



NOTICE TO ALL FIRMS

Date: February 2, 2023

To: All Prospective Bidders

From: Candida Poinsette
Purchasing Agent

Re: **Addendum Number 1**
RFP # C1560 – Financial Audit and Compliance Audit Services

This addendum includes the following documents which can be found on our website [here](#)

FIT Form 990-T

FIT Foundation Form 990

FIT Student Housing Form 990

FIT Single Audit Report

FIT Foundation No Material Weakness Letter

FIT Foundation CHAR500

FIT Single Audit Report

The following are responses to questions:

Q1. Are there any known significant transactions/activities outside the normal course of business planned for the period covered by the Request for Proposal (“RFP”) that should be considered in our proposed fee structure for any of the audit engagements?

A1. No.

Q2. Subsequent to June 30, 2022, have there been any significant changes to management responsible for financial reporting and compliance? If so, can you summarize the significant changes?

A2. No.

Q3. Does the FIT, the Student Housing Corporation, the Student Association or the Foundation use outside service organizations/providers for any significant functions (payroll, investment management, etc.)? If so, are internal control reports (SOC 1 / SSAE 16 reports) available that cover at least six months of the entity’s fiscal year for all material service providers?

A3. The College has hired separate outside entities to perform the following: investment management services, Perkins loan management services, and the valuation of the postretirement benefit obligation. Yes, the College has received copies of the report on internal controls.

- Q4.** To what extent are compliance functions at FIT, the Student Housing Corporation, the Student Association or the Foundation centralized?
- A4. Compliance functions for the College and the auxiliary entities is centralized.
- Q5.** Have there been any cyber security incidents or major system outages in the past year?
- A5. No.
- Q6.** What has been your experience related to onsite versus remote work? What is your preference for onsite versus remote work in the future?
- A6. In the past few years (post-COVID) audit testing has been remote with key personal available to attend in-person Audit Committee meetings (upon request). Our preference for future audits is to enact a hybrid format for audit testing with key team members available to attend in-person Audit Committee meetings (upon request).
- Q7.** We were planning to submit our proposal/bid electronically as indicated on RFP page 1 (“Notice to Firms”), however we see that on page 1 of the RFP Terms and Conditions, there is a request for the proposal documentation to be included in a sealed envelope. We wanted to confirm that an electronic submission alone would suffice.
- A7. Confirming that an electronic submission will suffice. We do not need/ require a printed version.
- Q8.** Could a copy of the FY2022 Memorandum of Accounting Procedures and Internal Controls referenced on page 8 of the RFP be shared with the bidders?
- A8. This is the Management Letter, attached.
- Q9.** For the Forms 990 and 990T referenced on page 8 of the RFP, is the audit firm preparing or reviewing these Forms for compliance?
- A9. The audit firm is preparing these forms.
- Q10.** The Proposal Analysis Sheet on page 9 of the RFP is labelled as Financial and Compliance Audit Services. In completing this form, should bidders include only estimated audit time, or should bidders include both estimated audit time as well as estimated tax Form 990 and 990T time?
- A10. Audit and tax.
- Q11.** Does FIT expect to incur federal expenditures of the Education Stabilization Fund program in excess of \$750,000 in FY2023?
- A11. Yes.
- Q12.** Why is FIT going out to bid?
- A12. Current contract is due to expire with no plans for renewal.
- Q13.** Please provide copies of the financial statements, uniform guidance reports, and required communications letters as of and for the year ended June 30, 2022.

A13. The report has not been issued so it cannot be provided.

Q14. The RFP mentions on-site dates. Can these be completed remotely? Or is an onsite team required throughout the engagement?

A14. Please see response in A6.

Q15. Were there any adjustments proposed by the auditors for FY 2021 and FY 2022?

A15. There were no adjustments proposed in FY 2021, but there was an adjustment on the FIT Foundation proposed (and corrected) in FY 2022.

Q16. Are there any changes that you would like to see in the timing of the current audit process?

A16. No.

Q17. Any significant events, changes to the entity's structure, or transactions expected to occur that would be considered as different/new/unusual that could materially impact audit procedures or the scope of work?

A17. No.

Q18. Are there any known significant transactions/activities planned for the future periods covered by the Request for Proposal that should be considered in our proposed fee structure and/or audit approach?

A18. No.

Q19. What were the audit fees and hours incurred for the FY 2022 for the Financial Statement and Uniform Guidance audits?

A19.

