



**Notification Page**

**Colorado College**

**Q&A Re Request for Proposal (RFP)**

**for**

**Financial & Compliance Audit and Tax Services**

Issue Date: November 21, 2024      Closing Date: January 15, 2025

Thank you for your interest in submitting a response to Colorado College's (CC) Request for Proposal (RFP) for Financial & Compliance Audit and Tax Services.

Please find CC's responses to questions received from potential responders. Note, questions identified as containing confidential and proprietary information received a direct email response.

### **Financial and Compliance Services**

- 1. Have there been any major events or transactions so far in FY25 that could impact the audit? For example, new debt issuances or changes to capital improvements?**

No.

- 2. How many audit adjustments have the auditors proposed in the past two years? How many have been booked and how many have been reported as uncorrected audit adjustments?**

Zero proposed or booked adjustments.

- 3. Provide copies of management letters for FY23 and FY24.**

No management letter comments were received in FY23 or FY24.

- 4. Were there any disagreements with your auditors on accounting issues in the past two years?**

No.

- 5. When does CC expect to have its Financial Statements drafted and ready for the auditor to perform audit work?**

Currently, interim audit work occurs at the beginning of June and final audit fieldwork occurs at the beginning of September. CC drafts the financial statements while final audit fieldwork is ongoing.

In FY24, the complete first draft of CC's financial statements was ready for review during the first week in October.

**6. Can the Single Audit be performed during the interim audit fieldwork?**

Yes. CC would be open to moving more of the single audit work to coincide with the interim audit.

**7. Are there any changes in federal grants anticipated in FY25?**

No. One major program in FY25.

**8. What are the number of funds/investments held at NAV?**

On June 30, 2024, CC had 88 investments held at NAV, with 62 distinct investment managers.

**9. Does CC use a custodian for its alternative investment portfolio?**

No. However, we do work with an outsourced Chief Investment Officer firm.

**10. How does CC obtain evidence of fair value for its Level 3 investments?**

Our water rights and real estate are appraised by independent advisors every 3-4 years.

Third party trust statements are received annually for split interest assets.

**Tax Exempt Returns and Filings**

**1. Please provide a copy of the most recent filed 990-T.**

<https://www.coloradocollege.edu/offices/finance/college-financial-information/annual-reports/index.html>

**2. When would the responder be expected to prepare extensions?**

CC files its tax filings on an extended basis. The extensions should be prepared during the October/November timeframe to ensure statutory compliance.

**3. What is the timing of tax returns?**

CC intends to submit the information to our tax preparation firm by the beginning of March each year, with the expectation that the returns will be completed by mid-April.

**4. Is CC subject to net investment tax (IRC 4868)?**

CC is not currently subject to NIIT, however, this is subject to change in the future.

**5. How many Schedule K-1s does CC receive?**

Close to 80.

**6. Provide clarity on the number of 926's, 5471's, 5713's, 8858's, and 8865's. Are they complex in nature?**

Form 926 – 7

Form 5471 – 0

Form 5713 – 0

Form 8858 – 11

Form 8865 – 14

The forms are limited in their complexity.

**7. Are related tax-exempt 990s prepared by another firm?**

Yes. Out of scope.

**8. Is the related C-Corp return and any trust returns prepared by another firm?**

Yes. Out of scope.

**9. Are the additional entities listed on Schedule R within scope?**

- Perpetual trusts (6) – Out of Scope.
- Women's Educational Society of Colorado – Out of Scope.

**10. