



Request for Proposal: Audit & Advisory Services

Excel Academy Charter Schools
58 Moore Street, East Boston, MA 02128

RFP issued April 23, 2018

Excel Academy Charter Schools is seeking an accounting firm to provide audit and advisory services compliant with regulations and protocols issued by the MA Department of Elementary and Secondary Education.

Responses are requested by 12:00 p.m. on May 9, 2018.

Request for Proposal for Audit & Advisory Services

Excel Academy Charter Schools (“Excel”) invites written proposals from qualified firms for audit and advisory services compliant with regulations and protocols issued by the Massachusetts Department of Elementary and Secondary Education (“DESE”) and consistent with standards indicated at <http://www.doe.mass.edu/charter/finance/auditing/>. Services include (1) annual audits of our four legal entities; (2) generation of federal and state tax returns for three of the four entities; (3) quarterly or semi-annual agreed-upon procedures for reviewing internal fiscal processes, supporting schedules, and financial reporting; (4) supporting various projects and initiatives that require financial and accounting expertise such as real estate projects; and (5) advising management on one-off finance and accounting matters.

Background

Excel is a network of tuition-free, high-performing public charter schools serving the Massachusetts communities of East Boston and Chelsea. It was founded to address the severe academic underperformance and low college matriculation rates of the student populations in these neighborhoods. Our founders envisioned a free, public school alternative where all students would be held to the highest academic and behavioral expectations, and college would become a reality.

The network’s first school opened in fall 2003 in East Boston and now serves 224 students, grades 5 through 8. Excel Academy Chelsea, the 2nd school in our network, opened in fall 2011. Our third school, Excel Academy Orient Heights, opened in August of 2012. Our first high school, Excel Academy Charter High School, opened in fall 2015. Excel now educates 1125 students in grades 5-11. At full scale in 2019-2020, Excel expects to enroll 1,350-1,400 students in grades 5-12 with an annual operating budget of approximately \$23 million.

Campus Locations

Excel Academy East Boston, 58 Moore St., East Boston, MA 02128

Excel Academy Chelsea, 180 2nd St., Chelsea, MA 02150

Excel Academy Orient Heights, 1150 Saratoga St., East Boston, MA 02128

Excel Academy Charter High School, 401 Bremen St., East Boston, MA 02128

Specifications & Scope of Service

1. Annual Audits

Excel must be audited annually to remain in compliance with the Commonwealth’s charter school requirements. The fiscal year for our primary school entity, as well as that of our foundation and one of our realty corporations, ends on June 30, and the results of the audit are typically due by the end of October. Audit requirements can be found at <http://www.doe.mass.edu/charter/finance/auditing/> and examples of Excel’s prior years’ audits can be provided upon request. Such audits are high stakes and highly specialized, and Excel can only consider proposals from firms with meaningful prior experience with charter school audits.

In addition, Excel currently operates one realty corporation whose fiscal year ends on December 31. Though this realty corporation may become inactive as of calendar year 2019, the entity's fiscal year 2018 must be audited, with the results due to lenders in March 2019.

2. Annual Federal and State Tax Returns

Following our annual audits, Excel must submit Form 990s and Form PCs for three of our four legal (such forms are not required of our primary school entity). The selected firm will support the generation of these documents. Examples of prior years' returns can be provided upon request.

3. Agreed-Upon Procedures

Excel's current audit firm reviews a range of internal fiscal processes, supporting schedules, and financial reports on a quarterly basis using agreed-upon procedures ("AUP") to assist management. Historically such AUPs have been conducted for Q1 and Q2 on a consolidated basis in February, for Q3 in May, and for Q4 in August. While Excel values the efficiencies gained from having the same firm conduct both its annual audits and its AUPs, Excel is open to the possibility of working with more than one firm on these distinct engagements. More specific descriptions of procedures can be provided upon request.

