



**BOARD OF CONTRACT AND SUPPLY
CITY OF PROVIDENCE, RHODE ISLAND**

REQUEST FOR PROPOSALS

Item Description: PROFESSIONAL AUDITING & AGREED UPON PROCEDURES AND SERVICES FY2025, FY2026, FY2027

Procurement/MinuteTraq #: 48341

Date to be opened: 4/7/2025

Issuing Department: Office of the Internal Auditor

QUESTIONS

- Please direct questions related to the process, how to fill out forms, and how to submit an application(Pages 1-8) to the Purchasing Department.
 - Email: purchasing@providenceri.gov
 - Please use the subject line “**Solicitation Question**”
- Please direct questions relative to the Minority and Women’s Business Enterprise Program and the corresponding forms (Pages 10-11) to the MBE/WBE Outreach Director for the City of Providence, Grace Diaz
 - Email: gdiaz@providenceri.gov
 - Please use subject line “**MBE WBE Forms**”
- Please direct questions relative to the specifications outlined (beginning on page 14) to the issuing department’s subject matter expert:
 - Name: Gina M. Costa
 - Title: Internal Auditor
 - Email Address: gcosta@providenceri.giv

Pre-submission Conference

There is no pre-bid conference scheduled for this item.

Deadline for questions submissions:

March 25, 2025

INSTRUCTIONS FOR SUBMISSION

Meeting Date: 4/7/2025

Bids may be submitted up to **2:15 P.M.** on the above meeting date at the **Department of the City Clerk, Room 311, City Hall, 25 Dorrance Street, Providence.** At 2:15 P.M. all bids will be publicly opened and read at the Board of Contract Meeting in Conference Room 305, on the 3rd floor of City Hall.

- Bidders must submit **2 copies** of their bid in sealed envelopes or packages labeled with the captioned **Item Description** and the **City Department to which the solicitation and bid are related and must include the company name and address on the envelope as well.** (On page 1).
- If required by the Department, please keep the original bid bond and check in only one of the envelopes.
- Communications to the Board of Contract and Supply that are not competitive sealed bids (i.e. product information/samples) should have “**NOT A BID**” written on the envelope or wrapper.
- Only use form versions and templates included in this solicitation. If you have an old version of a form do not recycle it for use in this bid.
- The bid envelope and information relative to the bid must be addressed to:

**Board of Contract and Supply
Department of the City Clerk – City Hall, Room 311
25 Dorrance Street
Providence, RI 02903**

****PLEASE NOTE:** This bid may include details regarding information that you will need to provide (such as proof of licenses) to the issuing department before the formalization of an award.

This information is NOT requested to be provided in your initial bid by design.

All bids submitted to the City Clerk become public record. Failure to follow instructions could result in information considered private being posted to the city’s Open Meetings Portal and made available as a public record. The City has made a conscious effort to avoid the posting of sensitive information on the City’s Open Meetings Portal, by requesting that such sensitive information be submitted to the issuing department only at their request.

BID PACKAGE CHECKLIST

Digital forms are available in the City of Providence Purchasing Department Office or online at <http://www.providenceri.gov/purchasing/how-to-submit-a-bid/>

The bid package **MUST** include the following, in this order:

- Bid Form 1: Bidder's Blank as the cover page/ 1st page (*see page 6 of this document*)
- Bid Form 2: Certification of Bidder as 2nd page (*see page 7 of this document*)
- Bid Form 3: Certificate Regarding Public Records (*see page 8 of this document*)
- Bid Form 4: Affidavit of City Vendor (*see pages 9 and 10 of this document*)
- Forms from the Minority and Women Business Enterprise Program: Based on Bidder Category. *See forms and instructions enclosed (pages 10-11) or on:*
<https://www.providenceri.gov/purchasing/minority-women-owned-business-mbewbe-procurement-program/>

***Please note: MBE/WBE forms must be completed for EVERY bid submitted and must be inclusive of ALL required signatures. Forms without all required signatures will be considered incomplete.**

- Bidder's Proposal/Packet: Formal response to the specifications outlined in this RFP, including pricing information and details related to the good(s) or service(s) being provided. Please be mindful of formatting responses as requested to ensure clarity.
- Financial Assurance, *if requested* (as indicated on page 5 of this document under "Bid Terms")

All of the above listed documents are REQUIRED. (With the exception of financial assurances, which are only required if specified on page 5.)

*****Failure to meet specified deadlines, follow specific submission instructions, or enclose all required documents with all applicable signatures will result in disqualification, or in an inability to appropriately evaluate bids.**

NOTICE TO VENDORS

1. The Board of Contract and Supply will make the award to the lowest qualified and responsible bidder.
2. In determining the lowest responsible bidder, cash discounts based on preferable payment terms will not be considered.
3. Where prices are the same, the Board of Contract and Supply reserves the right to award to one bidder, or to split the award.
4. No proposal will be accepted if the bid is made in collusion with any other bidder.
5. Bids may be submitted on an "equal in quality" basis. The City reserves the right to decide equality. Bidders must indicate brand or the make being offered and submit detailed specifications if other than brand requested.
6. A bidder who is an out-of-state corporation shall qualify or register to transact business in this State, in accordance with the Rhode Island Business Corporation Act, RIGL Sec. 7-1.2-1401, et seq.
7. The Board of Contract and Supply reserves the right to reject any and all bids.
8. Competing bids may be viewed in person at the Department of the City Clerk, City Hall, Providence, immediately upon the conclusion of the formal Board of Contract and Supply meeting during which the bids were unsealed/opened. Bids may also be accessed electronically on the internet via the City's Open Meetings Portal.
9. As the City of Providence is exempt from the payment of Federal Excise Taxes and Rhode Island Sales Tax, prices quoted are not to include these taxes.
10. In case of error in the extension of prices quoted, the unit price will govern.
11. The contractor will **NOT** be permitted to: a) assign or underlet the contract, or b) assign either legally or equitably any monies or any claim thereto without the previous written consent of the City Purchasing Director.
12. Delivery dates must be shown in the bid. If no delivery date is specified, it will be assumed that an immediate delivery from stock will be made.
13. A certificate of insurance will normally be required of a successful vendor.
14. For many contracts involving construction, alteration and/or repair work, State law provisions concerning payment of prevailing wage rates apply (RIGL Sec. 37-13-1 et seq.)
15. No goods should be delivered, or work started without a Purchase Order.
16. **Submit 2 copies of the bid to the City Clerk, unless the specification section of this document indicates otherwise.**
17. Bidder must certify that it does not unlawfully discriminate on the basis of race, color, national origin, gender, gender identity or expression, sexual orientation and/or religion in its business and hiring practices and that all of its employees are lawfully employed under all applicable federal, state and local laws, rules and regulations. (See Bid Form 2.)

BID TERMS

1. Financial assurances may be required in order to be a successful bidder for Commodity or Construction and Service contracts. If either of the first two checkboxes below is checked, the specified assurance must accompany a bid, or the bid will not be considered by the Board of Contract and Supply. The third checkbox indicates the lowest responsible bidder will be contacted and required to post a bond to be awarded the contract.
 - a) A certified check for \$_____ must be deposited with the City Clerk as a guarantee that the Contract will be signed and delivered by the bidder.
 - b) A bid bond in the amount of _____ per centum (%) of the proposed total price, must be deposited with the City Clerk as a guarantee that the contract will be signed and delivered by the bidder; and the amount of such bid bond shall be retained for the use of the City as liquidated damages in case of default. Any person signing a bid bond as an attorney-in-fact shall include with the bid bond an original, or a photocopy or facsimile of an original, power of attorney.
 - c) A performance and payment bond with a satisfactory surety company will be posted by the bidder in a sum equal to one hundred per centum (100%) of the awarded contract.
 - d) No financial assurance is necessary for this item.
2. Awards will be made within **nighty (90) days of bid opening**. All bid prices will be considered firm, unless qualified otherwise. Requests for price increases will not be honored.
3. Failure to deliver within the time quoted or failure to meet specifications may result in default in accordance with the general specifications. It is agreed that deliveries and/or completion are subject to strikes, lockouts, accidents, and Acts of God.

The following entry applies only for COMMODITY BID TERMS:

4. Payment for partial delivery will not be allowed except when provided for in blanket or term contracts.

The following entries apply only for CONSTRUCTION AND SERVICE BID TERMS:

5. Only one shipping charge will be applied in the event of partial deliveries for blanket or term contracts.
6. Prior to commencing performance under the contract, the successful bidder shall attest to compliance with the provisions of the Rhode Island Worker's Compensation Act, RIGL 28-29-1, et seq. If exempt from compliance, the successful bidder shall submit a sworn Affidavit by a corporate officer to that effect, which shall accompany the signed contract.
7. Prior to commencing performance under the contract, the successful bidder shall, submit a certificate of insurance, in a form and in an amount satisfactory to the City.

BID FORM 1: Bidders Blank

1. Bids must meet the attached specifications. Any exceptions or modifications must be noted and fully explained.
2. Bidder's responses must be in ink or typewritten, and all blanks on the bid form should be completed.
3. The price or prices proposed should be stated both in **WRITING** and in **FIGURES**, and any proposal not so stated may be rejected. **Contracts exceeding twelve months must specify annual costs for each year.**
4. Bids **SHOULD BE TOTALED** so that the final cost is clearly stated (unless submitting a unit price bid), however **each item should be priced individually**. Do not group items. Awards may be made on the basis of *total* bid or by *individual items*.
5. All bids **MUST BE SIGNED IN INK.**

Name of Bidder (Firm or Individual): _____

Contact Name: _____

Business Address: _____

Business Phone #: _____

Contact Email Address: _____

Agrees to bid on (Write the "Item Description" here): _____

If the bidder's company is based in a state *other than Rhode Island*, list name and contact information for a local agent for service of process that *is located within Rhode Island* _____

Delivery Date (if applicable): _____

Name of Surety Company (if applicable): _____

Total Amount in Writing*: _____

Total Amount in Figures*: _____

**If you are submitting a unit price bid, please insert "Unit Price Bid"*

Use additional pages if necessary for additional bidding details.

Signature of Representation

Title

Please complete pages 30, 31, 32 of the specifications. The total amount of pages 30, 31 and 32 should be the total amount above.

BID FORM 2: Certification of Bidder
(Non-Discrimination/Hiring)

Upon behalf of _____ (Firm or Individual Bidding),

I, _____ (Name of Person Making Certification),

being its _____ (Title or "Self"), hereby certify that:

1. Bidder does not unlawfully discriminate on the basis of race, color, national origin, gender, sexual orientation and/or religion in its business and hiring practices.
2. All of Bidder's employees have been hired in compliance with all applicable federal, state and local laws, rules and regulations.

I affirm by signing below that I am duly authorized on behalf of Bidder, on

this _____ day of _____ 20 _____.

Signature of Representation

Printed Name

BID FORM 3: Certificate Regarding Public Records

Upon behalf of _____ (Firm or Individual Bidding),

I, _____ (Name of Person Making Certification),

being its _____ (Title or "Self"), hereby certify an

understanding that:

1. All bids submitted in response to Requests for Proposals (RFP's) and Requests for Qualification (RFQ's), documents contained within, and the details outlined on those documents become public record upon receipt by the City Clerk's office and opening at the corresponding Board of Contract and Supply (BOCS) meeting.
2. The Purchasing Department and the issuing department for this RFP/RFQ have made a conscious effort to request that sensitive/personal information be submitted directly to the issuing department and only at request if verification of specific details is critical the evaluation of a vendor's bid.
3. The requested supplemental information may be crucial to evaluating bids. Failure to provide such details may result in disqualification, or an inability to appropriately evaluate bids.
4. If sensitive information that has not been requested is enclosed or if a bidder opts to enclose the defined supplemental information prior to the issuing department's request in the bidding packet submitted to the City Clerk, the City of Providence has no obligation to redact those details and bears no liability associated with the information becoming public record.
5. The City of Providence observes a public and transparent bidding process. Information required in the bidding packet may not be submitted directly to the issuing department at the discretion of the bidder in order to protect other information, such as pricing terms, from becoming public. Bidders who make such an attempt will be disqualified.

I affirm by signing below that I am duly authorized on behalf of Bidder, on

this _____ day of _____ 20_____.

