



Spartanburg School District Three

Nothing changes if nothing changes.
Be the Change!

January 26, 2024

You are hereby invited to submit a proposal in accordance with the requirements of this *Request for Proposal – Audit Services* for Spartanburg School District Three and Daniel Morgan Technology Center, Spartanburg, South Carolina.

All proposals must be submitted **NOT LATER THAN 4:00 PM, February 27, 2024.**

Proposals may be mailed to:

J. Greg Mack, Assistant Superintendent for Finance & Operations
Spartanburg School District Three
P.O. Box 267
Glendale, South Carolina 29346

Proposals may be delivered to (physical address):

J. Greg Mack, Assistant Superintendent for Finance & Operations
Spartanburg School District Three
3535 Clifton Glendale Road
Spartanburg, South Carolina 29307

This request for proposals does not commit Spartanburg School District Three to award a contract, to pay any cost incurred in the preparation of the proposals, or to procure or contract for these services.

Spartanburg School District Three reserves the right to accept or reject any or all proposals as a result of this request for proposals, to negotiate with all qualified offerors, or to cancel in part or in its entirety this request for proposals if it is in the best interest of the District.

Best regards,

J. G. Mack

J.G. Mack
Assistant Superintendent



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

TABLE OF CONTENTS

General Conditions	Pages	3 - 4
District Information	Pages	5 -6
Center Information	Pages	6-7
Scope of Services	Pages	8 - 11
Submittal Requirements & Fee Format	Pages	12 - 14
Evaluation of Proposals	Pages	15 - 16
List of Key Personnel	Page	17



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

GENERAL CONDITIONS

1. Spartanburg School District Three (the “District”) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending **June 30, 2024, June 30, 2025, and June 30, 2026** with the option to renew for additional one to three-year intervals upon mutually agreeable terms with the concurrence of the Board of Trustees. These audits are to be performed in accordance with the following:
 - Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants
 - Standards for financial audits as set forth in the U.S. Government Accountability Office’s *Government Auditing Standards*.
 - Provisions of the *Single Audit Act Amendments of 1996* and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*
 - Standards as set forth by the South Carolina Department of Education
2. Proposals shall be submitted in a sealed envelope with the outside of the envelope clearly marked “Request for Proposal for Audit Services” and name and address of firm.
3. Proposals should be submitted no later than **4:00 PM, February 27, 2024**.

Proposals may be mailed to:

J. Greg Mack, Assistant Superintendent for Finance & Operations
Spartanburg School District Three
P.O. Box 267
Glendale, South Carolina 29346

Proposals may be delivered to (physical address):

J. Greg Mack, Assistant Superintendent for Finance & Operations
Spartanburg School District Three
3535 Clifton Glendale Road
Spartanburg, South Carolina 29307

4. Proposals are not to be faxed to the District, nor will the District be responsible for late submission caused by the postal service or any other delivery problem.
5. The proposal shall remain firm for a period of ninety (90) calendar days following the date established for submission of proposals. Proposals may be withdrawn upon written request by the proposing firm, prior to the date and time established for submission. No proposals may be withdrawn after the time and date established for submission.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

GENERAL CONDITIONS (Cont'd)

6. The District 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 request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. It is anticipated that selection of a firm will be completed by **March 12, 2024, and presented to the Board of Trustees on March 18 for approval.**
7. The proposal shall be signed by an official authorized to bind the proposer to the submitted terms and conditions.
8. Any firm(s) submitting a proposal may be requested to interview with the District regarding their submitted proposal.
9. The District's fiscal year runs from July 1 through June 30 of the following year. The initial award of contract will be for three audit years (FYE June 30, 2024; FYE June 30, 2025; and FYE June 30, 2026). The District reserves the right to extend the contract for additional one to three audit year intervals based on the firm's performance and acceptable negotiated terms.
10. No documents relating to this request for proposals will be presented or made otherwise available to any other person, agency or organization until after award. Commercial or financial information obtained in response to this request for proposals which is considered privileged and confidential information includes information, which if disclosed, might cause harm to the competitive position of the firm supplying the information. All firms must visibly mark as **CONFIDENTIAL** each part of their proposal they consider to contain proprietary information.

All questions concerning this request for proposals should be addressed to Greg Mack, Assistant Superintendent for Finance & Operations, who can be reached by telephone at (864) 279-6011; by mail at the address given in GENERAL CONDITIONS #3; or by email at gmack@spartanburg3.org .



