

**Northwestern Michigan College  
and  
Northwestern Michigan College Foundation**

**REQUEST FOR PROPOSAL  
For  
Audit and Tax Services**

**RELEASE DATE:**

**Monday, January 6, 2025**

**DUE DATE AND TIME:**

**Monday, January 27, 2025  
5pm EST**

**PROJECT CONTACT:**

**Don Loeffler  
NMC Business Office  
1701 E Front Street  
Traverse City, Michigan 49686  
Phone: (231) 995-1130  
Email: [dloeffler@nmc.edu](mailto:dloeffler@nmc.edu)**

## NOTICE

**RIGHT TO REJECT:** Northwestern Michigan College (“the College”) and the Northwestern Michigan College Foundation (“the Foundation”) (together, “NMC”) reserves the right to accept or reject any and all proposals, to negotiate terms of proposal(s) with successful vendor(s), to accept a proposal that is not the lowest cost, and to accept the proposal(s) that is in the best interests of NMC.

**WITHDRAWAL OF ANY PROPOSALS** is prohibited for a period of ninety (90) days after the proposal due date.

**LATE, INCOMPLETE AND NON-CONFORMING PROPOSALS:** NMC reserves the right to reject without evaluation late, incomplete or otherwise non-conforming proposals.

**COMPLETE PROPOSALS:** All proposals must contain written terms of service and delivery. NMC will negotiate the actual service terms and timetable with the successful vendor(s), but each proposal must include the anticipated time frame during which NMC may reasonably expect services to be delivered. NMC will not be responsible for any ancillary charges, costs, and/or fees not expressly delineated in the terms of the proposal.

**QUESTIONS:** Prospective bidders are solely responsible for understanding the requirements of this RFP. Questions regarding any part of this proposal should be submitted in writing to the Project Contact. All questions and answers will be made available to all prospective bidders. Prospective bidders who direct questions and inquiries about this RFP to persons at NMC other than the Project Contact invite disqualification of their proposals.

## INTRODUCTION

This RFP is released by NMC's Purchasing Department as set forth herein.

### SECTION 1 GENERAL INFORMATION

Northwestern Michigan College (the "College") and the Northwestern Michigan Foundation (the "Foundation") (together, "NMC") are seeking professional **Audit and Tax Services** as set forth herein. We are requesting a five-year contract for audit and tax services for fiscal years ending **June 30, 2025 to 2029**, with specific service needs outlined in **SECTION 3**.

The requirements included in this proposal are complete. The representations made by NMC herein are accurate, true and complete to the best of our knowledge. NMC prefers to work with only one (1) contact person throughout the proposal process. Please appoint one (1) representative for your firm as your contact for NMC. This person will be responsible for all communications with NMC that relate to this Request for Proposal. Additionally, please note that all contact between your firm and NMC must be handled between your representative and the Project Contact. This requirement will be strictly enforced.

Your final proposal/final price must be complete and presented in its entirety. All conditions, terms, costs, charges and fees must be included in the proposal. Should NMC accept your proposal, any terms, conditions, costs, charges and/or fees excluded from your proposal at the time of submission shall remain excluded and will become the responsibility of the winning bidder.

All proposals must be submitted electronically and must be signed by a representative who is duly authorized to make such representations to NMC on behalf of your firm. Your proposal will form the basis of a purchase contract with NMC and should include all services and materials that, in your judgment, are necessary to meet the requirements of this proposal.

The requirements of this proposal are non-severable. In other words, they may not be separated for the purpose of bidding on a single part of the established requirements. NMC has a strong preference to purchase a single vendor solution. If, in your judgment, NMC would be better served by a multi-vendor solution, you may offer that as an alternate proposal, however, you must certify that all services in your proposal will meet all other specifications in this Request for Proposal.

The College and the Foundation are Michigan Constitutional corporations located in Traverse City, Michigan in Grand Traverse County, and are subject to the laws of the State of Michigan. NMC's official address and principal place of business is 1701 East Front Street, Traverse City, Michigan 49686.