	2020	2021	2022
AUDIT FEES			
FIT Financial Statement & Single Audit	159,500	165,750	172,000
FIT Student Housing	26,000	27,000	28,000
FIT Student Association	16,500	17,250	18,000
FIT Foundation	26,000	27,000	28,000
TOTAL AUDIT FEES	228,000	237,000	246,000
TAX FEES			
FIT	5,125	5,330	5,800
FIT Student Housing	11,710	12,210	12,700
FIT FIT Foundation	20,580	21,345	22,500
Total tax Fees	37,415	38,885	41,000
TOTAL AUDIT & TAX FEES	265,415	275,885	287,000

Interim testing spans between 2 – 3 weeks in the Spring (May/June) and final testing begins after labor day and continues for 2.5 – 3 months.

Q20. Who performs the actuarial calculations for the OPEB plan?

A20. BPA

Q21. The proposal references “any special requirements of the State University of New York” (page 2). Please provide more detail as to these requirements.

A21. This is work surrounding the supplementary schedules attached to the audited financial statements.

Q22. The RFP asks for a list of all higher education clients with a current contact with a reference. We have numerous higher education audit clients, would a sampling be acceptable?

A22. Yes.

Q23. Does the College rely on any State of NY information technology systems to record journal entries or produce financial statements? If so, can you describe?

A23. No, we do not rely on any State of NY information technology systems to record journal entries or produce financial statements.

Q24. Does the College share any information technology systems with the broader SUNY school system to record journal entries or produce financial statements? If so, can you describe?

A24. No.

Q25. Does the College use any service organizations for which they obtain SOC 1 reports? If so, can you describe?

A25. Please see response in A3.

Q26. Are there any system implementation/upgrades in process or planned in the near future? If so, can you please describe?

A26. No.

Q27. What is your current audit schedule? How many auditors and for how long do they perform the audit during both interim and year-end (final) fieldwork (excluding partner and manager(s))?

A27. Interim testing spans between 2 – 3 weeks in the Spring (May/June) and final testing begins after labor day and continues for 2.5 – 3 months. Excluding the partner and managers there are 2 – 3 audits working on the engagement during that period.

Q28. Does the College prefer a remote or on-site audit?

A28. Please see response in A6.

Q29. Does the college have a mandatory deadline when to issue the audited financial statements for the college and for the foundation? If yes, please provide dates.

A29. The College does not have mandatory deadlines for issued audited financial statements. However, the expectation is that all financial statements (excluding the Single Audit report) are issued shortly after the November/December Audit Committee meeting.

Q30. Does the College have an internal audit function? If so, does the internal audit staff assist the external auditors?

A30. Yes the College has an internal audit function. Internal audit reports are provided (to external auditors) and they can meet with the external audit team upon request.

Q31. Is the single audit of federal awards done in conjunction with the financial statement audit—same timing?

A31. Yes.

Q32. Are there any anticipated changes in the federal or state awards subject to single audit?

A32. No.

Q33. Can you please provide any uncorrected misstatements, material corrected misstatements, or passed disclosure items that were communicated by the external auditors in their written communication letter to the charged with governance committee?

A33. In the FY 2022 audit there were no uncorrected misstatements or passed disclosure items for FIT, FIT Foundation, Student Housing or Student Association. There were no corrected misstatements for FIT, Student Housing or Student Association. There was one corrected misstatement for the FIT Foundation related to revenue cut-off procedures.

Q34. Are the current auditors allowed to submit a proposal for consideration?

A34. Yes.

Q35. Has the College assessed the potential impact of adopting GASB No. 94 and GASB No. 96, and if so, is it expected to be material?

A35. Management is assessing the impact.

Q36. May we please receive a copy of the prior year's Uniform Guidance report?

A36. Attached.

Q37. How many auditors are typically in the field each year and for approximately how many days?

A37. Please see response in A27.

Q38. What was the fee for the prior year's services?

A38. Please see response in A19.

Q39. What is the College's expectation with regards to on-site versus remote conduct of the audit? Is the College open to a hybrid model?

A39. Please see response in A6.

Q40. Other than the planning meeting, has the incumbent typically performed interim planning procedures? If so, when has this work been conducted?

A40. Yes, planning procedures have been performed in Spring in May/June.

Q41. Are the internal control environments of the 4 entities the same or separate? Are they under common management, same controller / CFO?

A41. The internal control environment for the 4 entities is the same and operate under the same management which includes the Controller and CFO.

Q42. Has the College implemented GASB 96?

A42. GASB 96 has not been implemented.