Signature of Representation

Printed Name

BID FORM 4: Affidavit of City Vendor

Per our Code of Ordinances Sec. 21.-28.1 (e), this form applies to a) the business, b) any political action committee whose name includes the name of the business, c) all persons holding ten (10) percent or greater equity interest or five thousand dollars (\$5,000.00) or greater cash value interest in the business at any time during the reporting period, d) all executive officers of the business entity, e) any spouse or dependent child of any individual identified in a) though d) above.

Executive officers who are not residents of the state of Rhode Island are exempted from this requirement.

Per R.I.G.L. § 36-14-2, "Business" means a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, trust, or any other entity recognized in law through which business for profit or not for profit is conducted.

Name of the person making this affidavit: _____

Position in the "Business" _____

Name of Entity _____

Address: _____

Phone number: _____

The number of persons or entities in your entity that are required to report under Sec. 21.-28.1 (e): _____

Read the following paragraph and answer one of the options:

Within the 12 month period preceding the date of this bid submission with the City of Providence, or with respect to the contracts that are not in writing within the 12 month period preceding the date of notification that the contract has reached the \$100,000 threshold, have you made campaign contributions within a calendar year to (please list all persons or entities required under Sec. 21.-28.1 (e)).

a. Members of the Providence City Council? Yes No

- If Yes, please complete the following:

Recipient(s) of the Contribution:

Contribution Date(s):

Contribution Amount(s):

b. Candidates for election or reelection to the Providence City Council? Yes No

- If Yes, please complete the following:

Recipient(s) of the Contribution:

Contribution Date(s):

Contribution Amount(s):

c. The Mayor of Providence? Yes No

- If Yes, please complete the following:

Recipient(s) of the Contribution:

Contribution Date(s):

Contribution Amount(s):

d. Candidates for election or reelection to the office of Mayor of Providence? Yes No

- If Yes, please complete the following:

Recipient(s) of the Contribution:

Contribution Date(s):

Contribution Amount(s):

Signed under the pains and penalties of perjury.

Position

MBE/WBE Participation Plan

Please complete separate forms for each MBE/WBE subcontractor/supplier to be utilized on the solicitation.

Bidder's Name:			
Bidder's Address:			
Point of Contact:			
Telephone:			
Email:			
Procurement #:			
Project Name:			
Which one of the following describes your business' status in terms of Minority and/or Woman Owned Business Enterprise certification with the State of Rhode Island? (Check all that apply).	<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> Neither MBE nor WBE
<p>This form is intended to capture commitments between the prime contractor/vendor and MBE/WBE subcontractors and suppliers, including a description of the work to be performed and the percentage of the work as submitted to the prime contractor/vendor. Please note that all MBE/WBE subcontractors/suppliers must be certified by the Office of Diversity, Equity and Opportunity at the time of bid. The MBE/WBE Directory can be found here. Please visit, the City's MBE/WBE page for details of the program (e.g. instructions and requirements).</p> <ul style="list-style-type: none"> • Nonprofit organizations are not required to complete the rest of this form. • Construction projects unable to identify subcontractors prior to bid submission (e.g. Design Build) are required to provide updates to the MBE/WBE Outreach Office 			
Name of Subcontractor/Supplier:			
Type of RI Certification:	<input type="checkbox"/> MBE	<input type="checkbox"/> WBE	<input type="checkbox"/> Neither
Address:			
Point of Contact:			
Telephone:			
Email:			
Detailed Description of Work to Be Performed by Subcontractor or Materials to be Supplied by Supplier Per the Scope of Work provided in the RFP			
Total Contract Value (\$):	Subcontract Value (\$):	Participation Rate (%):	
Anticipated Date of Performance:			
I certify under penalty of perjury that the forgoing statements are true and correct.			
Prime Contractor/Vendor Signature	Title	Date	
Subcontractor/Supplier Signature	Title	Date	

***If you did not meet the 20% MBE/WBE combined participation goal, submit a Waiver Request Form.**

MBE/WBE Waiver Request Form

Fill out this form only if you did not meet the 20% MBE/WBE participation goal.

State-certified MBE or WBE Prime Bidders are NOT REQUIRED to fill out this form.

Submit this form to the City of Providence MBE/WBE Outreach Director, Grace Diaz, at gdiaz@providenceri.gov, for review **prior to bid submission**. This waiver applies only to the current bid which you are submitting to the City of Providence and does not apply to other bids your company may submit in the future. **In case a waiver is needed, City Department Directors should not recommend a bidder for an award if this form is not included, absent or is not signed by the city of Providence MBE/WBE director.**

Prime Bidder: _____ Contact Email and Phone _____
 Company Name, Address: _____ Trade _____
 Project /Item Description (as seen on RFP): _____

To receive a waiver, you must list the certified MBE and/or WBE companies you contacted, the name of the primary individual with whom you interacted, and the reason the MBE/WBE company could not participate on this project.

MBE/WBE Company Name	Individual's Name	Company Name	Why did you choose not to work with this company?

I acknowledge the City of Providence's goal of a combined MBE/WBE participation is 20% of the total bid value. I am requesting a waiver of _____ % MBE/WBE (20% minus the value of **Box F** on the Subcontractor Disclosure Form). If an opportunity is identified to subcontract any task associated with the fulfillment of this contract, a good faith effort will be made to select MBE/WBE certified businesses as partners.

 Signature of Prime Contractor /
 or Duly Authorized Representative

 Printed Name

 Date Signed

 Signature of City of Providence
 MBE/WBE Outreach Director /
 or Duly Authorized Representative

 Printed Name of City of Providence
 MBE/WBE Outreach Director

 Date Signed

FOR CONSTRUCTION PROJECTS

APPRENTICE REQUIREMENTS (Construction Projects Valued at \$100,000 or More).

Attention of prospective bidders is called to the fact that this project is to be bid upon and executed under the City of Providence Code of Ordinances Chapter 21 Art. II Section 21-28.1 c(1) and (2) related to utilizing apprentices in the contract. This ordinance outlines requirements for utilizing not less than 15% of total hours worked by apprentices. The City may lower this percentage only if it determines in writing that compliance is not feasible or that it would be unduly cost prohibitive to the project. The attention of prospective bidders is also called to the fact that reporting the efforts undertaken and progress towards achieving the requirements in this ordinance is a condition for payment. Compliance reporting shall be submitted with any contract payment requisition, in a format to be specified by the City. This demonstration of compliance through such reports shall be a condition of the requisition for payment to be processed. Upon the contract being awarded to the successful bidder, a mandatory meeting will be scheduled to review the project requirements relative to apprenticeship requirements and the process and protocols by which these goals will be achieved. At this meeting, specific forms and procedures for the documentation and achievement of these requirements by the successful bidder will be provided, discussed and agreed upon for the execution of the contract.

“FIRST SOURCE” REQUIREMENTS.

Attention of prospective bidders is called to the fact that this project is to be bid upon and executed under the City of Providence Code of Ordinances Chapter 21 Art. III 1/2 First Source Agreements Sec. 21-91 through 21-96. This ordinance outlines requirements for hiring Providence residents to work on this project. The City may waive this requirement only upon a determination in writing that qualified residents of Providence are not available for the project, pursuant to Sec. 21-94(e). The attention of prospective bidders is called to the fact that reporting the efforts undertaken and progress towards achieving the requirements in this ordinance is a condition for payment. Compliance reporting shall be submitted with any contract payment requisition, in a format to be specified by the City. This demonstration of compliance through such reports shall be a condition of the requisition for payment to be processed. Upon the contract being awarded to the successful bidder, a mandatory meeting will be scheduled to review the project requirements relative to the First Source Agreements and the process and protocols by which these goals will be achieved. At this meeting, specific forms and procedures for the documentation and achievement of these requirements by the successful bidder will be provided, discussed, and agreed upon for the execution of the contract.

SUPPLEMENTAL INFORMATION

If the issuing department for this RFP determines that your firm's bid is best suited to accommodate their need, you will be asked to provide proof of the following prior to formalizing an award.

An inability to provide the outlined items at the request of the department may lead to the disqualification of your bid.

*This information is **NOT** requested to be provided in your initial bid that you will submit to the City Clerk's office by the "date to be opened" noted on page 1. This list only serves as a list of items that your firm should be ready to provide on request.*

All bids submitted to the City Clerk become public record. Failure to follow instructions could result in information considered private being posted to the city's Open Meetings Portal and made available as a public record.

You must be able to provide:

- Business Tax ID will be requested after an award is approved by the Board of Contract and Supply.
- Proof of Insurance.
- Certificate of Good Standing with the Rhode Island Secretary of State.



**BOARD OF CONTRACT AND SUPPLY
CITY OF PROVIDENCE, RHODE ISLAND**

CITY OF PROVIDENCE STANDARD TERMS & CONDITIONS

1. The terms “you” and “your” contained herein refer to the person or entity that is a party to the agreement with the City of Providence (“the City”) and to such person’s or entity’s employees, officers, and agents.
2. The Request For Proposals (“RFP”) and these Standard Terms and Conditions together constitute the entire agreement of the parties (“the Agreement”) with regard to any and all matters. By your submission of a bid proposal or response to the City’s RFP, you accept these Standard Terms & Conditions and agree that they supersede any conflicting provisions provided by bid or in any terms and conditions contained or linked within a bid and/or response. Changes in the terms and conditions of the Agreement, or the scope of work thereunder, may only be made by a writing signed by the parties.
3. You are an independent contractor and in no way does this Agreement render you an employee or agent of the City or entitle you to fringe benefits, workers’ compensation, pension obligations, retirement or any other employment benefits. The City shall not deduct federal or state income taxes, social security or Medicare withholdings, or any other taxes required to be deducted by an employer, and this is your responsibility to yourself and your employees and agents.
4. You shall not assign your rights and obligations under this Agreement without the prior written consent of the City. Any assignment without prior written consent of the City shall be voidable at the election of the City. The City retains the right to refuse any and all assignments in the City’s sole and absolute discretion.
5. Invoices submitted to the City shall be payable sixty (60) days from the time of receipt by the City. Invoices shall include support documentation necessary to evidence completion of the work being invoiced. The City may request any other reasonable documentation in support of an invoice. The time for payment shall not commence, and invoices shall not be processed for payment, until you provide reasonably sufficient support documentation. In no circumstances shall the City be obligated to pay or shall you be entitled to receive interest on any overdue invoice or payment. In no circumstances shall the City be obligated to pay any costs associated with your collection of an outstanding invoice.
6. For contracts involving construction, alteration, and/or repair work, the provisions of applicable state labor law concerning payment of prevailing wage rates (R.I. Gen. Laws §§ 37-13-1 et seq., as amended) and the City’s First Source Ordinance (Providence Code of Ordinances §§ 21-91 et seq., as amended) apply.
7. With regard to any issues, claims, or controversies that may arise under this Agreement, the City shall not be required to submit to dispute resolution or mandatory/binding arbitration. Nothing prevents the parties from mutually agreeing to settle any disputes using mediation or non-binding arbitration.
8. To the fullest extent permitted by law, you shall indemnify, defend, and hold harmless the City, its employees, officers, agents, and assigns from and against any and all claims, damages, losses, allegations, demands, actions, causes of action, suits, obligations, fines, penalties, judgments, liabilities, costs and expenses, including but not limited to attorneys’ fees, of any nature whatsoever arising out of, in connection with, or resulting from the performance of the work provided in the Agreement.
9. You shall maintain throughout the term of this Agreement the insurance coverage that is required by the RFP or, if none is required in the RFP, insurance coverage that is considered in your industry to be commercially reasonable, and you agree to name the City as an additional insured on your general liability policy and on any umbrella policy you carry.
10. The City shall not subject itself to any contractual limitations on liability. The City shall have the time permitted within the applicable statute of limitations, and no less, to bring or assert any and all causes of action, suits, claims or demands the City may have arising out of, in connection with, or resulting from the performance of the work provided in the Agreement, and in no event does the City agree to limit your liability to the price of the Agreement or any other monetary limit.
11. The City may terminate this Agreement upon five (5) days’ written notice to you if you fail to observe any of the terms and conditions of this Agreement, or if the City believes your ability to perform the



**BOARD OF CONTRACT AND SUPPLY
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terms and conditions of this Agreement has been materially impaired in any way, including but in no way limited to loss of insurance coverage, lapsing of a surety bond, if required, declaration of bankruptcy, or appointment of a receiver. In the event of termination by the City, you shall be entitled to just and equitable compensation for any satisfactory work completed and expenses incurred up to the date of termination.