The College and the Foundation are tax-exempt, granted such status by the authority of the State of Michigan. Likewise, each are exempt from Federal Excise Tax (tax-free registry number: 38-6027348) and Michigan General Sales Tax, under Public Act 167 of 1933 § 4., as amended. **DO NOT INCLUDE MICHIGAN SALES TAX, PERSONAL PROPERTY OR ANY FEDERAL EXCISE TAXES IN YOUR QUOTATION.**

## **SECTION 2 TERMS AND CONDITIONS**

2.01. Your complete and entire response to this RFP must be received by NMC electronically on or before **5:00 p.m. on January 27, 2025**. Please email your entire response to the Project Contact, Don Loeffler, at **dloeffler@nmc.edu**. Your response should include the signature page, all requested and required information, as well as any supporting data needed to complete your response. See SECTION 5. Late responses and responses received by facsimile will not be considered. Bidders are solely responsible for confirming that their responses were received in a timely way. NMC will not pay for, reimburse, or otherwise accept any delivery charges incurred by bidders in connection with this RFP.

2.02. Questions, uncertainties, noted discrepancies and omissions regarding this RFP shall be reported immediately in writing via e-mail to the Project Contact by **January 20, 2025**. Should any reported issues require clarification, written instructions or an addendum to the RFP will be distributed to all potential bidders. NMC will not accept any responsibility for any oral interpretation of the requirements. Bidders should rely only on the written responses of NMC.

2.03. NMC reserves the right to solicit additional information from bidders to aid our determination of the bid that best meets the needs of NMC. If our request for additional information on a proposal is not met in a timely way, NMC reserves the right to reject the proposal as non-conforming.

2.04. NMC reserves the right to reject or accept any bids, in part or whole; select bidders whose proposals best meet the needs of NMC without respect to the lowest cost proposal; and negotiate terms of the proposal to ensure the best interests of NMC are met. NMC does not assume any contractual obligations or duties as the result of issuing this RFP. No employment relationship will be assumed between NMC and the successful bidder.

2.05. Bidders are not entitled to use NMC's name, service mark(s), trademarks or trade names without the express written permission of NMC.

2.06. By submitting a response to this RFP, bidders certify that no actual or potential conflicts of interest exist between the bidder and NMC under this agreement. Each bidder agrees to inform NMC immediately, should a change in conditions occur that would produce an actual conflict of interest or the appearance of a conflict of interest. Further, by submitting a response, bidder certifies that the bidder has neither provided any private inducements or consideration to any NMC trustee, officer, employee, or agent in return for favorable treatment with respect to the award of this proposal, nor accepted any private inducements or consideration from any College trustee, officer, employee or agent in connection with this RFP. Should any such unauthorized transactions be discovered, the bidder will be considered in breach of its agreement with NMC, and the agreement between the bidder and NMC is immediately void. Under these circumstances, NMC will cooperate fully with law enforcement to determine whether such a breach has violated any laws of the State of Michigan or the United States of America. This clause will survive the termination and/or expiration of this agreement without respect to the cause or reason for a breach of this type.

2.07. NMC expressly states that the bidder is a supplier or independent contractor of NMC and is not an agent, partner or employee of NMC. The bidder is not entitled to wages, tax withholding, Workers' Compensation, unemployment compensation, or any benefits of employment extended to regular employees of NMC. The bidder is not an agent of NMC, and may not bind NMC to any contracts or represent to anyone that the bidder has any such authority.

2.08. The laws of the State of Michigan shall govern the interpretation and performance of this agreement. Any action brought to enforce any provision of this agreement shall be brought in the appropriate court in The State of Michigan. All bidders, their successors or assigns expressly agree to bring any claims, demands, or actions asserted against the Board of Trustees of Northwestern Michigan College, its trustees, officers, employees or agents only to the Michigan Court of Claims. The bidder, its successors or assigns consent to the jurisdiction of the Grand Traverse Circuit County Court for the State of Michigan with respect to any claims arising under this agreement against Northwestern Michigan College.

