

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

NOTICE OF REQUEST FOR PROPOSALS FOR AUDIT

Our organization is accepting proposals from CPA firms to provide FY15, audit services for our organization, with the possibility of extending to FY16 and FY17, subject to mutual satisfaction. We invite your firm to submit a proposal to us by December 8, 2014 for consideration. A description of our organization, the services needed, and other pertinent information follows.

This RFP is being issued as the result of a governance best practice for periodic change. In preparing your proposal, be advised that management will give permission to contact the prior auditor. Additional information may be available to the CPA firms interested in making a serious proposal only after signing a nondisclosure agreement.

Background

The Harbor Branch Oceanographic Institute Foundation (HBOIF) is a 501(c)(3) organization. HBOIF is also a Direct-Support Organization of Florida Atlantic University (FAU). It is not a private foundation as designated by the IRS. The mission of Harbor Branch Oceanographic Institute Foundation is to support Harbor Branch Oceanographic Institute (HBOI), a research institute within Florida Atlantic University. HBOIF provides funding and support for research and education in marine sciences and ocean engineering. Our goal is to support HBOI at FAU as it increases understanding of oceans and coastal areas through exploration and scientific investigation.

HBOI is the legacy of founder J. Seward Johnson, Sr. and famed inventor Edwin A. Link. Their passion for ocean exploration, engineering and deep concern for environmental preservation produced innovations that opened the depths to some of the world's most talented scientists. This intellectual curiosity extended to near-shore ecosystems and prompted the 1973 start of the Indian River Lagoon Coastal Zone Study, a complete environmental evaluation of the lagoon and nearby ocean habitats.

The organization has a June 30 fiscal year end. In FY14, the organization operated on an accrual basis and its annual revenues were \$12,460,678.00. The organization employed 2 people located in one central office. There is one key external contractor (the external Accountant/Bookkeeper.). The organization's revenues are derived through investments and dividends from an Endowment portfolio with a market value of \$67,049,497.00 on June 30, 2014, by receiving and overseeing the proceeds from the four highly successful Specialty License Plate programs ("Protect Wild Dolphins", "Protect Florida Whales", "Aquaculture" and "Save Our Seas") which fund the Institute's programs and research, and from a signature fundraising event, and miscellaneous donations.

Services to Be Performed

Your proposal is expected to cover the following services:

1. Annual Single Audit to be completed in compliance with Governmental Auditing Standards and Florida Single Audit Act as well as the organizational policies and meetings with the finance committee and or board of directors, as necessary.
2. Audit to include the Major State Projects of Specialty License Plate transactions and monitoring process.
3. Preparation of the Form 990 tax filings for the organization.
4. Review of financial policies and procedures and internal controls.
5. As a Direct-Support Organization (DSO), our audit deadlines are dictated by FAU in order to meet State reporting deadlines.
6. An additional element in our structure is that while we are a DSO, FAU is also considered a sub-recipient due to the fact that the Specialty License Plate State Project revenues pass through us to them. This requires sub-recipient monitoring by us and inclusion in the scope of the audit.

Key Personnel

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

Katha Kissman	President & CEO	772-466-9876, ext. 200	kkissman@hboifoundation.org
Colleen Brennan	Director of Operations	772-466-9876, ext. 100	cbrennan@hboifoundation.org
Brian J. Elwell, CPA	Kmetz, Nuttall, Elwell, Graham, PLLC	772-231-6902	belwell@knegcpa.com

Requests for additional information, visits to our site, review of prior financial statements and tax returns, and/or appointments should be coordinated with the Interim Executive Director. You may reach her at the E-mail address listed above. Please return the completed proposal to her attention electronically at the above E-mail address.

Relationship With Prior CPA Service Provider

These services have been provided by:

J. Gaines
Berger, Toombs, Elam, Gaines, & Frank, CPA
600 Citrus Avenue, Suite 200
Fort Pierce, FL 34950
772-461-6120
772-468-9278 Fax
Email: decicco@btef-cpas.com

Proposed Timeline

Tentative Audit Timeline

TASK	DEADLINE	ASSIGNED
FAU DSO SLP <i>Due to Due From</i>	July 22, 2015	Brennan, Brian Elwell
FAU HBOI Year End Report	Typically by August 10, 2015	FAU HBOI - Greg Morgan
HBOIF SLP Testing – Final Month (June)	August 10 - August 14, 2015	Colleen Brennan
DSO Component Unit Forms & Draft Financial Statements to FAU	August 21, 2015	Colleen Brennan, Brian Elwell, Auditor
FAU HBOI Testing Response	August 24 – August 28, 2015	FAU HBOI - Greg Morgan
Audit Launch, Onsite	No later than August 24, 2015	Auditor
SLP Monitoring Completion	No later than September 10, 2015	Colleen Brennan
Draft Audit & Draft Form 990 Due	September 24, 2015	Auditor
Staff Review	September 28, 2015	Auditor, Kissman, Brennan
Audit Committee Review	Week of October 5, 2015	Auditor, Audit Committee, Kissman, Brennan
Final Audit and Form 990 Due	No later than October 14, 2015	Auditor
Deadline for Board Approved Audited Financials to FAU	October 15, 2015	Brennan
Audit Committee Presentation and Board Approval of Audit	November 12 Board Meeting	Full Board

Your Response to This Request for Proposal

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

1. Detail your firm's experience in providing auditing and tax services to organizations in the not-for-profit sector, as well as associations of a comparable size and scope of HBOIF.
2. Provide information on whether you provide services to any related industry associations or groups.
3. Discuss the firm's independence with respect to the HBOI and to FAU's Harbor Branch Oceanographic Institute.
4. Discuss commitments you will make to staff continuity, including your staff turnover experience in the last three years.
5. Identify the five largest clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances where loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
6. Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies. Indicate any complaints against them that have been leveled by the state board of accountancy or other regulatory authority, if any. Indicate any corrective actions that have been taken by the firm with respect to these people.
7. Describe how your firm will approach the audit of the organization, including the use of any association or affiliate member firm personnel and the areas that will receive primary emphasis. Also discuss the firm's use of technology in the audit. And finally, discuss the communication

process used by the firm to discuss issues with the management and finance committee of the board.

8. Furnish standard billing rates for classes of professional personnel for each of the last three years.
9. Provide the names and contact information for other, similarly sized clients of the partner and manager that will be assigned to our organization for reference purposes.
10. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our independent accountants is the best decision we could make.
11. Include a copy of your firm's most recent peer review report, the related letter of comments, and the firm's response to the letter of comments.

Evaluation of Proposals

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

Proposals should be submitted electronically to:

Katha Kissman
President & CEO
Harbor Branch Oceanographic Institute Foundation, Inc.
5600 U.S. 1 North
Fort Pierce, FL 34946
Website: www.hboifoundation.org
E-mail: kkissman@hboifoundation.org
Cell: 202-669-4423
Work: 772-466-9876, x 200
Fax 772-466-9878

Please submit your response to this request for proposal by December 8, 2014. We would also appreciate a response if you decline to submit a proposal.

It is anticipated that HBOIF will have a new Audit Committee Chair for the review of these proposals and for the FY15 Audit process. This individual will be determined in January 2015.

Sincerely,

Michael D. Minton
Vice Chairman, HBOIF Board of Directors
Chair, Audit Committee