12. Written notice hereunder shall be deemed to have been duly served if delivered in person to the individual or member of the firm or entity or to an officer of the entity for whom it was intended, or if delivered at or sent by registered or certified mail to the last business address known by the party providing notice.
13. In no event shall the Agreement automatically renew or be extended without a writing signed by the parties.
14. You agree that products produced or resulting from the performance of the Agreement are the sole property of the City and may not be used by you without the express written permission of the City.
15. For any Agreement involving the sharing or exchange of data involving potentially confidential and/or personal information, you shall comply with any and all state and/or federal laws or regulations applicable to confidential and/or personal information you receive from the City, including but not limited to the Rhode Island Identity Theft Protection Act, R.I. Gen. Laws § 11-49.3-1, during the term of the Agreement. You shall implement and maintain appropriate physical, technical, and administrative security measures for the protection of, and to prevent access to, use, or disclosure of, confidential and/or personal information. In the event of a breach of such information, you shall notify the City of such breach immediately, but in no event later than twenty-four (24) hours after discovery of such breach.
16. The Agreement is governed by the laws of the State of Rhode Island. You expressly submit yourself to and agree that any and all actions arising out of, in connection with, or resulting from the performance of the Agreement or relationship between the parties shall occur solely in the venue and jurisdiction of the State of Rhode Island or the federal court located in Rhode Island.
17. The failure of the City to require performance of any provision shall not affect the City's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself.
18. If any term or provision of this Agreement, or the application thereof to any person or circumstance shall, in any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision shall be valid and enforceable to the fullest extent permitted by law.

I. INTRODUCTION

General Information

The City of Providence is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2025, June 30, 2026 and June 30, 2027. These audits are to be performed in accordance with generally accepted auditing standards, the standards for financial audits set forth in the Government Accountability Office's (GAO) Government Auditing Standards issued by the Comptroller General of the United States, the provisions of the federal Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) - Subpart F – Audit Requirements.

The Providence School Department implemented the Uniform Chart of Accounts (UCOA). The auditors engaged to perform the annual audit of the District shall also be engaged to report on their tests of compliance with the School UCOA requirements in an agreed-upon procedures compliance attestation format.

There is no expressed or implied obligation for the City of Providence to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Questions and inquiries concerning this Request for Proposal (RFP) shall be submitted via email to Gina M. Costa, Internal Auditor, at gcosta@providenceri.gov. In order for a firm to be considered, four copies of the proposal must be received by the City Clerk's Office, Room 311, and Providence City Hall **no later than 2:00 PM on April 7, 2025**. Proposals will be opened publicly on **April 7, 2025** at 2:15PM in Room 305 at Providence City Hall. The City reserves the right to reject any or all submitted proposals.

The City of Providence must perform an evaluation of all audit firms that respond to this RFP. In accordance with Rhode Island General Laws (RIGL) Section 45-10-4, the City of Providence must submit a copy of this evaluation grid, along with a copy of the proposal from the audit firm selected, to the Auditor General.

Approved proposals will be evaluated by a three-member Selection Committee consisting of the Internal Auditor, City Controller and City Treasurer.

During the evaluation process, the Selection Committee and the City of Providence reserve the right, where it may serve the City of Providence's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors

and omissions. At the discretion of the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of Providence reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Providence and the firm selected.

It is anticipated the selection of a firm will be completed May 5, 2025. Following the notification of the selected firm it is expected a contract will be executed between both parties by June 30, 2025.

Any representations made with the submission will be relied upon and if proven to be false will be grounds for termination of the contract, if awarded. False representations will also be grounds for forfeiture of all payments under the contract. This will not limit the municipality from seeking any other legal or equitable remedies.

Term of Engagement

A three-year contract is contemplated, subject to the satisfactory negotiation of terms (including a price acceptable to both the City of Providence and the selected firm), the concurrence of the City of Providence City Council and the annual availability of an appropriation.

Continuation beyond the initial fiscal year of the three-year contract will be at the discretion of the municipality.

II NATURE OF AUDIT SERVICES REQUIRED

General

The City of Providence is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2025, June 30, 2026 and June 30, 2027. These audits are to be performed in accordance with the provisions contained in this RFP.

Scope of Work to be performed

The City of Providence desires the auditor to express an opinion on the fair presentation of its basic financial statements, which will include government-wide financial statements, fund financial statements, and notes to the financial statements in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures, as required by generally accepted auditing standards, involving required supplementary information mandated by the Governmental Accounting Standards Board.

Required Supplementary Information shall include:

- Management's Discussion and Analysis
- Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
- Schedules related to defined benefit pension plans and OPEB plans, if applicable

The City also desires the auditor to express an "in-relation-to" opinion on the supplementary financial statements and schedules based on the auditing procedures applied during the audit of the basic financial statements.

Supplementary financial statements, schedules and information shall include:

- Combining fund financial statements shall be presented as supplementary information for all non-major governmental funds. Each non-major fund (included within the Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds) shall be presented as separate columns in the combining fund financial statements. Similarly, combining financial statements shall also be presented for each of the other fund types when there is more than one internal service fund, enterprise fund, and fiduciary fund.
- Combining financial statements shall be presented for the General Fund when separate funds are maintained within the accounting system but the funds do not qualify as special revenue funds, in accordance with generally accepted accounting principles, and are merged with the General Fund for financial reporting purposes.

An audit of major programs shall be performed in accordance with the criteria outlined in OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F – Audit Requirements.

- The auditors shall audit major programs as required by OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) - Subpart F – Audit Requirements and express an opinion on compliance for each major program.
- Major programs shall be determined in accordance with guidance provided in OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) - Subpart F – Audit Requirements.

- The auditor is not required to audit the supplementary schedule of expenditures of federal awards. However, the auditor is to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

Other schedules may be required by the City and/or the State of Rhode Island Director of Revenue, Auditor General, and Department of Education or as required by the applicable section of the general laws such as, Rhode Island General Laws Section (RIGL) 45-10-6 (Contents of Audit Report).

- The Tax Collector’s Annual Report shall be presented within Other Supplementary Information to meet the requirements of RIGL 45-10-6 for additional information to the basic financial statements. The Tax Collector’s Annual report should be presented in accordance with the revised format requirements of the RI Department of Revenue - Division of Municipal Finance (contact the Division for the most current template). The auditors engaged to audit the municipality’s financial statements shall also report on the Tax Collector’s Annual Report, as supplementary information (“fairly presented in relation to the municipality’s basic financial statements”).
- Municipal Transparency Portal (MTP) - Enacted legislation amended Rhode Island General Laws §45-12-22.2 and §44-35-10 to improve required reporting by creating the Municipal Transparency Portal (MTP) which will represent a centralized location for municipal financial information. Each municipality shall include their Annual Supplemental Transparency Report, MTP2, within their annual audited financial statements. This requires one schedule that includes (1) municipal reportable government services and (2) all school services (consistent with RIDE UCOA requirements). The Annual Supplemental Transparency Report, MTP2, included within the annual audit report shall also include reconciliation to the amounts included in the fund level financial statements.

The auditors engaged to audit the municipality’s financial statements shall also report on the Annual Supplemental Transparency Report (including the reconciliations), MTP2, as supplementary information (“fairly presented in relation to the municipality’s basic financial statements”).

Auditors are not required to opine on the municipality’s determination of “reportable government services” (RGS) as defined in Section 2.1 of the Municipal Transparency Portal Implementation Guidance. The municipality will make the determination of “reportable government services” for inclusion in the various reports required to be submitted through the municipal transparency portal. However, auditors will be expected to review the reconciliations as part of the Annual Supplemental Transparency Report, MTP2, (required for inclusion in the audited financial statements as

supplementary information) to assess the inclusion of amounts reported which are not within the municipality's or school's general fund.

The format of the required MTP schedules and related reconciliations, as well as, the typical timeline for filing of the annual municipal data report and coordination with annual financial statement audit, are detailed in the MTP Implementation Guidance (available on the RI Division of Municipal Finance website: [Municipal Transparency Portal | RI Division of Municipal Finance](#)).

The Independent Auditor's Report shall include reference to the Annual Supplemental Transparency Report, MTP2, as supplementary information. See the Municipal Transparency Portal Implementation Guidance for additional information.

Auditing standards to be followed

To meet the requirements in this RFP, the audit shall be performed in accordance with generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the U.S. Government Accountability Office's *Government Auditing Standards* issued by the Comptroller General of the United States, the provisions of the Single Audit Act of 1984 (as amended in 1996) and the provisions of U.S. Office of Management and Budget (OMB) Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) - Subpart F – Audit Requirements.

Reports to be issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall report on:

1. The fair presentation of the financial statements in conformity with generally accepted accounting principles based upon an audit performed in accordance with generally accepted auditing standards and Government Auditing Standards. The auditor shall also make reference to, but not opine on, required supplementary information consistent with reporting guidance in the applicable AICPA Audit Guide.
2. Supplementary financial statements, schedules and information, are fairly stated in all material respects in relation to the basic financial statements as a whole.
 - The supplementary information shall include combining fund financial statements (and if applicable, General Fund combining financial statements), the Annual Supplemental Transparency Report (MTP2, including the reconciliations), and the Tax Collector's Annual Report.

3. Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with Government Accounting Standards.
 - In the required reports on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
 - Significant conditions that are also material weaknesses shall be identified as such in the report. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. Other matters, for example, control deficiencies that are not significant deficiencies or material weaknesses discovered by the auditors shall be reported in a separate letter to management. The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in the management letter.
4. Reports and summaries related to federal financial assistance as required by OMB Guidance (the auditor should refer to applicable OMB guidance in effect and the applicable AICPA Audit Guide for reporting guidance) and complete SF-SAC Data Collection Form to be submitted in accordance with the current method of submission for Single Audit reporting packages (per OMB public Notice), to the Federal Audit Clearinghouse Internet Data Entry System.
5. The supplementary schedule of expenditures of federal awards (SEFA) - the auditor is to provide an "in-relation-to" opinion on the SEFA, based on the auditing procedures applied during the audit of the financial statements.
6. Other reports that may be requested by the City of Providence, the Director of Revenue and/or Auditor General or as required by the applicable section of the general laws.

The management letter should include comments, and/or recommendations beyond those included in the reports, such as:

- i. Policies, procedures and practices employed by the municipality
- ii. Control deficiencies that are not significant deficiencies or material weaknesses
- iii. Use of resources to provide a governmental service in a reasonable, judicious, economical, and efficient manner
- iv. Compliance with state laws pertaining to the municipality and with rules and regulations established by the municipality

Fraud and illegal acts: Auditors shall be required to make an immediate, written report of all fraud and illegal acts or indications of illegal acts of which they become aware to the following parties: (1) the Mayor, (2) the City Council Finance Committee Chairperson, (3) the City Solicitor, (4) the Internal Auditor, and (5) the Finance Director.

Auditors shall assure themselves that the City Council is informed of each of the following:

1. The auditor's responsibility under generally accepted auditing standards
2. Significant accounting policies
3. Significant audit adjustments
4. Disagreement with management
5. Major issues discussed with management prior to retention
6. Difficulties encountered in performing the audit

Special considerations

1. The City of Providence currently anticipates it will prepare one of more official statements in connection with the sale of debt securities, which will contain the financial statements and the auditor's report thereon. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".
2. The City of Providence has determined that the United States Department of Housing and Urban Development will function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended 1996) and U.S. Office of Management and Budget (OMB) *Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Subpart F – Audit Requirements*.
3. The Schedule of Expenditures of Federal Awards and related auditor's report, as well as the reports on compliance and internal controls are not to be

included in the annual comprehensive financial report (ACFR), but are to be issued separately.

Audit Documentation retention and access to Audit Documentation

All audit documentation and reports must be retained, at the auditor's expense, for a minimum of five years, unless the firm is notified in writing by the City of Providence of the need to extend the retention period. The auditor will be required to make audit documentation available, upon request, to the following parties or their designees:

- City of Providence
- Rhode Island State Auditor General
- United States Department of Housing and Urban Development
- U. S. Government Accountability Office (GAO)
- Parties designated by the federal or state governments of by the City of Providence as part of an audit quality review process
- Auditors of entities of which the City of Providence is a sub-recipient of grant funds

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review audit documentation relating to matters of continuing accounting significance.

