information your firm requires of clients for an audit.
- Any other information material to the nature of your proposed engagement or that will assist in the evaluation of your submission.

Bidders' Questions

Questions from prospective bidders must be submitted in writing through email by 5:00 PM PDT on Monday, April 5, 2021 to alana.obrien@cetfund.org. The submitted questions will be addressed on the bidders' conference and written answers will be posted on the CETF website (www.cetfund.org).

Bidders' Conference

A bidders' video conference will be convened on Friday, April 9, 2021, at 9:00 AM PDT. Interested parties must indicate their intent to participate by emailing alana.obrien@cetfund.org and receiving an invitation to the bidders' video conference.

Submission Deadline and Instructions

Please submit an electronic copy of your proposal by 5:00 PM PDT on Friday, April 23, 2021 to CETF Vice President Operations Alana O'Brien at alana.obrien@cetfund.org and mail 2 hard copies to: California Emerging Technology Fund, P.O. Box 5897, Concord, California 94520.

Interviews for Finalists

The Audit Committee plans to interview finalist firms during the month of May 2021 and to reach a decision on engagement by or before early June 2009. Interviews may be conducted via video conference and/or by phone, depending on the availability of Audit Committee Members and other logistical considerations.