



Request for Proposal – Audit Services

I. BACKGROUND

Studio in a School Association, Inc. (STUDIO IN A SCHOOL) fosters the creative and intellectual development of New York City youth through quality visual arts programs, directed by arts professionals. The organization also collaborates with and develops the ability of those who provide or support arts programming and creative development for youth both in and outside of schools. This mission is grounded in a commitment to the values of equity and access, with a focus on serving the lowest-income neighborhoods throughout New York City.

Under Studio in a School Association, Inc., we fulfill our mission through two divisions: **Studio in a School NYC, LLC**, offering programs for students in NYC from early childhood through high school, professional learning for educators, family engagement, and curriculum resources, in addition to engaging in research about the impact of arts education; and **Studio Institute, LLC**, which shares professional learning, partnership programs, arts internships, and intern regrants in NYC and other cities around the country.

Studio in a School Association, Inc. is a 501(c)(3) organization under applicable provisions of the Internal Revenue Code. The Organization has been classified as a publicly supported charitable organization and qualifies for a maximum charitable contribution deduction for donors.

Studio in a School NYC and Studio Institute have a combined annual operating budget of approximately \$12.9M. Funds needed to support the mission of STUDIO IN A SCHOOL are received from restricted and unrestricted contributions from individuals, Board members, Federal, State and City government, foundations, and corporations, as well as education program fees and endowment and gala returns.

More information is available on our website at studioinaschool.org and studioinstitute.org.

II. CONTENT OF YOUR PROPOSAL

1. Executive Summary

Summarize the key features of your proposal and describe why your firm is the best suited to meet STUDIO IN A SCHOOL's needs.

2. Firm Profile and Not-for-Profit Industry Program

How is your firm organized as it relates to the not-for-profit industry?

Describe your firm's industry competence and specialization.

Describe your firm's knowledge and familiarity with the New York Prudent Management of Institutional Act.

Describe your firm's operating policies regarding management letters and communication with both management and Audit Committees. Please address the types of comments included in a management letter, the process for communicating audit issues to management, and the type of information communicated to the Audit Committee.

Discuss your industry program including publications, client seminars, training for staff, and involvement with various philanthropic organizations.

Discuss other professional services provided by your firm and how they will benefit STUDIO IN A SCHOOL.

3. Qualifications of the Proposed Service Team

It is important to STUDIO IN A SCHOOL that the individuals assigned to the account understand the not-for-profit industry and have the requisite experience.

Provide detailed background on the partner, manager and staff who will be assigned to this engagement. Briefly describe the respective roles of each.

Address the issue of continuity of staff on this account and indicate what commitments you will make regarding staff continuity.

Describe the training given to your staff to assure the engagement team has the knowledge and experience required to serve STUDIO IN A SCHOOL.

Describe how your firm will address the service team's plans for continued interaction with STUDIO IN A SCHOOL management throughout the year.

Provide any client references that you believe we may find useful in making our decision.

Provide a list of other not-for-profit organizations audited by your firm. Note those that are new clients within the past two years. Also indicate those lost in the past two years and the reasons for the losses.

4. Audit Services

Discuss the audit philosophy of your firm, specifically addressing the questions and points listed below.

Describe your firm's audit approach and philosophy and how you believe it differs from other firms. This discussion should include:

- An overview of the audit plan for STUDIO IN A SCHOOL, including the scope, timing, and nature of the audit work (STUDIO IN A SCHOOL's fiscal year end is June 30),

- Use of interim audit procedures, and
- Approach to adding value through audit service.

Describe your firm's approach to the use of other specialists to support the audit.

Describe your firm's approach to auditing information systems.

Describe your firm's approach to assessing internal controls and financial statement risk in a not-for-profit organization.

Describe ways to use STUDIO IN A SCHOOL staff and finance personnel to reduce audit fees.