As required by Section 45-10-4 of the RI General Laws, it is understood that the contract between the City of Providence and the audit firm shall require the auditor or the audit firm to release any and all information obtained in the course of the engagement to the Rhode Island State Auditor General (or his designee). This information includes but is not limited to financial data, analysis, audit documentation, and memorandum. Audit documentation of independent auditors shall be made available to the Auditor General (or his designee) upon request. The request for such information by the Auditor General shall be responded to promptly. Failure to provide this information shall constitute a breach of contract, and the contract shall give the Auditor General standing in a court of competent jurisdiction to enforce this provision.

Upon completion of the audit, all working papers and lead schedules shall be provided to the City of Providence electronically.

III NATURE OF AGREED-UPON PROCEDURES SERVICES REQUIRED

The Providence School Department implemented the Uniform Chart of Accounts (UCOA) as promulgated by the Auditor General and Commissioner of Education in accordance with Rhode Island General Law 16-2-9.4. Each municipal school district, regional school district, collaborative, or charter school, which is required to adopt the

UCOA, shall have additional compliance testing procedures designed to assess compliance with UCOA requirements and the entity's effectiveness of internal control over compliance with those requirements.

See Appendix F for the agreed-upon procedures. Please note that the agreed-upon procedures may be subject to subsequent modification.

Five copies of the final agreed-upon procedures report on the School Department's compliance with the Uniform Chart of Accounts shall be delivered to the Internal Auditor's Office.

Auditors should have performed the test work necessary to complete the UCOA Agreed-Upon Procedures before issuing the audit report. The agreed-upon procedures report shall be provided along with the audited financial statements to the Rhode Island Department of Education and the Office of the Auditor General at the conclusion of the annual audit or the revised timeline established by the Rhode Island Department of Education and the Office of the Auditor General.

IV DESCRIPTION OF THE GOVERNMENT

Background Information

The City of Providence serves an area of approximately 18 square miles with a population of approximately 181,000. The City's fiscal year begins on July 1st and ends on June 30th.

The City operates under a Home Rule Charter adopted in November 1980, providing for a Mayor-Council form of government with a 15-member City Council. The City Charter became fully effective on January 3, 1983. The voters of the City elect the mayor to a four-year term of office. The mayor supervises preparation on the annual City budget, which is presented, to the City Council for its approval. The mayor is authorized to approve or veto any ordinance passed by the City Council. The mayor also appoints all department heads and most members of the agencies, boards and commissions, which directly affect the City operations. The mayor also serves as ex-officio on many of these bodies.

Members of the City Council are elected for a term of four years concurrent with that of the mayor. One member is elected from each of the city's fifteen wards. The City Council passes ordinances within the scope of powers defined in the City Charter and its major responsibility is passage of the City's annual budget. The City Council may amend or alter the budget before passage, subject to the requirement of Rhode Island law that the budget be balanced when adopted. The mayor has a line-item veto. The city's total payroll is approximately \$360 million, covering approximately 5,165 employees.

The City of Providence is organized into numerous departments and agencies. The accounting and financial reporting functions of the City of Providence are decentralized.

More detailed information on the government, services provided, and its finances can be found in Budget Documents and Official Statements, as well as the city’s website at providenceri.com/finance.

Fund Structure

The City of Providence uses the following fund types and account groups in its financial reporting

Fund Types	Individual Funds	Legally Adopted Annual Budgets
GENERAL	1	1
SPECIAL REVENUE	83	1
CAPITAL PROJECTS	11	
PERMANENT TRUST	23	
ENTERPRISE FUNDS	3	3
INTERNAL SERVICE	3	
PRIVATE PURPOSE	5	
PENSION FUND	1	

Federal and State Awards

A list of all federal and state awards, along with the applicable Catalog of Federal Domestic Assistance number are available as part of the Single Audit Report for the Fiscal Year Ended June 30, 2023.

Pension Plan

The City of Providence participates in a non-qualified defined benefit plan, which is not subject to ERISA rules. Actuarial services for the plan are provided by Bolton Partners, Inc.

Component Units

A list of the component units is available as part of the Audit Report for the fiscal year June 30, 2024

Magnitude of Finance Operations

The finance department is headed by Sara Silveria, Finance Director, and consists of 57 employees. The principal functions performed include Budget, accounting, payroll, benefits, retirement, assessment, collection, and Recorder of Deeds.

Computer Systems

HARDWARE			
Type of Equipment	Number Networked	Make of Equipment	Networked
Server		1 Dell R710	Yes
Client	Many	Dell OC	Yes

SOFTWARE		
Description	Vendor	Major Applications
Financials Suite	Lawson Software Inc	AP, AR, GL, Asset Mgt.
Procurement Suite	Lawson Software Inc	Purchasing
Human Resources Suite	Lawson Software Inc	Payroll, Personnel/Benefits Admin
Land Management	Govern Software Inc	Tax Billing, Collection, Assessments

DATABASE		
Type	Uses	Access
Microsoft SQL Server	See above applications	Internal, based on need

Internal Audit Function

The City Council maintains an internal audit function. The internal audit function reports to the City Council and is funded for three employees.

Availability of Prior Audit Reports

Interested proposers who wish to review prior years’ audit reports and management letters should contact Gina M. Costa, Internal Auditor, at gcosta@providenceri.gov.

V. TIME REQUIREMENTS

Proposal Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for Proposal Issued/Advertised	Friday, February 14, 2025
Due Date for Proposals	Monday, April 7, 2025
Selected Firm Notification	Monday, May 5, 2025
Contract Date	June 30, 2025

Audit Commencement Date

The City of Providence City Controller’s Office shall discuss this matter with the successful bidder.

Schedule for the June 30, 2025 Fiscal Year Audit

(A similar time schedule will be developed for audits of future fiscal years)

The auditor should complete each of the following no later than the dates indicated.

1. Detailed Audit Plan: The auditor shall provide the City of Providence by July 31, 2025, both a detailed audit plan and a list of all schedules to be prepared by the City of Providence.
2. Interim Work: The auditor shall complete interim work by August 31, 2025.
3. Fieldwork: The auditor shall complete all fieldwork by November 11, 2025.

4. Draft Reports: The auditor shall have drafts of the audit report(s) and recommendations to management available for review by the city's internal auditor, city controller and city treasurer by December 15, 2025.

Date final report is due

The City Controller's Office shall prepare draft financial statements, notes and all required supplementary schedules. The auditor shall provide all recommendations, revisions and suggestions for improvement. The final report and 30 signed copies should be delivered to the Internal Auditor's Office, Room 307, Providence City Hall, no later than December 31, 2025.

Under Section 45-10-5 of the General Laws of the State of Rhode Island, the City of Providence must file the final audit with the State Auditor General and State Director of Revenue, within six (6) months, after the close of the fiscal year. A copy of the management letter and final written correspondence between the audit firm and those charged with governance (e.g. Statement on Auditing Standards – The Auditor's Communication with Those Charged with Governance) shall also be delivered to the State Auditor General.

VI. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

Finance Department

The finance department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the City of Providence and the auditor.

Electronic Data Processing (EDP) Assistance

EDP personnel will also be available to provide systems documentation and explanations. The auditor will not be provided computer time and the use of the City of Providence's computer hardware and software.

Statements and schedules to be prepared by the staff of the city of Providence

The staff of the City of Providence will prepare the statements and schedules for the auditor, which will be discussed during the pre-conference meeting.

Work Area, telephones, photocopying and fax machines

The City of Providence will provide the auditor with reasonable workspace, desks, and chairs. The auditor will also be provided with access to telephone lines, photocopying facilities and fax machines.

Report Preparation

Report preparation, based on trial balances as prepared and provided by the City, editing and printing shall be the responsibility of the auditor.

VII. PROPOSAL REQUIREMENTS

General Requirements

1. Inquiries/Questions:

Inquiries and questions regarding anything concerning this RFP or the bid process must be emailed to Gina M. Costa Internal Auditor, at gcosta@providenceri.gov on or before the close of normal business hours on March 24, 2025.

2. Submission of Proposals:

The following material is required to be received by the City Clerk's Office, Room 311, Providence City Hall by 2:15 PM on April 7, 2025 for a proposing firm to be considered:

- a. A master copy (so marked) of a technical Proposal and three copies to include the following:

- i. Title page

Title page showing the RFP subject; the firm's name; the name, address and telephone of the contract person; and the date of the proposal.

- ii. Table of contents

- iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be the best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for the three (3) year period.

- iv. Detailed Proposal

1. The detailed proposal should follow the order set forth in Section VII 2 of this RFPs,
- v. Executed copies of Proposer Guarantees and Proposers Warranties, attached to this RFP (Appendix C and Appendix D)
- b. The Proposer shall submit an original and three copies of a dollar cost bid in a separate sealed envelope marked as follows:

SEALED DOLLAR COST BID PROPOSAL
FOR CITY OF PROVIDENCE
FOR PROFESSIONAL AUDITING SERVICES &
AGREED-UPON PROCEDURES SERVICES
FISCAL YEARS ENDING JUNE 30, 2025 THRU JUNE 30, 2027

- c. Proposers should send the completed proposal consisting of the two separate envelopes to the following address:

City of Providence
25 Dorrance Street
Board of Contract & Supply
City Clerk's Office, Room #303
Providence, RI 02903

Technical Proposal

1. *General Requirements:* The purpose of the Technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the City of Providence in conformity with the requirements of this RFP. As such, the substance of proposal will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the RFPs requirements.

THERE SHOULD NOT BE DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The Technical Proposal should address all the points outlined in the RFPs (excluding any cost information which should only be included in the sealed dollar cost bid). The Proposal should be prepared simply and economically,

providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFPs. While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. *Independence:* The firm shall provide an affirmative statement that it is independent of the City of Providence as defined by the American Institute of Certified Public Accountants and Government Auditing Standards.

The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the City of Providence of any of its [agencies/agencies or component units/agencies, component units or primary government] for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

The firm shall identify any sub-contractors, co-proposers, or other entity that will be used to provide the professional services sought by the request for proposal.

In addition, the firm shall give the City of Providence written notice of any professional relationships entered into during the period of this agreement.

3. *License to Practice in Rhode Island:* An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in Rhode Island.
4. *Firm Qualifications and Experience:* The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review report with a statement whether that quality control review included a review of specific government engagements, and also submit the results of any subsequent review performed during the term of the contract.

Representation that the private auditor is familiar with generally accepted accounting principles for state and local government units and with the generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants; the standards for financial audits set forth in *Government Auditing Standards* issued by the Comptroller General of the United States; the Single Audit Act of 1984 as amended in July 1996 and the provisions of OMB Guidance 2 CFR part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) - Subpart F – Audit Requirements and will conduct the audit and will report in accordance with those standards.

The firm shall also provide information on the results of any federal or state desk reviews or filed reviews of its audits during the past three (3) YEARS. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm with state regulatory bodies or professional organizations.

The firm shall provide a list of any professional complaints pending or resolved against the firm or any of its partners with the state boards of accountancy, or any self-regulatory, professional or government authority including but not limited to the AICPA, or Rhode Island Board of Accountancy.

The firm must provide information regarding lawsuits or claims against the firm, pending or resolved.

The firm must provide a written representation of the amount and type of professional liability coverage. The audit firm shall have at the time of proposal, and throughout the period of engagement, professional liability insurance coverage of not less than \$1 million.

5. *Partner, Supervisory and Staff Qualifications and Experience*: Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Rhode Island. The senior accountant in charge of fieldwork shall be a certified public accountant. Provide information on the government auditing experience of each person, including information on meeting continuing professional education requirements of *Government Auditing Standards* and other relevant continuing

professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm shall make representation that any sub-contractors, co-proposers, or any other entity providing professional services under the engagement will be subject to, and will have met, all the same applicable requirements as the proposer. The firm and individual responsible for planning, directing, conducting substantial portions of the fieldwork, or reporting on government audits shall meet the continuing education requirements of Government Auditing Standards issued by the Comptroller General of the United States.

The firm shall make representation that it has an appropriate internal quality control system in place and participated in an external quality control review program as required by Government Auditing Standards. The firm must submit a copy of the most recent external quality control review report and also submit the results of any subsequent review performed during the term of the contract shall be provided to the municipality engaging the auditor.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of City of Providence. However, in either case, the City of Providence retains the right to approved or reject replacements.

Consultants and firm specialists mentioned in response to this RFP can only be changed with the express prior written permission of the City of Providence, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. *Prior Engagements with the City of Providence:* List separately all engagements within the last five years, ranked on the basis of total staff hours, for the City of Providence by type of engagement (i.e. audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. *Similar Engagements with Other Government Entities:* For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this RFP. These engagements should be ranked on the basis of total staff hours. An interested firm should have been engaged with at least 2 audits of government entities of greater or equal to the characteristics of the City of Providence (i.e. Population, Number of Employees, Budget, etc.). Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. *Specific Audit Approach:* The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this RFP. In developing the work plan, reference should be made to such sources of information as City of Providence's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- i. Proposed segmentation of the engagement
 - ii. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- COST INFORMATION SHOULD NOT BE INCLUDED IN THE TECHNICAL PROPOSAL**
- iii. Sample size and the extent to which statistical sampling is to be used in engagement
 - iv. Extent of the use of EDP software in the engagement
 - v. Approach to be taken to gain and document an understanding of the City of Providence's internal control structure

- vi. Approach to be taken in determining laws and regulations that will be subject to audit test work
 - vii. Approach to be taken in drawing audit samples for purposes of tests of compliance
9. *Identification of Anticipated Potential Audit Problems:* The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City of Providence.
10. *Report Format:* The proposal should include sample formats for required reports.

**COST INFORMATION SHOULD NOT BE INCLUDED IN THE
TECHNICAL PROPOSAL**

Sealed Dollar Cost Bid

1. *Total All-Inclusive Maximum Price:* The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this RFP. The dollar cost bid should specifically identify the fee for the audit services and the fee for the agreed-upon procedures. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

The City of Providence will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

- Name of Firm
- Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City of Providence.

- A Total All-Inclusive maximum Price for each fiscal year’s engagement.
2. *Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each:* The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix E) that supports the total all-inclusive maximum price. The cost of special services described in Section II and Section III of this RFP should be disclosed as separate components of the total all-inclusive maximum price.
 3. *Rates for Additional Professional Services:* If it should become necessary for City of Providence to request the auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in addendum to the contract between City of Providence and the firm. Any such additional work agreed to between the City of Providence and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

In accordance with Government Auditing Standards, if the firm provides non-audit services, it must evaluate whether providing the services creates independence impairment with respect to the audit of the City of Providence.

4. *Manner of Payment:* Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm’s dollar cost bid proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm’s final reports.

VIII. EVALUATION PROCEDURES

Selection Committee

A three member Selection Committee consisting of the Internal Auditor, City Controller, and City Treasurer will evaluate proposal submitted.

1. Review of Proposals

The Selection Committee will use a point formula during the review process to score proposals. Each member of the Selection Committee will first score each technical proposal by each of the criterial described below. The full Selection Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm. At this point, firms with and unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical scored based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price. Appropriate fractional scores will be assigned to other proposers.

The City of Providence reserved the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

Evaluation Criteria

Proposal will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposal evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria that will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Rhode Island
- b. The firm has not conflict of interest regarding any other work performed by the firm for the City of Providence
- c. The firm adheres to the instructions in this RFP on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report, and the firm has record of quality audit work.

2. Technical Quality:

- a. Expertise and Experience
 - i. The firm's past experience and performance on comparable government engagements

- ii. The quality of the firm’s professional personnel to be assigned to the engagement and the quality of the firm’s management support personnel to be available for technical consultation.

b. Audit Approach

- i. Adequacy of proposed staffing plan for various segments of the engagement
- ii. Adequacy of sampling techniques
- iii. Adequacy of analytical procedures

3. Price:

Proposals will be evaluated using the following scoring weights resulting in a maximum score of 100 points:

	Maximum points
Overall qualifications and experience of the firm and the specific engagement personnel to be assigned focusing on experiences with governmental entities and the specific line of business or services provided by the entity to be audited.	40
Overall audit approach and audit strategy described/outlined in the proposal and firm capacity to perform the engagement within the specified timeframe (prior experience of the firm in meeting timelines should be factored in here)	30
Audit fees - See formula for points awarded for audit fees (*) 30	30
Maximum evaluation points 100	100

* Evaluation technique – audit fees

Audit fee score = (lowest qualified bid/bid for firm being evaluated) X 30 points

Example: Assuming 3 bids received were: (firm A) - \$40,000, (firm B) - \$46,000, (firm C) - \$50,000

- Firm A (the lowest bidder) - awarded 30 points $\$40,000/\$40,000 \times 30$ points = 30
- Firm B - awarded 26 points $\$40,000/\$46,000 \times 30$ points = 26
- Firm C - awarded 24 points $\$40,000/\$50,000 \times 30$ points = 24

An evaluation grid will be prepared summarizing the scoring by each member of the evaluation committee and the composite ranking. If any firm is disqualified and therefore not evaluated, the reason for such action shall be documented.

COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

Oral presentations

During the evaluation process, the Selection Committee may, at its discretion request any one or all firms to make oral presentations. Such presentations will provide Firms with an opportunity to answer any question the Selection committee may have on a firm's proposal. Not all firms may be asked to make such oral presentation.

Final selection

The City Council will select a firm based upon the recommendation of the Selection Committee.

It is anticipated that a firm will be selected by May 13, 2025. Following notification of the firm selected, it is expected a contract will be executed between both parties by June 30, 2025.

Right to reject proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Providence and the firm selected

The City of Providence reserves the right without prejudice to reject or modify any or all proposals.

APPENDICES

- A. June 30, 2025 Budget
- B. Audited Financial Statements for Fiscal Year Ended June 30, 2024
- C. Proposer Guarantees
- D. Proposer Warranties
- E. Format for Schedule of Professional Fees and Expenses to Support the Total All Inclusive Maximum Price
- F. Uniform Chart of Accounts Agreed-Upon Procedures

Appendix A

The city's annual budget for the fiscal year ending June 30, 2025 can be viewed at: [FY25 Adopted Online Budget Book](#)

Appendix B

The City's ACFR for the fiscal year ending June 30, 2024 can be viewed at <https://www.providenceri.gov/wp-content/uploads/2025/01/Signed-Final-Report-and-Financial-Statements.pdf>.

Appendix C

Proposer Guarantees

The proposer certifies it can and will provide and make available, as a minimum, all services set forth in Section II, Nature of Audit Services Required and Section III, Nature of Agreed-Upon Procedures Services.

Signature of Official: _____

Name (printed): _____

Title: _____

Firm Name: _____

Date: _____

Appendix D

Proposer Warranties

- a. Proposer warrants that it is willing and able to comply with State of Rhode Island laws with respect to foreign (non-state of Rhode Island) corporations.
- b. Proposer warrants that it is willing to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- c. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the City of Providence.
- d. Proposer warrants that all information provided by it in connection with this proposal is true and accurate

Signature of Official: _____

Name (printed): _____

Title: _____

Firm Name: _____

Date: _____

APPENDIX E
Schedule of Professional Fees & Expense
 Page 1

Schedule of Professional Fees & Expenses for the Audit of FY2025 Financial Statements					
Year 1					
	Audit Hours	AUP Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	_____	_____	_____	_____
Managers	_____	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____	_____
Staff	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____	_____
Total for services describe in Section II of this RFP (Details on subsequent page)					_____
Out of Pocket Expenses:					
Meals & Lodging:				_____	
Transportation:				_____	
Other (specify):				_____	
Total all-inclusive maximum price for (year) audit:					_____
Total all-inclusive maximum price for (year) AUP:					_____
TOTAL:					_____

APPENDIX E
Schedule of Professional Fees & Expense
Page 2

Schedule of Professional Fees & Expenses for the Audit of FY2026 Financial Statements					
Year 2					
	Audit Hours	AUP Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	_____	_____	_____	_____
Managers	_____	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____	_____
Staff	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____	_____
Total for services describe in Section II of this RFP (Details on subsequent page)					_____
Out of Pocket Expenses:					
Meals & Lodging:				_____	
Transportation:				_____	
Other (specify):				_____	
Total all-inclusive maximum price for (year) audit:					_____
Total all-inclusive maximum price for (year) AUP:					_____
TOTAL:					_____

APPENDIX E
Schedule of Professional Fees & Expense
 Page 3

Schedule of Professional Fees & Expenses for the Audit of FY2027 Financial Statements					
Year 3					
	Audit Hours	AUP Hours	Standard Hourly Rates	Quoted Hourly Rates	Total
Partners	_____	_____	_____	_____	_____
Managers	_____	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____	_____
Staff	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Subtotal	_____	_____	_____	_____	_____
Total for services describe in Section II of this RFP (Details on subsequent page)					_____
Out of Pocket Expenses:					
Meals & Lodging:					_____
Transportation:					_____
Other (specify):					_____
Total all-inclusive maximum price for (year) audit:					_____
Total all-inclusive maximum price for (year) AUP:					_____
TOTAL:					_____

APPENDIX F

Uniform Chart of Accounts (UCOA) – Annual Compliance Testing Requirements

EXECUTIVE SUMMARY:

The Office of the Auditor General (OAG) and the RI Department of Education (RIDE) agree to and acknowledge that the procedures (enclosed herein) are appropriate to meet our purposes. The agreed-upon procedures (AUP) that were effective for fiscal 2023 engagements will continue to be effective for fiscal 2024 engagements. Please note, the only revision made to this document was an update to the RIDE contact information below. The reconciliation template is only applicable for school districts that do not have a fiscal year end of June 30, 2024, charter schools, collaboratives. This reconciliation is not applicable for school districts that present a three-way reconciliation (i.e., financial statements/municipal transparency portal/UCOA) in the audited financial statements as supplementary information.

Please submit a copy of the UCOA Agreed-Up On Procedures Report to both the OAG and RIDE:

OAG

lori.gelfuso@rioag.gov
Lori Gelfuso
Office of the Auditor General
33 Broad Street, Suite 201
Providence, RI 02903
(401) 222-2435

RIDE

Santiago.Guerrero@ride.ri.gov
Santiago Guerrero, Ph.D.
RI Department of Elementary & Secondary Education
255 Westminster Street
Providence, RI 02903
(401) 222-8953

mark.dunham@ride.ri.gov

Mark Dunham
RI Department of Elementary & Secondary Education
255 Westminster Street
Providence, RI 02903
(401) 222-4647

OVERVIEW:

Each municipal school district, regional school district, collaborative, State school, or charter school, which is required to adopt the Uniform Chart of Accounts (UCOA), shall have additional compliance testing procedures designed to assess compliance with UCOA requirements and the entity's effectiveness of internal control over compliance with those requirements. The auditors engaged to perform the annual audit of the entity shall also be engaged to report on their tests of compliance with UCOA requirements in an agreed-upon procedures compliance attestation format.

A minimum sample of transactions shall be selected and tested for compliance with UCOA provisions. Additionally, selected UCOA compliance requirements shall be included within the agreed-upon procedures compliance work program.

The municipal school district, regional school district, collaborative, State school, or charter school shall provide the agreed-upon-procedures report along with the entity's audited financial statements to the Rhode Island Department of Education (RIDE) and the Office of the Auditor General by December 31 or at the conclusion of the annual audit if an extension has been approved by the Auditor General. For school districts, regional school districts, collaboratives, State schools, or charter schools which have adopted a fiscal year end other than June 30, the agreed upon procedures report shall also be provided by December 31 for the activity related to the year ended on the preceding June 30.

COMPLIANCE TESTING REQUIREMENTS:

Auditors shall follow the guidance included in the AICPA Codification of Statements on Standards for Attestation Engagements– AT-C Section 105, *Concepts Common to All Attestation Engagements*; AT-C Section 215, *Agreed-Upon Procedures Engagements*; and AT-C Section 315, *Compliance Attestation*. The auditors shall comply with the 2018 Revision of *Government Auditing Standards* requirements for agreed-upon procedures engagements; specifically, paragraphs 7.78 through 7.85.