2.09. The bidder must comply with all applicable State and Federal OSHA laws, standards and regulations with respect to the performance of this agreement.

2.10. NMC will evaluate each bid received using the following criteria, listed here in no particular order of importance:

- a. The bidder's ability to satisfy each term and condition fully.
- b. Compliance with the specifications stated herein.
- c. Experience with delivering the requirements of the specification.
- d. Cost (including pricing and price protection).

- e. Ability to provide service for those items in the specification deemed to require an ongoing service contract of technical expertise, demonstrated or demonstrable with respect to the specification.
- f. References from previous customers for work of similar scope.
- g. Other factors not specifically expressed here that are relevant to determining which proposal will succeed.

2.11. Proposals may not be withdrawn for ninety (90) days from the time of issue. After ninety (90) days, proposals may be withdrawn by way of a written request directed to the Project Contact. Successor proposals may not be substituted for a withdrawn proposal. Withdrawal of a proposal constitutes disqualification from the bid process, should NMC not render a decision within ninety (90) days of the response due date.

2.12. Once the successful proposal has been determined and awarded, either party may withdraw from this agreement by giving the other party at least thirty (30) days' prior written notice of the termination date. Termination or cancellation of this agreement does not affect the collection, enforcement or validity of any accrued obligations between the bidder and NMC.

2.13. Once the successful proposal has been determined and awarded, modifications deemed necessary to correct errors found to be the sole fault of the bidder and to satisfy performance of the agreement shall be made expeditiously and at no additional cost to NMC. This clause will survive the termination and/or expiration of this agreement without respect to the cause or reason for the error.

2.14. No information, report, etc. developed in connection with this RFP may be reproduced without NMC's prior written consent. No portion of this RFP may be reproduced without NMC's prior written consent.

2.15. The successful bidder must perform all work unless NMC specifically approves subcontracting in writing prior to the commencement of any work related to this RFP.

2.16. The successful bidder is an independent contractor, licensed and bonded as necessary, and is solely responsible for employment, acts, omissions, insurance, control and direction of its employees. The bidder agrees to indemnify and hold harmless Northwestern Michigan College, its trustees, officers, employees and agents from any and all damages, injury, loss, claims, demands, or causes of action in the event that the bidder fails or neglects to provide appropriate insurance coverage for its employees while working in performance of this contract at Northwestern Michigan College, including but not limited to payment of any claims.

2.17. Any personal injury to the bidder, its successors, assigns, employees, agents, subcontractors or third parties or any property damage incurred in the performance of this agreement shall be the responsibility of the bidder. The bidder agrees to restore or make whole any loss of or damage to the property of Northwestern Michigan College incurred during the performance of this agreement.

2.18. Bidder agrees to accept NMC's standard payment terms, which are Net 30. Prices quoted in bidder's response shall be FOB Northwestern Michigan College unless otherwise specified. All items on the bidder's response will be itemized, and all charges and discounts shall be clearly shown.

2.19. All responses to this RFP become the sole property of NMC and are subject to Freedom of Information Act requests.

### **SECTION 3 BACKGROUND & SCOPE OF SERVICES**

#### **Background**

3.01. NMC is seeking proposals for audit and tax services for the fiscal years ending June 30, 2025, 2026, 2027, 2028, and 2029 (5 years). Our recent 3-year contract with Plante Moran covering fiscal years 2022, 2023, and 2024 has concluded.

3.02. The College's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) applicable to public colleges and universities as outlined in Governmental Accounting Standards Board (GASB) No. 35.

3.03. The Foundation's financial statements are prepared in accordance with GAAP and follow the business-type activities requirements of GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

3.04. The Foundation is a discretely presented component unit of the College, and also requires its own stand-alone audit.