Q43. Has the College implemented a software solution for GASBs 87/96? If so, which software?

A43. No.

Q44. Are there any pending issuances of debt anticipated or expected within the term of the RFP?

A44. No.

Q45. Are there any expected changes in your IT systems for the College, Student Housing, Student Association, or Foundation during the term of the RFP?

A45. No.

Q46. Are there any anticipated changes in funding from the State or the City (i.e. appropriations)?

A46. No.

Q47. Are there any anticipated changes in Federal grant funding that would be in scope for the Uniform Guidance compliance audit in fiscal year 2023 and beyond?

A47. No.

Q48. Are there any significant events, changes to the entity's structure, or transactions expected to occur that would be considered as different/new/unusual that could materially impact audit procedures or the scope of work?

A48. No.

Q49. Are there any significant changes, or planned changes, to the Foundation's current investment portfolio holdings in fiscal year 2023 and beyond (i.e. more investments in alternative investments (limited partnerships), crypto currencies, etc.)

A49. No.

Q50. What issues/ trends are of most importance for the College, Student Housing, Student Association, or Foundation from an operational, budgetary, and regulatory standpoint?

A50. As a public higher education entity, management closely watches enrollment along with possible increases in budgetary requirements (whether it due inflation or the needs of the college). Since the College is partially funded by the State and City of NY, regulations related to colleges, tuition rates or potential funding is always on our radar.

Q51. Is there more of an expectation for the work to be done on-site versus remote? Is there a preference?

A51. Please see response in A6.

Q52. Should the proposer include a draft of the annual audit and tax engagement letters to be signed by management for the fiscal year 2023 audit?

A52. It is not required but can be provided.

Q53. Also, what is the order of precedence that the engagement letters will take for this contract related to terms and conditions, as there may be certain terms and conditions as part of the College's and Student Housing's standard terms and conditions that may conflict with AICPA and/or other professional standards with providing these services that would be outlined in the engagement letters?

A53. Annual engagement letters signed each year does not nullify the RFP contract but is in addition to the contract. Amendments needed to the contract (to avoid conflicting with professional standards) will need to be approved by the Office of General Counsel.

Q54. Should the proposer include any proposed modifications to the College's and Student Housing's standard terms and conditions in order to fulfill the requirements of the RFP in accordance with AICPA and/or other professional standards as part of its proposal submission?

A54. Yes.

Q55. What is the reason for issuing the RFP and will the prior auditors be bidding on the services?

A55. Please see the response in A12 for the reason for issuing the RFP. The prior auditor will be allowed to submit a bid for services.

Q56. Does the entity expect any significant changes which would affect the scope of the audit?

A56. No.

Q57. Did you have any disagreements with the current audit firm?

A57. No.

Q58. Can you let us know how many adjustments were proposed in preparing the financial statements by the current auditor?

A58. Please see response in A33.

Q59. Could you provide a break-down of professional fees by entity charged for the prior year services?

A59. Please see response in A38.

Q60. Were there any out-of-scope services provided by the current auditor?

A60. The only out of scope services provided in FY22 was in for tax consulting services to provide guidance on state and federal reporting requirements.

Q61. Please provide most recent copies of the College's single audit reports as well as management comment letters for all entities if applicable.

A61. Attached.

Q62. Please provide most recent copies of the tax filings (990, 990T, CHAR 500 and others) for FIT, FIT Student Housing, FIT Foundation, and others if applicable.

A62. Attached.

Q63. Do you have any disagreements with the current audit firm?

A63. No.

Q64. What was the nature and magnitude of any audit adjustments for the FY 2022 audit and the prior 2 years? How many audit adjustments typically are identified each year?

A64. For the answer to FY 2022 audit adjustments please see A33. There were no audit adjustments in FY 2021 or FY 2020 for the College and its component units. On an average there are between 0 and 1 audit adjustments identified each fiscal year.

Q65. How have the auditors worked with the internal audit team?

A65. Please see response in A30.

Q66. What were the fixed fees for the audit and tax services for FY 2022 and the prior 2 years?

A66. Please see response in A19.

Q67. Please describe the non-audit services which are expected in connection with this engagement?

A67. Please see response in A60.

Q68. Have there been any additional billings in the past three year outside the scope of the proposed audit and tax services? If yes, what was the nature of the additional service provided and amounts billed?

A68. Please see response in A60 for FY2022 out of scope services. In FY 2021 there were no additional billings for out of scope services. In FY 2020 there was an additional billing for the Single Audit in relation to the Higher Education Emergency Relief Fund program audit.