- 1. A minimum sample of randomly selected expenditure transactions for the municipal school district, regional school district, collaborative, State school, or charter school shall be tested for compliance with UCOA coding requirements.**

Select a sample of 35, 45, or 60 (see below) transactions from the universe of all expenditures in the final UCOA format upload file for the fiscal year as reported to the Rhode Island Department of Education (RIDE). A detailed transaction level file should be obtained from the entity's accounting system to correspond with the final UCOA upload file provided to RIDE for the preceding fiscal year. RIDE will provide a Validation Totals Report to each school district, collaborative, State school, and charter school to confirm the final upload file information. The sample of transactions to be tested for compliance with UCOA coding shall be selected randomly from the detailed transaction file for the fiscal year.

Alternatively, the auditor may obtain a preliminary fiscal year file from the reporting entity's accounting system for purposes of selecting a sample of transactions to test. When a preliminary file is used for selecting the sample, the auditor will be required to reconcile changes from the preliminary file to the final validated upload file and determine the significance of any changes and assess the validity of the sample.

Sample size shall be determined as follows:

- Smaller school districts, regional school districts, collaboratives, State schools, or charter schools having aggregate fiscal year expenditures of less than \$5 million shall utilize a minimum sample size of **35** transactions to be tested for UCOA coding compliance.
- School districts, regional school districts, collaboratives, State schools, or charter schools, having aggregate fiscal year expenditures greater than \$5 million but less than \$50 million, shall utilize a minimum sample size of **45** transactions to be tested for UCOA coding compliance provided there are no significant deficiencies and material weaknesses in internal control over financial reporting related to the accounting and financial reporting practices as reported in the current and prior audit. School districts, regional school districts, collaboratives, State schools, or charter schools with expenditures greater than \$5 million which also have significant deficiencies and material weaknesses in internal control over financial reporting related to the accounting and financial reporting practices as reported in the current and prior audit shall utilize a minimum sample size of **60** transactions.
- School districts, regional school districts, collaboratives, State schools, or charter schools, having aggregate fiscal year expenditures greater than \$50 million, shall utilize a minimum sample size of **60** transactions to be tested for UCOA coding compliance.

Examine supporting vendor invoices, journal entries, and other supporting documentation to determine if the expenditure has been appropriately classified based upon UCOA classification requirements included in the Uniform Chart of Accounts guidance for the fiscal year. The segments of the account number to be tested for compliance shall include the following:

- Fund/Subfund
- Location
- Function
- Program
- Subject
- Object
- Job classification (for applicable personnel costs)

For personnel costs selected for testing, Location (school/department) and Job Classification shall be tested by tracing the employee name to the entity's assignment roster for the applicable school year.

All noncompliance found in the sample of expenditure transactions tested for compliance with UCOA classification requirements shall be reported. Each instance of noncompliance shall describe the transaction and the specific noncompliance observed.

2. UCOA accounts are used and UCOA methodologies are followed in the accounting system and records of each reporting entity. Determine if the entity's systems and procedures support the following UCOA requirements:

- Total activity (revenue and expenditures) of the entity for the fiscal year as reported (uploaded) to the UCOA database as of the final upload date shall be reconciled to the total activity within each Fund/Subfund of the municipal school district, regional school district, collaborative, State school, or charter school as reported in the final audited financial statements.
- The UCOA accounts and methodologies are maintained within the actual accounting systems and are not converted to UCOA requirements outside of the accounting system.

Determine if any variance exists in revenue or expenditures between the total amounts reported (uploaded) to the UCOA database and audited amounts reported within the Fund/Subfund on the financial statements of the municipal school district, regional school district, collaborative, or charter school. Any variances shall be reported. A transfer of appropriations from the municipality's general fund to the unrestricted school fund is treated as revenue in the unrestricted school fund for UCOA reporting purposes and should be reported as a proper reconciling item.

Please Note:

- *The reporting entity will be required to amend its UCOA upload file to include final amounts which reflect audit adjustments, if applicable.*
- *For school districts with a fiscal year end of June 30, the reconciliation between the audited financial statements and the UCOA file is not required to be presented in the AUP reporting package because a three-way reconciliation between the audited financial statements, the Municipal Transparency Portal (MTP) schedules, and the UCOA file would be presented in the audited financial statements as other supplementary information. It shall be noted in the AUP report that the three-way reconciliation is presented in the audit report. All other school entities (i.e., school districts with a fiscal year end other than June 30, charter schools, State schools, and collaboratives) shall continue to include the reconciliation in the AUP report.*

Determine if the amounts reported (uploaded) to the UCOA database are present in form and content within the accounting system of the reporting entity by requesting a copy of the last report of coding errors identified by RIDE just prior to the final upload with zero errors. Trace to the corrections made to the school's accounting system to address the errors. All errors shall be tested, up to a maximum of five errors if more than five errors are listed.

3. Tuition costs are subject to various UCOA coding requirements. Determine if the entity has complied with the UCOA requirements for reporting tuition costs:

- **Tuition costs may be charged to one of eight different expenditure object codes in the 55600 series, depending to whom the tuition payment is made (e.g., another school district within the State, a charter school, a private school, etc - refer to the gray box for details). In addition to tuition charges, the billings from an outside provider may also include costs for personal aides and other similar charges. Such charges are part of the services being provided to the student and should be captured in the same Object account for Tuition costs. This maintains consistency in application of costs of this nature.**

- For all Tuition accounts in the Object 55600 series, the Location will always be an Out-of-District account which will be limited to Location Types 07, 08, 10, 11, and 13.
- An Out-of-District Location is defined not by the geographic boundaries, but by who “owns” the Non-Public/Private School. By definition, all entities to which Tuition is paid are Out-of-District Locations. Accordingly, only Function 431 (Public, Parochial, Private, and Charter School Pass-Throughs) may be used with the Tuition Object codes in the 55600 series.
- The Tuition Object 55600 series may be used with any Fund Type except 40 (Debt Service Funds) and 90 (Custodial Funds).
- For Special Education students, Program 20 is used for students who are district-placed or program 50 for students who are parentally-placed in the alternative location. For non-Special Education students, Program codes 30, 40, 50, or Program 10 series should be used. Program code 30 should be used for tuition payments (and other associated costs) for students to attend Career and Technical programs in other Districts or Charter Schools.
- Any Subject codes can be used with Tuition costs except 2701, 2702, 2703, 9700, 9800, and 9900. Subject Series 2100 is used for Special Education and 1400 series with Career and Technical programs.
- Only Job Classification code 0000 should be used with tuition payments.

Obtain an extract from the accounting system of all transactions posted to the 55600 series object codes (tuition expenditures):

- Select a random sample of 10 transactions. If tuition payments are posted to Program 10 (General Education), at least half of the sample (or five) shall be selected from Program 10. Transactions tested in Compliance Testing Requirement No. 1 may also be used to satisfy the compliance testing requirement for tuition payments if the selected transaction was posted to a tuition object code in the 55600 series.
- Examine the billing invoices (and any additional supporting documentation submitted by the provider) to determine if the expenditure was appropriately coded based upon UCOA rules for tuition payments. The segments of the account number to be tested include the following: object, location, fund, function, program, subject, and job classification codes. Particular attention shall be focused on the program segment and whether career and technical programs are appropriately coded as Program Code 30.

All noncompliance found in the sample transactions tested for compliance with UCOA classification requirements shall be reported. Each instance of noncompliance shall describe the transaction, including the dollar amount and the specific noncompliance observed.

UCOA Rules for Tuition Costs:

Object and Location Types: Use the following object code and location type for tuition costs:

<u>Object</u>	<u>Location Type</u>	<u>Description</u>
55610	Type 07	Tuition to Other School Districts within the State
55620	Type 13	Tuition to Other School Districts outside the State
55630	Type 08	Tuition to Non-Public/Private Schools
55640	Type 118XX	Tuition to Educational Service Agencies (Collaboratives) within the State
55650	Type 119XX	Tuition to Educational Service Agencies (Collaboratives) outside the State
55660	Type 10	Tuition to Charter Schools
55680	Type 07	Tuition to Other School Districts for Voucher Payments
55690	Types 07 - 11	Tuition – Other (Presently, Object 55690 has no identified locations and should not be used unless authorized by RIDE)

Fund: The above tuition object codes may be used with any Fund Type except 40 and 90.

Function: Use Function 431 only

Subject: Use any Subject except 2701, 2702, 2703, 9700, 9800, and 9900. Use Subject Series 2100 for Special Education. Refer to the General Function/Subject Rules and the required Location Type/Subject Rules for guidance on determining the proper Subject account(s) to use with Function and Location accounts, respectively.

Job Classification: Use Job Classification 0000 only

Program: For Special Education Students:

- Program 20 - for Students who are District-Placed (refer to UCOA Manual for the categories of services included in Special Education)
- Program 50 - for Students who are Parentally-Placed in the alternative location

For Non-Special Education Students:

- Program 10 Series - General Education
- Program 30 - Career & Technical
- Program 40 - Bilingual/ESL
- Program 50 - Non-public schools

Program Segment Rules:

DEFINITION: Program 10 - Regular Elementary/Secondary Education Programs. Program 10 (and subprograms 11-15) accounts include activities that provide students in pre-kindergarten through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers.

- Program 10 series also include alternative education programs that focus on the educational needs of students at risk of failing or dropping out of school because of academic, behavioral, or situational factors. It is also used for programs associated with gifted and talented students, and Performance Based Graduation requirements.

- *Regular programs are distinguished from special education programs that focus on adapting curriculum or instruction to accommodate a specific disability and from career/technical programs that focus on career skills.*

DEFINITION: Program 30 - Career and Technical Education (CTE) Programs. CTE programs include activities delivered through traditional comprehensive and career-technical high schools, recognized charter schools, or campus-based classrooms that prepare students to meet challenging academic standards as well as industry skill standards while preparing students for broad-based careers and further education beyond high school in certain career cluster areas (refer to the UCOA Manual for a listing and description of the 16 career cluster areas).

Guidance on Using Program Accounts - *The facts should be analyzed to determine the proper Program Account to be used in this order:*

- *Determine if the “specialized” Program accounts are applicable – if the activities are best addressed by the use of Program accounts such as Special Education (Program 20), Career and Technical Education (Program 30), or Programs 40 or 50, they should be used.*
- *Where none of the specialized accounts apply and the facts indicate that direct or indirect activities are related to General Education, Program 10 (including Program 11-15 as applicable) should be used.*

Effective July 1, 2020, all Career and Technology Education (CTE) programs and classes are required to use Program 30 only with Subject 1400 Series accounts (Career and Technical Education), provided however, Programs 62 and 63 must be used with Subject 1400 series accounts when related to Summer School or After School locations to fulfill the requirements of the Dual Identification Concept. Use of Program 10 series accounts with Subject 1400 series are no longer permitted.

These requirements apply whether the class is located in a Career and Tech Center or in a regular high school and irrespective if a program or class is “RIDE-approved”.

4. Payroll costs are subject to various UCOA coding requirements. Determine if the entity's procedures for payroll related costs support the following UCOA requirements:

- **Benefit costs are to be charged in the same manner as are the directly-related compensation accounts – i.e., to the same Fund/Subfund, Location, Function, Program, Subject, and Job Classification and in the same proportion when allocated to more than one Fund/Subfund. Alternatively, the Allocation Holding Accounts, Location 99999 and Subject 9900 may be used where allowed by the applicable Object Intersection Rule for the Benefit Object selected. Healthcare benefit costs are to be allocated consistent with the employees' wages based on actual insurance premiums or, in the case of employers who are self-insured, based on working rates.**

- The entity has made a determination as to whether any employee meets the conditions that would require allocation of salary and benefits to more than one Fund/Subfund, Location, Function, Program or Subject and has supporting documentation for that determination, (e.g., department heads, nurses who also teach, etc.)
- Wages and related benefits for Short-term Substitute Teachers (Job Classifications 1295-1299) are charged only to Subject 0000 when used in conjunction with Function 112 (Substitutes). For those same Job Classification accounts when used with Function 221 (Curriculum Development) and Function 222 (In-Services, Staff Development and Support), wages and related benefits are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which were used for the class for which the Substitute Teacher has been engaged to replace. For the Subject segment for example, use Subject 1500 for Middle or High School Math, 0011 for Elementary School Math, and 0200 for Art for all School types.
- Long-term Substitute Teachers (Job Classification 1294) are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which were used for the class for which the Substitute Teacher has been engaged to replace.
- Wages and benefits for short-term substitute teacher support personnel are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which are applicable to the activity to which they are assigned.
- Wages and related benefits for pre-school teachers are charged to the appropriate 09xxx location code.

