

REQUEST FOR PROPOSAL

The Department of Youth Services is soliciting proposals for an external review of funds held outside the state treasury in each of its facilities. This review is to be conducted in accordance with standards established by the American Institute of Certified Public Accountants.

The Department of Youth Services operates three campuses and one administrative office within the State of Alabama. Each campus has at least three bank accounts: a petty cash account, a student trust fund account, and a student benefit fund account whereas the administrative office has only one account. The facility locations are:

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|---|---|
| 1. Mt. Meigs Campus
1000 Industrial School Road
Mt. Meigs, AL 36057 | 2. Autauga Campus
1601 County Road 57
Prattville, AL 36067 |
| 3. Vacca Campus
8950 Roebuck Blvd.
Birmingham, AL 35206 | 4. Litigation Services (Administrative Office)
990 Industrial School Road
Mt. Meigs, AL 36057 |

This request for proposal is part of a competitive process to select a vendor to conduct an annual review at each DYS facility covering the following scope of work:

I. General Procedures:

1. Inquire of the facility's business manager to ensure that all fiscal activity is maintained in one of three funds.
2. Review each fund to ensure it is maintained in a separate account and only one bank account is maintained for each fund.
3. Review each bank account to ensure it has the following criteria:
 - a. A service charge should be the lowest possible monthly charge.
 - b. Monthly statements.
 - c. Cancelled checks returned with statement. (Imaged copies of front and back of checks are acceptable.)
 - d. Pre-numbered checks.
 - e. Checks preprinted with facility's name and account number.
 - f. Two signatures required on all checks with the business manager and director/superintendent being one of the required signers.
4. Using quarterly monthly financial reports ensure that:
 - a. The ending balance agrees with the check register balance.
 - b. Determine that the report was submitted to the Support Operations Division within time limits specified in the facility accounts manual.

II. Student Trust Fund

1. Cash receipts – Perform random sampling of receipts and
 - a. Review the receipt journal for the signature of the staff receiving the funds and the student’s signature, if applicable.
 - b. Determine the nature of the receipt to ensure propriety of inclusion within the Student Trust Fund.
 - c. Trace the receipt to inclusion in the individual student’s account, noting student account balance was current.
 - d. Trace the receipt to the deposit slip and to inclusion in the bank statement, noting funds were deposited within one week.

2. Cash Disbursements – Perform random sampling of checks and
 - a. Review the check request forms for the signature of the student and the case manager.
 - b. Review the check request forms for approval by the director or other appropriate personnel.
 - c. Review the supporting documentation attached to the check request form noting the amount and payee agree to supporting information.
 - d. Compare the information on the check request form to the copy of the cancelled check.
 - e. Trace the disbursement to inclusion in the individual student’s account, noting the student’s account balance is not overdrawn.
 - f. Review the supporting documentation and note that the disbursement was to a student or for the benefit of a specific student.
 - g. If disbursement was due to the transfer to another facility, note that the payee was the new facility and not the student.

3. Using the reconciliation of the most recent month end, determine that the total balance of student ledger forms agree to the control ledger balance and the checkbook balance.

III. Petty Cash Fund

1. Cash Receipts – Perform random sampling of receipts and
 - a. Trace the receipt to inclusion in the Petty Cash Fund receipt journal.
 - b. Trace the amount per the requisition form to the amount received and trace the proceeds to the bank statement, noting the deposit was made within one week.
 - c. Trace the amount per the requisition form to the supporting documentation.
 - d. Review the supporting documentation to ensure propriety of inclusion in the Petty Cash Fund.

2. Cash Disbursements – Perform random sampling of disbursements and
 - a. Agree the date, amount, and payee per the requisition form to the invoice.
 - b. Note that the recipient signed the receipt if the disbursement was related to a cash award.
 - c. Note that the desk reimbursement form was properly approved by the director/superintendent or the business manager.
 - d. Review the selected disbursement for items greater than \$500.
 - e. Review the supporting documentation to ensure propriety of inclusion in the Petty Cash Fund.
 - f. Compare the information on the check request form to the cancelled check.
3. If the facility maintains cash on the premises, note that it was maintained in a locked box and the box was stored in a locked cabinet or drawer, and does not exceed \$25.

IV. Benefit Fund

1. Cash Receipts – Perform random sampling of receipts and
 - a. Trace the amount of the receipt to the deposit slip and inclusion in the bank statement, noting that the deposit was made within one week.
 - b. Agree the information in the receipt journal to supporting documentation.
 - c. Review the supporting documentation noting restricted receipts were indicated as such in the receipt book.
 - d. Review the supporting documentation to ensure propriety of inclusion in the Benefit Fund.
2. Cash Disbursements – Perform random sampling of disbursements and
 - a. Agree the information on the check request to the copy of the cancelled check.
 - b. Note the disbursement was recorded on the cash receipts and disbursements journal.
 - c. Review the supporting documentation and agree payee and amount.
 - d. Review the check request form for approval by the director of superintendent.
 - e. Review the supporting documentation for any restrictions.
 - f. Note that prior approval was obtained for all purchases greater than \$500.
 - g. Note property and equipment purchases greater than \$500 were included in the Quarterly Financial Report.
 - h. Review supporting documentation for propriety of inclusion in the Benefit Fund.

A contract will be signed for the services specified above to perform a review for the period Beginning April 1, 2016 and ending March 31, 2017. For each of the next four years, an option to renew the contract will be considered. The first annual review will be due July 31, 2017. All subsequent reports for future years will be due on July 31 following the review year.

The respondents acknowledge that a contract award is not effective until it has received all requisite state government approvals and no work is to be performed until notification by the Department of Youth Services. The respondent is entitled to no compensation for work performed prior to the completion of a fully executed contract.

The vendor's sole remedy for the settlement of any and all disputes arising under the terms of any agreements made shall be limited to the filing of a claim with the Board of Adjustment for the State of Alabama.

If your firm is interested in proposing to provide the needed services, please submit the following information in writing by 4:00 p.m. on September 1, 2016, to the following address:

Alabama Department of Youth Services	or	Alabama Department of Youth Services
Attn: Shauntrice Ellis		Attn: Shauntrice Ellis
P. O. Box 66		Central Office
Mt. Meigs, AL 36057		990 Industrial School Road
		Mt. Meigs, AL 36057

Please include in your proposal the information listed below:

- A statement of the firm's name, address, and professional qualifications to provide the services listed above.
- A statement about whether the firm has an appropriate internal quality control system in place and participates in an external quality control review program.
- A copy of the firm's most recent peer review report.
- An assertion about the firm's ability to schedule qualified staff to perform the fieldwork and complete the required reports within the time frame stated above.
- Experience of the firm with governmental organization. Please provide references from at least three (3) of these governmental agencies.
- Provide the estimated number of hours to complete the reviews and render the reports, and the maximum fee to be charged. The total fee shall include all costs (travel, photocopying, out-of-pocket expenses, etc.) for the identified accounts at the four locations.
- Provide a sample size to test with the basis of an estimated population of 135 receipts and 330 disbursements.

Failure to address each of the items above may be cause for disqualification of the proposal for consideration.

The criteria used to evaluate each proposal will be:

- 1) The qualifications of the firm
- 2) Experience in performing similar reviews
- 3) The proposed fee schedule

Timeline for Selection of Vendor

Request for Proposal Mailed	August 1, 2016
Proposals Due at DYS	September 1, 2016
Notification to Successful Vendor	September 9, 2016