

Sample Audit Bid Letter

DATE

First Name Last Name

Company

Address

City, State Zip

Dear NAME:

The NONPROFIT ORGANIZATION invites COMPANY to submit a proposal for the preparation of its yearly audited financial statements and related information for the X-year period beginning with the fiscal year ending DATE. The audited financial statement must be prepared in accordance with generally accepted accounting principles. It must also include an expression of an opinion by the auditor on the fairness of the financial statements in accordance with generally accepted accounting principles.

INSERT PARAGRAPH ABOUT THE ORGANIZATION'S MISSION, HISTORY AND PROGRAMS.

ORGANIZATION requires the following services:

1. Yearly financial audit, including
 - Statement of financial position (assets, liabilities, and net assets)
 - Statement of activities (revenue, support, and expenses) and changes in net assets
 - Statement of functional expenses
 - Statement of cash flows
 - Schedule of investments, temporarily restricted assets, fixed assets, and contributions receivable
2. Preparation of IRS Form 990
3. Preparation of Charitable Organization Annual Report for the Minnesota Attorney General
4. Management letter
5. Written review of ORGANIZATION's accounting system and financial procedures and evaluation of its internal controls with recommendations, if any.

All of the above must be completed within four months of the end of each fiscal year. In addition, ORGANIZATION requires that a meeting of the auditors and selected ORGANIZATION board and staff members be held to discuss a draft version of the financial statements and that the auditors meet at least yearly with the Board of Directors' COMMITTEE.

All audit proposals must include:

- a) Evidence of the firm's qualifications to provide the above services;
- b) Background and experience in auditing, particularly of nonprofits;
- c) The size and organizational structure of the auditor's firm;
- d) Names and qualifications of the staff members to be assigned ORGANIZATION's audits;
- e) Statement of the firm's understanding of work to be performed, including tax and nonaudit services;
- f) A detailed workplan, including timelines and tasks to be carried out by auditors and

ORGANIZATION's staff;

- g) Proposed fee structure for these services, with projected costs for audits covering YEAR(S), with a maximum fee to be charged; and
- h) At least three references from comparable audit clients.

Ten copies of your proposal must be received by DATE AND TIME. Send your proposal to me at ORGANIZATION, ADDRESS ORGANIZATION's COMMITTEE will review all proposals at their MONTH meeting and make a recommendation regarding the choice of auditors to the full board of directors in MONTH.

If you have any questions or would like further clarification of any aspect of this request for bid, please contact me at NUMBER AND EMAIL. I look forward to receiving your proposal.

Sincerely,

NAME

TITLE