Q69. How many hours do the auditors spend on the audit? Generally, how long were the auditors in the field for interim and final fieldwork? How many auditors conducted the fieldwork?

A69. Please see response in A27.

Q70. Who will be the main contact for the single audit?

A70. The Controller will be the main contact for the single audit.

Q71. Does the College prepare draft financial statements that the auditors use as a basis for the final issued reports?

A71. Yes.

Q72. Does the College staff prepare the schedule of expenditures of federal awards? What's the timing for single audit (same time as financial statement audits or different schedule)?

A72. Yes. Single audit testing is performed at the same time as the financial statement audit.

Q73. Were there any significant new federal grants in fiscal 2023 and thereafter?

A73. No.

Q74. What are you most looking for from a new service provider, and how would you prioritize those items?

A74. To have an audit performed and tax filings prepared within the appropriate guidelines/regulations within the timeframe highlighted in the RFP.

Q75. Have there been any significant changes in operations during the past year?

A75. No.

Q76. When do you expect the consolidated books to be closed for FY23?

A76. We expect to close the books between July 23 and August 23.

Q77. Can you provide an estimated number of hours for each of the audits, or provide more details about the size of the audit team, the general timing of interim and final fieldwork, and the number weeks of fieldwork for each?

A77. Please see response provided in A27.

Q78. Do you have an internal audit department? If yes, do they participate in the audit?

A78. Please see response provided in A30.

Q79. How many times do the auditors meet with the audit committee during the year?

A79. The auditors meet with the audit committee twice each year, once for planning and once for the review of the final results.

Q80. Do you anticipate the audit(s) being done in person, remotely or hybrid?

A80. Please see response provided in A6.

Q81. Are there any significant litigation matters or other investigations pending?

A81. No.

Q82. What are some of the Board's primary concerns?

A82. Please see response provided in A74.

Q83. Do you have an investment committee of the Board of Trustees?

A83. The FIT Foundation has a Finance Committee.

Q84. Can you please provide copies of the most recently filed Forms 990 and 990-T for the entities subject to filing (FIT 990-T, FIT Student Housing 990 and 990-T and FIT Foundation 990 and 990-T)

A84. Attached.

Q85. If the source of unrelated business income is from investments, approximately how many Forms K-1 are received that need to be analyzed?

A85. The source of unrelated business income is not from investments.

Q86. Is a state equivalent of Form 990-T filed in any states other than NY?

A86. No.

Q87. Do any of the tax filing entities file informational returns for foreign investments? If so, approximately how many and what particular forms are filed for each entity? (i.e. Forms 926, 8865, 8621, 5471)

A87. Yes, between 0 and 5 Form 926 or 8865 filed each year for the FIT Foundation.

Q88. Will the tax preparer attend a board meeting to review the Forms 990? If so, is there a meeting for each of the entities?

A88. Yes. There is one meeting the College, Student Housing and Student Association and another meeting for the FIT Foundation.

Q89. When was the last IT/systems upgrade and what outside advisors/consultants if any did you use?

A89. The Financial system of record, Finance Enterprise was updated in FY 2020.

Q90. Are there any new IT initiatives that you are considering in the near future?

A90. Continued enhancement of cybersecurity and cyber awareness.

Q91. Are you aware of any recent cybersecurity breaches?

A91. No, there have been no direct breaches.

Q92. Generally, how many weeks and how many audit staff are in the field during final fieldwork?

A92. Please see response provided in A27.

Q93. What are the required deadlines for issuance of the various audit reports?

A93. Please see response provided in A29.

Q94. Have there been any delays in the audit during the past fiscal year for any of the entities?

A94. No.

Q95. Are the records for the various entities needing an audit centralized to one location? Are there different points of contact for the audits for each entity?

A95. Yes, the records are centralized in one location. There is one person that serves as the point of contact for the audits.

Q96. Can you provide the “Memorandum on Accounting Procedures and Internal Controls” for all entities for the most recent audit period?

A96. Please see response provided in A8.

Q97. What were the previous year’s audit fees for each entity?

A97. Please see response provided in A38.

Q98. Were there any significant changes in operations in the past fiscal year?

A98. No.

Q99. How many audit adjustments were there in the last audited fiscal year and what were the nature of these audit adjustments?

A99. Please see response provided in A33.

Q100. In what ways can your previous audit experience be improved?

A100. Our goal for the upcoming fiscal year(and every year before that) is to obtain audited financial statement and tax forms that are in accordance with professional standards and regulations within the time period highlighted in the RFP.