Determine whether the entity's payroll system directly interfaces with the entity's general ledger accounting system and whether it is designed to post directly to the appropriate UCOA account or if there are a significant amount of manual adjustments and journal entries to allocate payroll related cost to the appropriate UCOA account.

Determine if the entity has reasonable and sufficient procedures in place to meet the payroll and related benefit coding requirements of UCOA.

Determine if pre-school is offered by the entity.

Review one payroll period posting to assess compliance with UCOA payroll allocation requirements and appropriate location code for pre-school teachers (this may be satisfied through payroll transactions tested in the sample of transactions tested for compliance in compliance testing requirement No. 1).

If the entity is using the intra-fund UCOA Allocation Tool, allocations are performed within the UCOA database and therefore testing is not required for benefit allocations made within that Fund/Subfund.

UCOA Rules to be Tested:

- ❖ *In all cases, compensation costs and related benefit costs for each employee must be accounted for in the same Fund/Subfund – they may not cross Funds. Districts may **NOT** account for the compensation in one Fund/Subfund and the benefits in another. For example, if 50% of an individual’s salary is charged to the General Fund and 50% to a Special Revenue Fund, then the allocations of Benefits **MUST** follow the exact same percentages. When related to a particular grant, if the grant is insufficient to cover all the costs, the same prorated amount for each category (compensation and benefits) shall be used up to the limit of the grant.*
- ❖ *Charges to the Location segment for Salary and Benefits for employees that perform multiple functions are to be recorded using the following guidelines: For employees who perform their job requirements at multiple locations and performance of those duties requires a minimum of 20% of their time to any given Location those costs must be charged to the applicable Location accounts accordingly. If however, the performance of duties at any given Location is less than 20% of their time, charges to those locations are not required, but are permissible.*
- ❖ *Charges to the Function segment for Salary and Benefits for employees that perform multiple functions are to be recorded using the following guidelines: If an employee has a “Hands-On” relationship to multiple activities being performed and performance of those duties requires a minimum of 20% of their time to any given activity (Function), those costs must be charged to the appropriate Function accounts accordingly. If however, the role is more of an oversight role of supervising or managing others who perform the “Hands-On” work, is less than 20% of their time, charges to those Functions are not required, but are permissible.*
- ❖ *For Department Heads, House Leaders, and System-wide Supervisors, that portion of regular salary for teaching periods is charged to object 51110 (Regular Salaries); for non-teaching periods, that prorated portion is charged to Object 51132 (Department Heads, House Leaders, and System-wide Supervisors). Stipends for these positions are to be charged to Object 51401 (Stipend – Other).*
- ❖ *For Nurse Teachers, even if face-to-face teaching occurs, charge to Function 216 (Student Health Services – Medical), not Function 111 (Instructional Teachers).*
- ❖ *Nurses and other non-standard instructors included in Function 216 (Student Health Services – Medical) who teach classes representing **less** than 10% of their time must code instruction time to Subject 2500 (Non-Instruction) unless the application of the rule would violate a rule or rules of a higher authority – refer to the Account Level Use Rules and Requirements for the precedence order of UCOA Rules. Those that teach **more** than 10% of their time must record instruction time to Subject 0000 (General Education).*
- ❖ *For Short-Term Substitute Teachers (Job Classifications 1295-1299) with Function 112, use only Subject 0000 for all compensation and directly-related benefit accounts.*

- ❖ *For Long Term Substitute Teachers (Job Classification 1294) with Function 112, use the Subject for the job for which the Substitute has been engaged to teach for all compensation and directly-related benefit accounts.*
- ❖ *For all Substitute Teachers (Job Classifications 1294-1299) with Functions 221 and 222, use the appropriate Subject that is assigned to the Teacher for which the Substitute has been engaged to replace, for all compensation and directly-related benefit accounts. However, when a Substitute Teacher teaches multiple subject in a given day (e.g. Math and English), Subject 0000 may be used in place of the specific subject for which they are subbing. Use of this exception should be limited.*
- ❖ *Preschools (in District), i.e., Preschools that "belong" to the District. A Pre-school is defined as including only pre-school age groups. Mandatory Method Rule: If a Kindergarten class is included with a Pre-school location, that location will be considered to be an Elementary school (Location Type 03) for purposes of the UCOA. All other Preschools are considered Non-Public/Private Schools (Location Type 08) or a Location Type 09 (Preschools in District).*

5. Professional Development costs are subject to various UCOA coding requirements. Determine if the entity has complied with the UCOA requirements for reporting Professional Development costs for four of the five Object accounts:

- **Object 51113 represents the portion of a teacher's regular salary, as specified in a contract or agreement, for professional days.**
- **Object 51302 represents additional payments made to a teacher for attending school-based professional development.**
- **Object 51303 represents additional payments made to a teacher for attending District-based professional development.**
- **Object 53301 represents third-party vendor costs (on-site or off-site) for providing professional development. For instruction-related personnel, the professional development costs should be posted to Function 222. For all other personnel, the professional development costs should be posted to the same Function account as the base wages.**

A review of union contracts and the adopted budget will provide information related to professional development to be offered to teachers.

Review payroll records to verify compliance with UCOA rules for Objects 51113, 51302, and 51303. (This may be satisfied by testing one payroll record which includes postings to these Object accounts and which may have been selected in compliance testing requirement 1 or 4).

Select a sample size of 5 transactions posted to Object 53301 (If less than 5 total transactions, sample all transactions). Examine the supporting vendor invoice to identify the specific employee(s) receiving professional development services and trace the employee name to the payroll record to determine the Function account to which base wages (Object 51113) were charged. Verify the professional

development costs were posted to the proper Function account based on the UCOA rules for the Function Series. (Expenditures selected in Compliance Testing Requirement No. 1 may be used to satisfy this compliance testing requirement.)

UCOA Rules to be Tested:

DEFINITION: Object 51113 - Professional Days. Full-time, part-time, and prorated portions of the costs for professional development days for employees of the District.

- *Include in **Object 51113** (Professional Days) the amount prorated from Object 51110 (Regular Salaries) the actual number of days included in applicable contracts and agreements relating to Professional Days or Professional Development or prorated based on the anticipated number of days if not specified in the contracts.*
- *For **Object 51113**, use Function 222 only for employees whose Regular Salary (Object 51110) is charged to the 100 and 200 Function Series. For all others, use the same Function account used for their Regular Salary in the 300, 400, and 500 Series. Functions 000, 411, 421, 422, 441, 997, 998, and 999 may not be used. For each employee, use the same Location, Program, Subject, and Job Classification account number as is used with Object 51110 (Regular Salaries).*

DEFINITION: Object 51302 – Professional Development - School. Amounts paid to District employees (in addition to regular salaries) for professional development that is related to School-based (and budgeted at the School level) professional development.

DEFINITION: Object 51303 – Professional Development - Districts. Amounts paid to District employees (in addition to regular salaries) for professional development that is related to District-based (and budgeted at the District level) professional development.

■ *For **Objects 51302 and 51303**, use Function 222 only for employees whose Regular Salary (Object 51110) is charged to the 100 and 200 Function Series.*

For all others, use the same Function account used for their Regular Salary in the 300, 400, and 500 Series.

For Out-of-District Locations, use Function 431 only.

Functions 000, 411, 421, 422, 441, 997, 998, and 999 may not be used.

For employees whose Function account is in the 100 or 200 Series, 511, or 512, as used with Object 51110 (Regular Salaries), use the specific Subject account for the subject they have received Professional Development known as the "Follow the Topic" Concept. If not Subject-specific, for General Education courses related to Instruction, use Subject 0000. For courses not related to Instruction, use Subject 2500.

*For employees whose Function account is in the 300 or 400 Series, 521, 531, or 532, as used with Object 51110 (Regular Salaries), use Subject 2500 **only**.*

DEFINITION: Object 53301 – Purchased Professional Development and Training Services. Services supporting the professional development and training of District personnel, including instructional and administrative employees. Also applies to fees paid to consultants who attend training sessions provided by the District.

■ For **Object 53301**, use Function 222 only for employees whose Regular Salary (Object 51110) is charged to the 100 and 200 Function Series.

For all others, use the same Function account used for their Regular Salary in the 300, 400, and 500 Series.

For Out-of-District Locations, use Function 431 only.

Functions 000, 411, 421, 422, 441, 997, 998, and 999 may not be used.

Use the specific Subject account for the Subject to which Professional Development Services are rendered ("Follow the Topic"). For General Education courses related to Instruction, use Subject 0000. For courses not related to Instruction, use Subject 2500. Subjects 9700, 9800, and 9900 may not be used.

COMPLIANCE REPORTING REQUIREMENTS:

Auditors shall follow the guidance included in the AICPA Codification of Statements on Standards for Attestation Engagements AT-C Section 105, *Concepts Common to All Attestation Engagements*; AT-C Section 215, *Agreed-Upon Procedures Engagements*; and AT-C Section 315, *Compliance Attestation*. The auditors shall comply with the 2018 Revision of *Government Auditing Standards* requirements for agreed-upon procedures engagements – specifically, paragraphs 7.78 through 7.85.

The auditor shall provide a written report in accordance with the applicable sections of the *Statements on Standards for Attestation Engagements* and *Government Auditing Standards*, as highlighted above. Refer to Exhibit 1 for the agreed-upon procedures and the format for reporting the procedures performed and results of testing.

Additionally, any noncompliance with UCOA requirements and the effectiveness of the entity's internal control over compliance with UCOA requirements should be considered in drafting the Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Management comments provided to the entity should be inclusive of any recommendations to improve compliance or controls over compliance with UCOA requirements.

SAMPLE REPORT

Independent Accountant's Report

[Appropriate Addressee]

We have performed the procedures enumerated in Exhibit 1 on *(Name of Entity)*'s compliance with the Uniform Chart of Accounts during the fiscal year ended June 30, 20xx and *(Name of Entity)*'s internal control over compliance with the aforementioned compliance requirements as of June 30, 20xx. The *(Name of Entity)* is responsible for compliance with the Uniform Chart of Accounts during the fiscal year ended June 30, 20xx and for internal control over compliance with the aforementioned compliance requirements as of June 30, 20xx

The *(Name of Entity)* has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining compliance with the specified Uniform Chart of Accounts requirements and internal control over compliance with the Uniform Chart of Accounts during the fiscal year ended June 30, 20xx. Additionally, the Rhode Island Department of Education and the Rhode Island Office of the Auditor General have agreed to and acknowledged that the procedures are appropriate to meet their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in Exhibit 1.

We were engaged by *(Name of Entity)* to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to agreed-upon procedures engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance and internal control over compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of *(Name of Entity)* and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

[Additional paragraphs may be added to describe other matters.]

[Signature of practitioner's firm]

[City and state where the practitioner's report is issued]

[Date of practitioner's report]

EXHIBIT 1 – Sample Reporting Template

REQUIREMENT 1:

A minimum sample of randomly selected expenditure transactions for the municipal school district, regional school district, collaborative, State school or charter school shall be tested for compliance with UCOA coding requirements.

PROCEDURES:

Obtain a copy the school entity’s signed acknowledgment of the UCOA File Validation Totals Report received from the RI Department of Education (RIDE). Obtain a detailed transaction level file from the school entity’s accounting system which corresponds with the final UCOA upload file provided to RIDE.

Describe procedures for selecting the sample, the sample size selected, and the tests performed in accordance with the criteria outlined on pages two and three of this document. Please note - If a preliminary fiscal year file is used for selecting the sample, reconcile changes from the preliminary file to the final validated upload and determine the significance of any changes and assess the validity of the sample.

RESULTS:

Specify the date of the UCOA file tested: _____.

For each instance of noncompliance, enter the transaction detail in the table below. Highlight the account number segment that is not in compliance, as shown in the example below. Describe the purpose of each transaction, the error(s), and correction(s) immediately following the table. Rows may be added or deleted from the table, as necessary.