3.05. The College uses Ellucian's *Banner* as its enterprise reporting system; student account and financial transactions for the College are processed in Banner. The Foundation tracks donor transactions and financial transactions using Blackbaud's *Raiser's Edge* and *Financial Edge* software, respectively.

**3.06.** The College receives and expends Federal and State funds, which have various reporting and compliance requirements. The Foundation does not receive or expend Federal funds, and therefore does not require a single audit. The College reported \$12.7m, \$11.7m, and \$14.9m in federal expenditures on its FY24, FY23, and FY22

SEFAs, respectively. Student financial aid typically represents 60-90% of the College's Federal expenditures.

3.07. The Foundation is a separate legal entity established as a 501(c)(3) not-for-profit corporation and governed by its own Board of Directors. It is also discretely reported as part of the College's reporting entity.

3.08. The College maintains an AA credit rating (S&P)

3.09. NMC uses *ADP Workforce Now* for payroll processing, and relies on ADP's software controls for payroll compliance and any related financial reporting. ADP obtains an annual SOC 1 audit and report for *Workforce Now*, which is reviewed annually by NMC administration.

3.10. Key contacts for NMC are as follows:

**Board of Trustees—Audit Committee**

- Chris Bott, Trustee (Audit Committee Chair)
- Andy Robitshek, Trustee
- Pamela Horne, Trustee

**NMC Staff**

- Troy Kierczynski, Vice President for Finance & Administration
- Lindsey Lipke, Controller
- Shannon Schultz, Assistant Controller
- Paul Schoppe, Foundation Financial Manager

3.11. Unique financial and audit considerations for NMC in the foreseeable future are as follows:

**College**

- Investment in Joint Venture (The Freshwater Center); see footnote 11 in the College's FY24 audited financial statements)
- The College recognizes its proportionate share of the liabilities arising from the Michigan Public Schools Employee Retirement System (MPSERS)
  - Collaboration is needed with auditors to calculate annual changes and prepare MPSERS disclosures (Note 8 in FY24)
- Aviation Hangar Expansion is underway, a \$7m renovation project w/expected completion in August 2025. The project is financed by a State grant and bond issuance that took place in October 2024
- Implementation of GASB 101 for FY25



- Inclusion of a discretely presented component unit (NMC Foundation)

**Foundation**

- The Foundation reports its financial statements reported under GASB due to its structure and relationship with the College
- Alternative Investments represent approximately 10-20% of investment portfolio
- Endowments
- Annuity Obligations (insignificant)

**3.12.** Additional College and Foundation information can be found on the NMC website at [www.nmc.edu](http://www.nmc.edu). Historical financial and single audit reports can be found at <https://www.nmc.edu/departments/finance-administration/audits/index.html>.

**Scope of Services**

3.13. The scope of services requested is as follows:

Service	College	Foundation	Deliverable Due Date	Notes
<b>Financial Audit</b>	✓	✓	Mid-October (audit report due to State of Michigan by November 1)	The College and the Foundation each require a stand-alone audit  The Foundation is also a discretely presented component unit of the College  Both entities report under GASB guidance
<b>Single Audit</b>	✓		March 31 (preferably completed at same time as financial audit)	The College receives and expends significant federal funding. Student financial assistance (Pell, Direct Loans, SEOG, FWS) comprises majority of annual federal expenditures.
<b>Tax – Form 990 Prep/Filing</b>		✓	Nov 15. (initial) May 15 (extended)	The Foundation is required to file an annual Form 990
<b>Tax – Form 990T Prep/Filing</b>	✓	✓	Nov 15. (initial) May 15 (extended)	The College files a 990T due to unrelated business income from its events center operations and gas royalties.

				The Foundation may require 990T filing for its alternative investments
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3.14. In connection with the requested audit services, NMC desires support from its auditors in compiling the annual financial statements and footnotes based on information provided by NMC staff. NMC will supply a fully adjusted and mapped trial balance, financial schedules, and other supporting documentation as needed. NMC will prepare the Management’s Discussion and Analysis section for the College and Foundation based on auditor drafted financial statements and footnotes.