Identify the targeted audit delivery date and management letter delivery date. STUDIO IN A SCHOOL's fiscal year end is June 30. The STUDIO IN A SCHOOL Audit Committee typically meets at least three times a year. They meet once for the pre-audit meeting with the auditor, once to review the draft financial statements with the auditor, and once to review the draft 990 with the auditor.

5. Auditor Transition

Your proposal should describe the manner in which your firm will deal with a transition. Describe the steps and procedures which you would use to manage a smooth transition. Your response should indicate the approach to be taken, time involved, handling of "start-up" costs, unanticipated events, extra costs, etc. Indicate your requirements to access working papers and cooperation with the previous auditors.

6. Fees

Please provide estimated hours by level and fees for partner, manager and other staff. The total fee for the initial year should be on a "not to exceed" basis, and indicate your willingness to absorb the cost of the "learning curve" for the initial year's engagement. Indicate what costs are included as part of the expenses to be billed. Your proposal should include projected fees and other expenses for the following two years.

We may have questions throughout the year and ask that our auditors keep us apprised of events that are deemed relevant to our industry. Your proposal should discuss how you include such inquiries as part of your fees, as well as how your firm keeps clients abreast of industry updates that would be relevant to us.

7. Finance Department and Support

STUDIO IN A SCHOOL's Finance staff prepares detailed lead schedules as part of a year-end plan to assist in the audit process. A draft of the financial statements and footnotes is provided to the auditor based on the prior years audited financial statements. Ideally, in order to meet STUDIO IN A SCHOOL's internal needs, the required sign-off date for the audit is by January 31.

The STUDIO IN A SCHOOL financial systems include FundEZ (through February 2025) and Financial Edge (we transitioned on March 1, 2025). We also transitioned in January 2025 from PrimePay (for payroll) to ADP.

8. Other Information to be Included

Provide a sample engagement letter and a management representation letter that you will require STUDIO IN A SCHOOL management and its Audit Committee Chair to sign.

- Include pertinent results of recent peer reviews and provide the status of any disciplinary actions undertaken against the firm.
- Is your firm presently the subject of malpractice lawsuits or any other major lawsuits or investigations? If so, please give details. Have any lawsuits been settled out of court in the last two years? If so, give details.

III. SCOPE OF SERVICES REQUIRED

The scope of the work requested includes:

- Audit of the Financial Statements for the year ending June 30, 2025.
- Management letter comments concerning the internal control structure as it relates to the audit of the financial statements and related matters noted during the course of the audit.
- Preparation of Federal and state information tax returns for the State of New York.

IV. REVIEW PROCESS AND AUDIT FIRM SELECTION SCHEDULE

STUDIO IN A SCHOOL may, at its discretion, request presentations by or meetings with any or all firms submitting proposals to interview the proposed engagement team and clarify or negotiate modifications to the proposal. However, STUDIO IN A SCHOOL reserves the right to make a decision without further discussion of the proposals submitted. Therefore, proposals should be submitted initially on the most favorable terms, from both technical and price standpoints.

Expression of intent to propose must be communicated by April 15, 2025.

Preliminary meetings with management can be arranged upon request.

The proposal is due by May 9, 2025, and should be submitted via mail or email to:

Studio in a School

Attention: Greg Pierson, Director of Finance and Operations

75 West End Avenue

New York, NY 10023

Email: gpierson@studioinaschool.org

Phone: 212-459-1455 x227

Additional Request for Proposal – Audit Services – IT Audit Addition

I. IT Audit

Studio in a School Association, Inc. (STUDIO IN A SCHOOL) would like to add an annual IT Environment Audit to the RFP. Please include an additional proposal for an IT Environment Audit with your overall Audit Proposal to include an audit of the following:

- IT Department organization structure
- Relevant IT suppliers or external service providers
- Network infrastructure and security
- Significant changes in the IT environment since the previous Audit
- Automation and use of data
- Management of system/data access
- Authentication Methods
- Physical Security Processes