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

DISTRICT INFORMATION

Spartanburg School District Three encompasses the municipalities of Cowpens and Pacolet, South Carolina, and the communities of Glendale, Clifton, White Stone, Converse, and Cannons Campground. The school district office is located in Glendale, South Carolina, and encompasses an area of 71 square miles. The enrollment of the District is approximately 2,800 students. The District employs approximately 350 personnel. The District has received an unmodified opinion in fiscal year 2022-23, and in prior fiscal years, as well.

The District is governed by a nine-member School Board of Trustees. Currently, the District has three elementary schools, one middle school, and one high school. The District serves as the Fiscal Agent for Daniel Morgan Technology Center, which serves both Spartanburg Districts 3 and 7.

For the 2023-24 fiscal year the District's General Fund Budget is \$34,979,587. Overall revenue sources are split predominantly between state and local revenue. State revenue amounts to approximately 46% of total revenues. Revenue from local sources is approximately 37% of total revenues, and revenue from federal sources is approximately 17%. The accounting and financial reporting functions of the District are centralized along with most of the pupil activity accounts.

The District uses the following fund types in its financial reporting, and the District expended amounts represented below for FY 2022-23:

<u>Fund Type</u>	2022-23 <u>Expenditures</u>
General Fund	\$31,794,141
Special Revenue (excludes EIA)	7,874,214
Special Revenue-EIA	1,286,326
Special Revenue-Food Service	1,665,556
Debt Service	2,646,474
Capital Projects	9,366,276
Special Revenue - Pupil Activity	893,037
Total	<u>\$55,526,024</u>



RFP for AUDIT SERVICES SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN TECHNOLOGY CENTER

The Finance Department is headed by the Assistant Superintendent for Finance & Operations, and is made up of the following positions:

Payroll	1.5 Full-Time
Accounts Payable	1.5 Full-Time
Accounting Manager	1.0 Full-Time
Bookkeeper (DMTC)	1.0 Full-Time

The software package currently utilized by the District for all accounting related functions, is Infinite Visions, a division of Tyler Technologies.

CENTER INFORMATION

Daniel Morgan Technology Center is a separate accounting entity for which Spartanburg School District Three serves as fiscal agent. The Center serves approximately 700 students from its two contributing high schools – Broome High School in Spartanburg School District Three and Spartanburg High School in Spartanburg School District Seven. The Center levies its own millage and passes its own budget by its Board, made up of three members each, selected by and from the Boards of Trustees of the two districts it serves. The Center has no legal debt capacity and cannot legally issue any debt. The two parent districts contribute funds in proportion to each respective tax base for any capital projects the Center undertakes.

The Center's tax base and service area are the sum of the two school districts' respective tax bases and service areas. The Center employs approximately 32 personnel. The Center has received an unmodified opinion in fiscal year 2022-23, and in prior fiscal years, as well.

For the 2023-24 fiscal year the Center's General Fund Budget is \$3,665,173. Overall revenue sources are split predominantly between state and local revenue. State revenue amounts to approximately 29% of total revenues. Revenue from local sources includes ad valorem taxes and tuition from the sending districts and is approximately 69% of total revenues. Revenue from federal sources is approximately 2%.

The accounting and financial reporting functions of the Center are centralized, with Spartanburg School District Three serving as fiscal agent. As a separate accounting entity, the Center receives its own financial reports. **Accordingly, the District expects a separate proposed fee schedule for the Center.**



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

The Center uses the following fund types in its financial reporting, and the Center expended the amounts represented below for FY 2022-23:

Fund Type	2022-23 Expenditures
General Fund	\$ 3,286,549
Special Revenue (excludes EIA)	64,971
Special Revenue-EIA	85,061
Capital Projects	153,030
Fiduciary - Pupil Activity	33,824
Total	<u>\$ 3,623,435</u>

The Center's finances are directly managed by Spartanburg School District Three's Finance department with the assistance of its on-staff bookkeeper / Director's Assistant who is responsible for day-to-day purchases, data entry, and budget management.

The software package currently utilized by the Center for all accounting related functions, in conjunction with Spartanburg School District Three, is Infinite Visions, a division of Tyler Technologies.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

SCOPE OF SERVICES

1. The District requires the following:
 - A. An expression of an audit opinion on the fair presentation of the government's basic financial statements in conformity with generally accepted accounting principles.
 - B. Single audit report relative to state and/or federal financial assistance programs.
 - C. Management letter indicating deficiencies or opportunities for accounting and reporting improvements, specifically identifying any reportable condition or material weakness.
 - D. Disclosure of irregularities and illegal acts.
 - E. Reporting on the internal control system based on the auditor's assessment of the structure and control risk.
 - F. Conducting performance audits to assess operating effectiveness and efficiency.
2. The District must also adhere to guidelines established by the State Department of Education, as set forth in the South Carolina Department of Education's Single Audit Guide, and by the South Carolina Department of Education's Funding Manual. A copy of the State Department of Education Guidelines can be obtained from the State Department of Education, 1429 Senate Street, Columbia, South Carolina, 29201.
3. Assistance During the Audit
 - A. The District's Finance Department will be available to prepare financial schedules and pull requested documents. The Accounting Coordinator will review a draft of all the financial statements, prepare the supporting schedules, and will also coordinate all audit work.
 - B. The District is available to provide the maximum possible assistance to the successful firm.
 - C. All primary accounting records are maintained in the Finance Department.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