Item	Fund/ Subfund	Location	Func	Prog	Subject	Object	Job Class (personnel costs only)	Date	Payee	Amt	Corrected per final UCOA file
A	10000000	05105	214	10	2500	51110	1712	03/15/12	Nurse Employees	\$5,000.00	Yes
B	XXXXXXXX	XXXXX	XXX	XX	XXXX	XXXX	XXXX	XXXXXX	XXX	XXXXXX	Yes/No
C	XXXXXXXX	XXXXX	XXX	XX	XXXX	XXXX	XXXX	XXXXXX	XXX	XXXXXX	Yes/No

A – The regular salaries for nurse employees were charged to Function 214, but should have been charged to Function 216.

B -

C -

SCHOOL RESPONSE: (if applicable)

REQUIREMENT 2:

UCOA accounts are used and UCOA methodologies are followed in the accounting system and records of each reporting entity. Determine if total activity (revenue and expenditures) for the fiscal year as reported (uploaded) to the UCOA database, as of the final upload date, reconciles to the total activity within each Fund/Subfund as reported in the final audited financial statements and if the amounts reported (uploaded) to the UCOA database are present in UCOA form, content and amounts within the accounting system of the reporting entity.

PROCEDURES:

Subtotal the final UCOA upload file by revenues and expenditures under each Fund/Subfund and reconcile to the audited financial statements (GAAP-basis). The following template should be used for reporting the reconciliation between the UCOA upload file and the audited financial statements. Fiduciary Funds are to be excluded from the reconciliation. Transfer of appropriations from the municipality's general fund to the unrestricted school fund are treated as revenue in the unrestricted school fund for UCOA reporting and should be reported as a proper reconciling item.

Please note – For school districts with a fiscal year end of June 30, the reconciliation between the audited financial statements and the UCOA file is not required to be presented in the AUP reporting package because a three-way reconciliation between the audited financial statements, the Municipal Transparency Portal (MTP) schedules, and the UCOA file would be presented in the audited financial statements as other supplementary information. It shall be noted in the AUP report that the three-way reconciliation is presented in the audit report. All other school entities (i.e., school districts with a fiscal year end other than June 30, charter schools, State schools, and collaboratives) shall continue to include the reconciliation in the AUP report.

Request from RIDE a copy of the reporting entity's last error report just prior to the school's final UCOA file upload with zero errors. Trace the errors listed on the report to the corrections made within the accounting system for the same reporting period. (Please Note - If the error report lists more than five coding errors, a maximum sample of five errors shall be tested.)

RESULTS:

For school districts with a fiscal year end of June 30, please make the following statement:

A three-way reconciliation between the audited financial statements, the Municipal Transparency Portal schedules, and the UCOA file is presented in the audit report of the municipality (or the regional school) as supplementary information.

For school districts with a fiscal year end other than June 30 and other school entities:

Variances between the UCOA upload file and audited financial statements shall be identified in the following reconciliation template.

For all school entities:

Describe the results from tracing the UCOA coding errors identified in the upload process to the corrections posted in the accounting system. Specifically identify in detail any coding errors that were not corrected in the accounting system.

SCHOOL RESPONSE: (if applicable)

UCOA - Agreed-upon Procedures - reconciliation template

UCOA annual upload file reconciled to audited financial statements

	Revenues	Expenditures/Expenses
Amounts from the audited financial statements (funds that include activity included in the total UCOA upload file):		
Unrestricted School Fund	X	X
School special revenue funds	X	X
School capital project funds	X	X
School Enterprise funds (School Lunch operations)	X	X
Other: (identify fund)	X	X
Other: (identify fund)	X	X
Total		
Adjustments/reconciling items:		
Less: State share of teacher pension contribution - on-behalf payments	X	X
Less: State share of transportation - on-behalf payments	X	X
Add: Local appropriation to schools reflected as a transfer on financial statements and revenue per UCOA	X	
Less: indirect cost recoveries included as revenue in unrestricted school fund	X	X
Less: GASB recording of capital outlay expenditures for leases and subscription-based information technology arrangements (SBIT As)		X
Add: Use of fund balance reported as revenue in UCOA	X	
Other reconciling items (FASB/GASB differences - e.g., depreciation expense, bond principal payments)		
Other reconciling items		
Adjusted totals		
UCOA - final upload file (including final audit adjustments)		
specify upload date _____		
Adjustments/reconciling items:		
Adjusted totals		
Unreconciled variance	0	0

Revised December 2023

REQUIREMENT 3:

Tuition costs are subject to various UCOA coding requirements. Determine if the entity has complied with the UCOA requirements for reporting tuition costs:

- a. Tuition costs may be charged to one of eight different expenditure object codes in the 55600 series, depending to whom the tuition payment is made (e.g., another school district within the State, a charter school, a private school, etc.). In addition to tuition charges, the billings from an outside provider may also include costs for personal aides and other similar charges. Such charges are part of the services being provided to the student and should be captured in the same Object account for Tuition costs. This maintains consistency in application of costs of this nature.
- b. For all Tuition accounts in the Object 55600 series, the Location will always be an Out-of-District account which will be limited to Location Types 07, 08, 10, 11, and 13.
- c. An Out-of-District Location is defined not by the geographic boundaries, but by who “owns” the Non-Public/Private School. By definition, all entities to which Tuition is paid are Out-of-District Locations. Accordingly, only Function 431 (Public, Parochial, Private, and Charter School Pass-Throughs) may be used with the Tuition Object codes in the 55600 series.
- d. The Tuition Object 55600 series may be used with any Fund Type except 40 (Debt Service Funds) and 90 (Custodial Funds).
- e. For Special Education students, Program 20 is used for students who are district-placed or program 50 for students who are parentally-placed in the alternative location. For non-Special Education students, Program codes 30, 40, 50, or Program 10 series should be used. Program code 30 should be used for tuition payments (and other associated costs) for students to attend Career and Technical programs in other Districts or Charter Schools.
- f. Any Subject codes can be used with Tuition costs except 2701, 2702, 2703, 9700, 9800, and 9900. Subject Series 2100 is used for Special Education and 1400 series with Career and Technical programs.
- g. Only Job Classification code 0000 should be used with tuition payments.

PROCEDURES:

Obtain an extract from the accounting system of all transactions posted to the 55600 series object codes (tuition expenditures):

- Select a random sample of 10 transactions. If tuition payments are posted to Program 10 (General Education), at least half of the sample (or five) shall be selected from Program 10. Describe procedures for selecting the random sample. Transactions tested in Compliance Testing Requirement No. 1 may also be used to satisfy the compliance testing requirement for tuition payments if the selected transaction was posted to a tuition object code in the 55600 series.

- Examine the billing invoices (and any additional supporting documentation submitted by the provider) to determine if the expenditure was appropriately coded based upon UCOA rules for tuition payments. The segments of the account number to be tested include the following: object, location, fund, function, program, subject, and job classification codes. Particular attention shall be focused on the program segment and whether career and technical programs are appropriately coded as Program Code 30.

RESULTS:

Describe procedures for selecting the sample and describe how many transactions were selected from each program code.

Describe results of compliance tests performed. Each instance of noncompliance shall describe the transaction detail (including dollar amount) and the specific noncompliance observed. Also, please note whether the error was corrected in the final upload file.

SCHOOL RESPONSE: (if applicable)

REQUIREMENT 4:

Payroll costs are subject to various UCOA coding requirements. Determine if the entity's procedures for payroll related costs support the following UCOA requirements:

- a. Benefit costs are to be charged in the same manner as are the directly-related compensation accounts – i.e., to the same Fund/Subfund, Location, Function, Program, Subject, and Job Classification and in the same proportion when allocated to more than one Fund/Subfund. Alternatively, the Allocation Holding Accounts, Location 99999 and Subject 9900 may be used where allowed by the applicable Object Intersection Rule for the Benefit Object selected. Healthcare benefit costs are to be allocated consistent with the employees' wages based on actual insurance premiums or, in the case of employers who are self-insured, based on working rates.
- b. The entity has made a determination as to whether any employee meets the conditions that would require allocation of salary and benefits to more than one Fund/Subfund, Location, Function, Program, or Subject and has supporting documentation for that determination, (e.g., department heads, nurses who also teach, etc.)
- c. Wages and related benefits for Short-term Substitute Teachers (Job Classifications 1295-1299) are charged only to Subject 0000 when used in conjunction with Function 112 (Substitutes). For those same Job Classification accounts when used with Function 221 (Curriculum Development) and Function 222 (In-Services, Staff Development and Support), wages and related benefits are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which were used for the class for which the Substitute Teacher has been engaged to replace. For the Subject segment for example, use Subject 1500 for Middle or High School Math, 0011 for Elementary School Math, and 0200 for Art for all School types.

- d. Long-term Substitute Teachers (Job Classification 1294) are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which were used for the class for which the Substitute Teacher has been engaged to replace.
- e. Wages and benefits for short-term substitute teacher support personnel are to be charged to the appropriate accounts for Fund/Subfund, Location, Program, and Subject which are applicable to the activity to which they are assigned.
- f. Wages and related benefits for pre-school teachers are charged to the appropriate 09xxx location code.

PROCEDURES:

Determine whether the entity's payroll system directly interfaces with the entity's general ledger accounting system and whether it is designed to post directly to the appropriate UCOA account or if there are a significant amount of manual adjustments and journal entries to allocate payroll related cost to the appropriate UCOA account. Determine if the entity has reasonable and sufficient procedures in place to meet the payroll and related benefit requirements of the UCOA.

Determine if pre-school is offered by the entity.

Review one payroll period posting to assess compliance with UCOA payroll allocation requirements and when applicable, with the appropriate location code for pre-school teachers (this may be satisfied through payroll transactions tested in the sample of transactions tested for compliance in compliance testing requirement No. 1). Describe sample selection process. (Please note - If the entity is using the intra-fund UCOA allocation tool, allocations are performed within the UCOA database and therefore testing is not required for benefit allocations made within that Fund/Subfund.)

RESULTS:

Describe payroll system and whether the system interfaces directly with the general ledger system and whether it is designed to post directly to the proper UCOA code or if there are a significant amount of manual adjustments and journal entries to allocate payroll costs. Conclude if the entity's procedures are reasonable and sufficient to meet the payroll and related benefit requirements of UCOA.

Indicate whether the school entity has a pre-school program.

Describe results of compliance tests performed. Each instance of noncompliance shall describe the transaction detail (including dollar amount) and the specific noncompliance observed. Also, please note whether the error was corrected in the final upload file.

SCHOOL RESPONSE: (if applicable)

REQUIREMENT 5:

Professional Development costs are subject to various UCOA coding requirements. Determine if the entity has complied with the UCOA requirements for reporting Professional Development costs for four of the five Object accounts:

- a. Object 51113 represents the portion of a teacher’s regular salary, as specified in a contract or agreement, for professional days.
- b. Object 51302 represents additional payments made to a teacher for attending School-based professional development.
- c. Object 51303 represents additional payments made to a teacher for attending District-based professional development.
- d. Object 53301 represents third-party vendor costs (on-site or off-site) for providing professional development. For instruction-related personnel, the professional development costs should be posted to Function 222. For all other personnel, the professional development costs should be posted to the same Function account as the base wages.

PROCEDURES:

Review union contracts and adopted budget to identify professional development offered to teachers.

Review payroll records to verify compliance with UCOA rules for Objects 51113, 51302, and 51303. (This may be satisfied by testing one payroll record which includes postings to these Object accounts and which may have been selected in compliance testing requirement 1 or 4).

Describe procedures for selecting a sample of transactions posted to Object 53301 (Expenditures selected in Compliance Testing Requirement No. 1 may be also used to satisfy this compliance testing requirement). Examine the supporting vendor invoice to identify the specific employee(s) receiving professional development services and trace the employee name to the payroll record to determine the Function account to which base wages (Object 51113) were charged. Verify the professional development costs were posted to the proper Function account based on the UCOA rules for the Function Series.

Describe any additional procedures performed.

RESULTS:

Describe results of compliance tests performed. Each instance of noncompliance shall describe the transaction detail (including dollar amount) and the specific noncompliance observed. Also, please note whether the error was corrected in the final upload file.

SCHOOL RESPONSE: (if applicable)

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