



# West Harlem Development Corporation

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### Board of Directors

Jeanine R. Johnson – Chair  
Maria Teresa Arce  
Kathryn Briger  
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Theodore Kovaleff, PhD  
Heidi Lopez  
Jason Markham  
Zead Ramadan  
Yvonne Stennett  
Judge Milton Tingling

July 29, 2015

Dear: Prospective Independent Financial Auditor:

### **Ref: Request for Proposal for Independent Audit or Review Services for a Nonprofit**

West Harlem Development Corporation (WHDC) is accepting proposals from Certified Public Accounting (CPA) firms to provide audit or review services for our organization for the fiscal year ended December 31, 2014 and for the future (See requirements). We invite your firm to submit a proposal to us by 5:00pm on August 31, 2015, for consideration. This should be preceded by an e-mail of an intent to propose that should be sent to the Executive Director of WHDC by August 14, 2015. A description of our organization, the services needed, and other pertinent information follows:

#### **1. Background of WHDC**

WHDC is a 501(c) (1) Delaware nonprofit corporation with authorization to do conduct affairs in New York State. WHDC was incorporated on May 24, 2011. The mission of WHDC is to promote increased economic opportunities and sustain a vibrant West Harlem. The organization is consequence of the campus expansion in West Harlem by Columbia University (CU). WHDC manages/oversees a portfolio of commitments from CU that are memorialized in a Community Benefits Agreement (CBA) signed between CU and a predecessor organization, West Harlem Local Development Corporation (WHLDC). The CBA was signed on May 18, 2009. Among the commitments are a Benefits Fund of \$76 million payable unevenly by CU over 16 years according to a schedule that started in 2009; and a \$20 million affordable housing fund payable in two installments of which CU has paid the first \$10 million and is pending WHDC's roll out of an affordable housing strategy. Per the CBA, CU makes the cash commitment payments to a fiscal sponsor who then pays WHDC's approved expenditures. The staff of WHDC, currently numbering five (5) are considered those of the fiscal sponsor. Since January 2013, the fiscal sponsor has been Tides Foundation and Tides Center. Prior to that it was the Fund for the City of New York. WHDC assumed the assets and obligations from WHDC on May 1, 2013. WHDC provides competitive grants to community nonprofits to offer services in arts & culture, community facilities, education, environment, historical preservation, housing, and workforce & economic development. Since 2011, WHLDC/WHDC has made grant totaling close to \$7 million. WHDC's primary condition is that the



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services must benefit the residents of Manhattan Community District 9. WHDC's current board of 12 members includes three for Upper Manhattan elected officials.

## **2. Services to Be Performed**

Your proposal is expected to cover the following services:

1. Annual audit or review to be completed for 2014 and 2013 from when WHDC assumed the assets and liabilities of WHLDC.
2. Meetings with executive director, audit committee and or board of directors, as necessary, and meetings with fiscal sponsors, also as necessary.

## **3. Key Personnel**

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

Kofi A. Boateng, PhD – Executive Director – (646) 476-3394 (X 206)  
kboateng@westharlemdc.org

Requests for additional information, visits to our site, review of unaudited financial statements and data, and appointments with members of the audit committee and/or board should be coordinated through our Executive Director. You may reach him at the number and e-mail address listed above. Please return the completed proposal to my attention at the address provided.

## **4. Relationship with Fiscal Sponsor and State of WHDC's Official Accounting**

This will be WHDC's first independent financial audit. Under its fiscal sponsorship agreement, WHDC's financial information has been included in those of its fiscal sponsor, Tides Foundation. Since WHDC does not directly receive funds nor have employees, it does not file Form 990 and NY CHAR 500 except for information only (Form 990-N). Since WHDC initiates all disbursements and is aware of all revenue inflows, it has copies of all approved disbursements in its office in New York City. WHDC maintains a Fund EZ General Ledger System as "shadow of Tides Accounting" to facilitate future independent financial audits. Tides Center processes WHDC's general operating disbursements. Tides Foundation processes WHDC's grant payments. In addition Tides Foundation manages WHDC's cash investments. All accounting functions for Tides are done in San Francisco, even though Tides Center has a location in New York City.



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## 5. Consideration of a Review Service

Given the facts of section 4 above, the CPA firm should consider a proposal for a Review Service if they deem that to be more appropriate in the instance.

### Other Information

#### 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/review and tax services to organizations in the not-for-profit industry.
2. Discuss the firm's independence with respect to WHDC, Tides Center, Tides Foundation and Columbia University
3. Identify the five largest not-for-profit clients your firm (or office) has lost in the past three years and the reasons. Also discuss, in instances when loss of the client was due to an unresolved auditing or accounting matter, the process of attempting to resolve the issue(s).
4. Provide justification for why you believe WHDC should start with a review given its circumstances, or why it should be an independent audit for the periods indicated.
5. 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.
6. Describe how your firm will approach the audit or review 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 audit committees of the board.
7. Describe to what extent you would access information from Tides Center/Tides Foundation, in what manner and for what material.
8. Set forth your fee proposal for the 2014/2013 audit or review, with whatever guarantees can be given regarding increases in future years. Your fee proposal should also delineate hours by level of staff.
9. Describe how you will bill for questions on technical matters that may arise throughout the year.
10. Furnish current standard and discounted billing rates for classes of professional personnel.



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11. Provide the names and contact information for four nonprofit clients of the partner and manager that will be assigned to our organization for reference purposes.
12. Describe how and why your firm is different from other firms being considered, and why our selection of your firm as our external accountants is the best decision we could make.
13. 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**

WHDC 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.

We would also appreciate a notice of your desire or decline to submit a proposal.

Sincerely,

Kofi A. Boateng, CPA, PhD  
Executive Director

[kboateng@westharlemdc.org](mailto:kboateng@westharlemdc.org)