4. Supporting Various Projects and Initiatives Requiring Expertise

As a growing multi-entity organization, Excel undertakes a range of initiatives that may require significant financial and accounting expertise. For instance, in the fall of 2018, the Compliance Period for the New Market Tax Credits associated with one of our school buildings will end. Excel requires and will continue to require guidance as we unwind this complex transaction and set up a stable and advantageous long-term structure.

5. Advising on One-Off Finance and Accounting Matters

Excel occasionally requires expert advice on a variety of time-sensitive matters. For instance, Excel is currently revising our credit card policies and procedures to ensure compliance with state guidelines. We will seek input from our selected audit firm based on their demonstrated understanding of state requirements and knowledge of peers' best practices.

Questions or requests for more information on the Request for Proposals may be obtained by emailing Chief Financial Officer Andrew Solomon at asolomon@excelacademy.org.

Instructions

Timeline for Selection of Winning Proposal

Excel will use the following timeline to select a firm to provide some or all of the indicated services for FY 19:

4/23/18	Advertisement of RFP
4/23 – 5/4/18	Calls or meetings with management upon request of interested firms, pending submission of a representative list of firms' clients or other information demonstrating requisite experience and expertise
5/7/18	Deadline for written questions re: RFP
5/9/18	Deadline for proposals, 12:00 p.m.
5/18/18	Award of contract

Proposal Requirements

1. All proposals can be submitted by email to asolomon@excelacademy.org and are due by May 9, 2018 at 12:00 p.m.
2. Proposals should indicate which specific professionals at the firm are expected to be assigned to Excel should Excel accept the proposal, including those individuals' qualifications.
3. Proposals should identify: (a) the specific services indicated in the above Specifications and Scope of Services upon which the proposing firm is bidding, (b) the expected cost of each service, (c) any floors or ceilings for such costs, (d) procedures for how the firm proposes to manage cost or hours overruns, (e) expected incidental costs such as travel, materials, or reproduction, and (f) the period of time during which the firm commits to the proposed prices. While Excel prefers to work with a single firm to serve all needs indicated in the Specification and Scope of Services, we are open to proposals for a subset of such services. All things equal, Excel also prefers fixed quoted costs for specific engagements such as the annual audit rather than hourly rates.
4. Proposals should explicitly certify that the firm is authorized to conduct annual audits of charter schools by the Department of Elementary and Secondary Education.
5. Excel will accept no claims of ignorance regarding any item in this RFP as a basis for any claim by the firm for extra charges or fees.
6. Any proposed edits made to this RPF must be highlighted.

Exhibits to be Submitted with Proposal

Proposals should include the following:

1. Exhibit A: A cover page with name and contact information.
2. Exhibit B: A summary of current school clients comparable in size to Excel (within 50% of Excel's enrollment at scale of 1,350). If current non-school not-for-profit clients are included in the summary, Excel requests that the approximate operating budgets of such clients be listed to assess comparability. Names and contact information of the contact person at such clients are requested.
3. Exhibit C: Two samples of work product, preferably one annual audit of a charter school and one AUP of a charter school.

4. Exhibit D: Summary of proposed costs, broken down by service or engagement type, including minimums, maximums, and expected incidentals.

5. Exhibit E: List and bios of key professionals expected to be assigned to Excel should the proposal be accepted.

Review Committee

The Review Committee shall consist of:

Owen Stearns, Chief Executive Officer
Andrew Solomon, Chief Financial Officer
Whitney Leach, Director of Accounting
Tom Ellis, Treasurer, Governing Board

Selection Criteria

The selection of the winning proposal will be based upon the following criteria:

1. Qualifications and experience of the firm's staff, with a particular focus on staff expected to be assigned to Excel.
2. Depth of expertise with respect to pertinent state and federal regulations, non-profit accounting, and real estate-related accounting.
3. Proposed cost of audit services, AUP services, and/or hourly advisory services.
4. Quality of client references.
5. Quality of relationship with the Department of Elementary and Secondary Education.

Excel intends to accept the proposal that is of the greatest benefit to its mission and reserves the right to reject any proposals received whenever such action is in its best interests.