Q101. Is there a preference on conducting the audit fieldwork in person, or remote?

A101. Please see response provided in A6.

Q102. What is the reason for the RFP? Is the current audit firm being invited to submit a proposal?

A102. Please see response in A12 and A34.

Q103. What is the structure and experience of the Business Office?

A103. The Office of the Controller, Budget, Capital Projects, Payroll, Bursar, Facilities, Environmental Health & Safety, Procurement, Operational Services, Public Safety and Space Planning report directly or indirectly to the Treasurer and Vice President of Finance and Administration

Q104. What is the structure and experience of the Student Financial Aid Office?

A104. The Office of Financial Aid reports to the Vice President of Enrollment Management, Success and Student Services.

Q105. Does management prepare the draft financial statements, including all supplemental schedules?

A105. Yes.

Q106. Does management prepare the necessary journal entries relating to GASB68 and GASB75?

A106. Yes.

Q107. Are you expecting new federal funds? State funds?

A107. No.

Q108. Were the audits performed virtually either in part or in their entirety for the 2022 fiscal year? If they were, is that the expectation for the 2023 fiscal year?

A108. Please see response provided in A6.

Q109. How many meetings are held with each respective Board?

A109. Please see response in A79.

Q110. What were the audit fees for each entity for the year ended June 30, 2022?

A110. Please see response in A38.

Q111. Were there any audit adjustments for 2022 for any of the entities? If yes, how many and what was the nature of the adjustments?

A111. Please see response in A33.

Q112. What is the structure of the accounting departments for each of the component units?

A112. The Accounting Office is centralized, with one department serving all entities.

Q113. What accounting software does each component unit use?

A113. Central Square's Finance Enterprise.

Q114. Is the accounting function centralized at one location? Is the student financial aid, billing and collections functions centralized at one location?

A114. Yes, all functions are centralized.

Q115. How many auditors are involved in fieldwork? And approximately how long has fieldwork historically taken?

A115. Please see response in A27.

Q116. Why are you going out for bid?

A116. Please see response in A12.

Q117. Are there any improvements you would like to see in the audit process?

A117. Please see response in A100.

Q118. Are there any significant changes in operations in the current year vs. the prior year including changes in policies and procedures or personnel?

A118. No.

Q119. Are there any significant regulatory or legal issues the Institute is facing?

A119. No.

Q120. Describe any relationships with third party service providers used by the Institute that may have an impact on the accounting or financial reporting of the Institute (i.e., tuition management, Perkins loan servicing, payroll, endowment, facilities maintenance).

A120. Please see response in A3.

Q121. Did your auditor issue an internal control or management letter as part of the 2022 audit? If so, please provide a copy.

A121. Yes, attached.

Q122. Do you prepare a complete set of financial statements including basic statements, footnotes, and the schedule of expenditures of federal awards?

A122. Yes.

Q123. Are there any significant or unusual transactions expected in FY2023 that will significantly impact the Institution's financial statements?

A123. No.

Q124. In prior years, have there been any delays in the audit due to delays in receiving information from third parties or other reasons?

A124. No.

Q125. Any disagreements with the current auditor?

A125. No.

Q126. Any audits from Department of Education, state auditors, IRS, or other sources in the past two years?

A126. No.

Q127. Number and nature of corrected misstatements and uncorrected misstatements?

A127. Please see response in A33 and A64.

Q128. Are there any audit areas where you have required assistance from the auditors in the current year or previous years (i.e., implementing new standards)?

A128. When implementing new audit standards management will consult the auditors for guidance.

Q129. What were the prior year fees for professional services?

A129. Please see response in A38.

Q130. What is the timeline regarding fieldwork in the prior year?

A130. Please see response in A27.

Q131. What was the number and level of auditors assigned to your engagements?

A131. Please see response in A27.

Q132. Do you prefer fieldwork to be performed on-site, remotely, or a hybrid of both?

A132. Please see response provided in A6.

THIS ADDENDUM IS PART OF THE CONTRACT DOCUMENT AND **MUST** BE INCLUDED WITH YOUR REQUEST FOR PROPOSAL SUBMITTAL. YOUR SIGNATURE BELOW WARRANTS THAT YOU UNDERSTAND THIS ADDENDUM AND THAT YOU HAVE MADE THE APPROPRIATE ADJUSTMENTS IN YOUR PROPOSAL AND CALCULATIONS.

Signature

Print Name and Title of Authorized Representative

Print Name of Company/Partnership/Individual

Date