4. Assistance Provided to Client Outside of Audit

- A. The District requires that an audit firm provide on-going client assistance that is available throughout the fiscal year in terms of client newsletters and notices of updates and changes in SAS, GASB, and other regulatory agency/entity requirements and regulations.
- B. The District is also interested in a firm that has the capability of providing on-going professional development opportunities for clients.

5. Time Requirements

RFP Issued	01/26/2024
Deadline for Questions	02/20/2024
Due Date for Proposals	02/27/2024
Firm Selection	03/18/2024

6. Audit Start Date/Interim Work

- A. The District will have all records ready for the audit and all management personnel available to meet the firm's personnel not later than early May of each fiscal year for an entrance conference and interim work.
- B. Interim work shall be completed by June 30 of each fiscal year.

7. Detailed Audit Work Plan

By June 30, of each fiscal year, the auditor shall provide the District both a detailed audit work plan and a list of all schedules to be prepared by the District's staff.

8. Work Area, Telephones, Photocopying and Internet Access

The District will provide the auditor with reasonable work space, desks and chairs. The auditor will also be provided with access to internet connections, telephones, and photocopying facilities.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

9. Report Requirements

- A. All audit reports shall be addressed to the School Board of Trustees of Spartanburg School District Three.
- B. The audit must be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.
- C. An opinion on compliance with applicable regulations must be rendered.
- D. The reports must include District comments and responses on all exceptions detailed in the published reports.

10. Progress Meetings, Report Review, Number of Copies

- A. During the course of the audit regularly scheduled progress meetings between the audit firm and the District's Assistant Superintendent are to be held.
- B. All audit reports must be reviewed in *Draft Form* with the District's Assistant Superintendent and Accounting Manager prior to the reports being printed.
- C. Approximately 15-20 copies of the approved and completed audit report shall be delivered to the Assistant Superintendent for Finance & Operations.

11. Completion of Audit

The audit shall be completed by November 15 of each year.

12. Audit Presentation

The audit firm will be expected to make presentations on the audit report to the School Board of Trustees.

13. Expansion of Services

Any expansion of services resulting in an increase in the maximum fee of the audit must have written approval prior to the engagement of services from the Assistant Superintendent.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

12. Reporting Related to Issuance of Debt

The District may issue General Obligation Bonds, TANS, and BANS for purposes of cash flow and construction activities. The District relies on information, statements, and audit opinions contained in the annual financial report in preparing documents for these financial activities. Accordingly, the District requires that any information or opinions contained in the audit report or management letter may be used with written consent of the auditor at no cost to the District. The cost of any financial reviews required of the auditor related to these financing activities should be included in your cost proposal.

13. Working Papers

Working papers shall be retained by the successful firm for five (5) years and must be made available for examination by representatives of the State Department of Education, State Auditor's Office, and other District auditors. In addition the successful firm must make all working papers physically available at the audit site to the auditor who audits the subsequent contract period and at conferences regarding proposals for audit services.

14. GFOA and ASBO Certificates

The District does not currently participate in the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting or the Association of School Business Officials International's (ASBO) Certificate of Excellence in Financial Reporting. This could, however, change in the future but is not an expectation of this engagement.

15. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement in accordance with the firm's dollar cost proposal. Interim billing shall cover a period of not less than a calendar month. Ten percent (10%) may be withheld from each billing pending delivery of the firm's final reports.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

SUBMITTAL REQUIREMENTS

Submitted Proposals are to be organized in the following manner:

1. Title Page

Show the RFP title, name of firm, address, telephone number, fax number, e-mail address, web page address and name of contact person and the date.

2. Table of Contents

Include a clear identification of the material by section and page number.

3. Letter of Transmittal

A. Briefly state the firm's understanding of the requested services and make a statement of the firm's ability, willingness and technical competence, to include the use of technology, to perform such services.

B. List the person(s) who are authorized to make representations for the firm, their titles, addresses and phone numbers.

C. A statement that the proposal is a firm and irrevocable offer for 90 days.

4. Profile of Firm

A. State whether the firm is local, regional or national.

B. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors and other staff employed at office.