3.15. The scope of services should also include auditor deliverables for any required communication to those charged with governance of the College and the Foundation, including required communications about internal controls.

3.16. In regards to internal controls, NMC’s audit committee may call upon the auditors to perform a deeper review of certain internal controls related to specific transaction classes, or request that they perform additional testing of certain audit areas. Such requests will be later defined by the audit committee, and may or may not be included in the scope of the independent audit (e.g. separate engagement Agreed-Upon Procedures).

3.17. NMC’s preferred timeline for performance of services is as follows:

Service	Primary Fieldwork/Prep Dates	Final Fieldwork/Prep Dates	Presentations to Those Charged with Governance
College Financial Audit and Single Audit	May/June	September (first 2 weeks)	Pre-Audit Meeting (April) College Audit Committee + Draft Deliverables (mid-Oct) College Audit Committee + Final Presentation (4 <sup>th</sup> Mon in Oct) Board of Trustees
Foundation Financial Audit	May/June	September (first 2 weeks)	Pre-Audit Meeting (April) Foundation Finance & Audit Committee + Draft Deliverables (mid-Oct) Foundation Finance & Audit Committee)

<b>College + Foundation Tax Prep (990 &amp; 990T)</b>	<b>Col</b>  January	March	n/a
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**SECTION 4  
RESPONSE, VENDOR QUALIFICATIONS AND PRICING CRITERIA**

Please respond to each of the following questions in an organized and concise manner. Please reference the request # in this section in your responses (e.g. A-1, A-2, etc). Any pertinent supplemental information should be included as an attachment to your proposal and referenced accordingly:

**A. COMPANY BACKGROUND**

**Staff Experience**

1. List the names and titles and provide brief biographies of personnel who will have ongoing responsibility for overseeing and providing audit & tax services for NMC. Please be sure to highlight any audit/tax experience with other higher educational clients.

**Firm Experience and Resources**

2. Describe the size and scope of the higher education assurance practice at your firm, its structure, and the location of the office that will be serving NMC. Further, please list all current higher education clients, services performed, and how long they have been your client.
3. Describe your firm’s experience with providing assurance and tax services for governments and NFP organizations who follow GASB reporting guidance.
4. Describe any dependency you have on any other company as a partner, co-bidder, subcontractor, or any other business relationship in order to provide the services requested in this proposal.

5. Describe any experience you have working with clients who use *Ellucian Banner* and *Blackbaud Financial Edge/Raisers Edge*.
6. List College Foundation audit experience.
7. What are the greatest opportunities, challenges, and risks facing higher education nationally? Are there any such conditions unique to Michigan community colleges?
8. Is your firm subject to any current or pending litigation? If so, please describe.
9. Does your firm maintain insurance coverages for general liability, errors & omissions, and workers compensation?
10. Describe how your firm will support NMC's unique financial and audit considerations listed in **SECTION 3** (see 3.11).

**Competitive Position and Future Commitment**

11. Describe what differentiates your firm from other accounting firms.
12. Describe what approach you are taking in the enhancement of the service and how you plan to keep your service current and competitive.

**References**

13. Provide names and phone numbers of at least three client references in the higher education industry. Please include a mix of long-standing and recent clients, if possible.

**B. PROFESSIONAL AUDIT & TAX SERVICES**

1. How would you structure your audit and tax teams to best serve NMC? Please indicate the name and responsibilities of each member of your team, which services each team member will provide, and which legal entities they will be serving (College, Foundation, or both).
2. Include a timetable for your proposed dates of services. See NMC's preferred timeline in **SECTION 3**.
3. Describe your firm's approach to on-site vs. remote work for each requested service line (audit, tax). Please indicate which members of your team are expected to be on-site, and how frequently.