C. Confirm in writing that the CPA(s) assigned to the District's audit are licensed CPAs in the State of South Carolina and in good standing with the South Carolina Board of Accountancy.

5. Summary of Firm's Qualifications

A. Identify the partner and supervisors who will work on the audit. Resumes for each CPA to be assigned to the audit should be included in the firm's proposal.

B. Describe the firm's recent audit experience with governmental accounting, especially educational institutions.

C. If other auditors are to participate in the audit, information on those auditors must be provided.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

D. Describe the firm’s recent experience with assisting clients in submitting their annual financial reports to GFOA and ASBO for their respective certificates in financial reporting.

6. Scope Section

Clearly describe the scope of the required services to be provided.

Include literature or evidence of information, updates, and training/professional development sessions provided to clients during the fiscal year in terms of client newsletters, notices of updates and changes to SAS rulings, GASB pronouncements, as well as other changes in regulatory entities’ requirements and regulations.

7. Approach to Audit

Submit a work plan to accomplish the scope defined under the section “Scope of Services”. The work plan should include time estimates for each significant segment of the work and the staff level to be assigned. Where possible, individual staff members should be named and their titles provided. The planned use of specialists should be specified. Also discuss the audit approach (for example, statistical sampling, analytical procedures, methodology for documenting, use of technology in the auditing process).

The audit work plan should demonstrate the firm’s understanding of the audit requirements.

8. References

Provide names, addresses, telephone numbers and names of contact persons of current and past governmental accounting clients especially educational institutions that the District may call regarding the firm’s ability to carry out the scope of requested services.

9. Fee

Estimate the total hours, out-of-pocket costs and the resulting all-inclusive maximum fee for which the requested work will be done. Fees for subsequent fiscal years should be included with a firm not-to-exceed amount. All fees are subject to negotiation by the District. An offer that is unclear as to the total annual cost to the district shall be rejected. For evaluation purposes, costs must be provided in the following format:

Audit Year	District Proposed Fee Not to Exceed	DMTC Proposed Fee Not to Exceed
FYE June 30, 2024	\$	\$
FYE June 30, 2025	\$	\$
FYE June 30, 2026	\$	\$

Also, furnish on a separate page a detailed cost breakdown that includes the hourly rates of each audit team member, out-of-pocket expenses, etc.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

10. Rates for Additional Services

If it should become necessary for the District 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 an addendum to the contract between the District and the firm. The auditor shall state the hourly rates that would be charged for such services.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

EVALUATION OF PROPOSALS

The District reserves the right to reject any and all proposals submitted and to request additional information from the firms. The award of contract will be made to the firm, which, in the opinion of the District, is the best qualified.

Evaluation considerations will include the following:

Mandatory Criteria (20%)

1. The firm should provide an affirmative statement that the firm and all assigned key professional staff are properly licensed certified public accountants licensed to practice in the State of South Carolina.
2. The firm should provide an affirmative statement that it is independent of the District as defined by auditing standards generally accepted in the United States of America.
3. The firm does not discriminate in employment of persons upon the basis of race, color, creed, national origin, sex, age or physical handicap.
4. The firm has no conflict of interest with regard to any other work performed by the firm for the District.
5. The firm does not have a record of substandard audit work.
6. The firm will complete the audit by November 15.

Technical Factors (40%)

1. Response to the request for proposal clearly states an understanding of the scope of services required.
2. The factors of :
 - (A) Appropriateness and adequacy of proposed procedures.
 - (B) Reasonableness of time estimates.
 - (C) Appropriateness of assigned staff levels.
 - (D) Timeliness of expected completion.
 - (E) Ability of the firm to help improve the District.
3. The firm's past experience and performance on comparable governmental engagements.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

4. The quality of the firm's professional staff to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

Fee (40%)

Although cost is a significant factor, it will not be the sole factor. Cost will be given more importance when all the other evaluation criteria are relatively equal.

If there is reason to believe that an unreasonably low proposal has been made, it will be rejected.



**RFP for AUDIT SERVICES
SPARTANBURG SCHOOL DISTRICT THREE & DANIEL MORGAN
TECHNOLOGY CENTER**

LIST OF KEY PERSONNEL

<u>Name and Title</u>	<u>Location</u>	<u>Phone</u>
Chris Jolley, Chairman, Board of Trustees	District Office	864.279.6000
Dr. Julie Fowler, Superintendent	District Office	864.279.6000
Greg Mack, Assistant Superintendent	District Office	864.279.6011
Lloyd Vidrine, Accounting Coordinator	District Office	864.279.6039