4. The College will supply adequate accommodations for any required on-site fieldwork, including a conference room or classroom with phone, internet and network access, and certain software access. Please describe any additional accommodations that your team may need, if any.

## **C. CUSTOMER SERVICE & QUALITY**

### **Customer Service**

1. Describe your customer service organizational structure including the chain of command and escalation procedures for problem resolution.
2. Describe any and all value-added services offered by your firm for its higher education clients. For example, does your firm offer training for and assistance with implementation of new accounting standards, tax & compliance updates, guidance on Federal funding, etc. at no additional cost?

### **Quality**

3. Describe your firm's quality control program and commitment to quality. Please also provide copies of your most recent peer review letter and your firm's response, if any, as attachments.
4. Please describe how your firm and its associates stay current on accounting, compliance, and other technical changes impacting higher education.
5. Describe your customer satisfaction program, if any.
6. Please list any current and/or historical services provided to NMC in the last 10 years, if applicable. Please describe how your firm will remain independent in regards to assurance services.
7. Please confirm that your firm meets the licensing requirements to practice in the State of Michigan.

## **D. FEES**

1. Provide a flat fee schedule for the proposed services as outlined in **SECTION 3** of this RFP for each of the fiscal years requested. Fees should be split out by entity and line of service. Proposals based exclusively on hourly fee rates will be rejected.
2. Please provide a separate list or table of any variable fees and/or ancillary charges. NMC seeks full transparency about what is/is not included in the scope of your proposed flat fee.

**E. OTHER MATTERS RELATING TO THE ENGAGEMENT**

1. NMC’s Business Office and Financial Aid staff may periodically have questions about accounting, tax, or compliance. Please discuss your firm’s approach to providing such support, and whether or not any extra charges would be invoiced.
2. Please explain your firm’s approach for disseminating and communicating new rule changes, including those coming from the IRS, GASB, Department of Education, State of Michigan, or other authoritative bodies.

**SECTION 5  
FORM OF PROPOSAL**

5.01. All responses to this RFP shall contain the signature page as a cover sheet, the complete and entire proposal, and any necessary documentation to support your proposal.

**SECTION 6  
RFP TIMELINE**

<b><u>RFP Issued</u></b>	<b><u>January 6, 2025</u></b>
<b><u>Proposals Due</u></b>	<b><u>January 27, 2025</u></b>
<b><u>NMC Reviews Proposals and Conducts Firm Interviews</u></b>	<b><u>Jan. 28—Feb. 14, 2025</u></b>
<b><u>NMC Audit Committee Meeting</u></b>	<b><u>February 18, 2025</u></b>
<b><u>Board of Trustees Approval of Firm</u></b>	<b><u>February 24, 2025</u></b>
<b><u>Notification to Bidders of Selection</u></b>	<b><u>February 25-28, 2025</u></b>
<b><u>Engagement Letters, Audit Pre-Planning</u></b>	<b><u>March-May, 2025</u></b>

**SIGNATURE PAGE**

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**THIS SIGNATURE PAGE MUST BE RETURNED TO ENSURE A VALID PROPOSAL. PROPOSALS SUBMITTED WITHOUT THIS SIGNATURE PAGE CAN BE RENDERED INVALID. NORTHWESTERN MICHIGAN COLLEGE'S STANDARD TERMS AND CONDITIONS SHALL APPLY.**

**TERMS: \_NET 30                      E.I.N. \_\_\_\_\_**

**COMPANY NAME: \_\_\_\_\_**

**SIGNATURE: \_\_\_\_\_**

**PRINTED NAME: \_\_\_\_\_**

**TITLE: \_\_\_\_\_**

**PHONE    #:                      \_\_\_\_\_**  
\_\_\_\_\_

**FAX#:**

**TOTAL PROPOSED FEES [YEAR 1]:                      \$ \_\_\_\_\_**

**TOTAL PROPOSED FEES [YEARS 1-5 TOTAL]:**      \$ \_\_\_\_\_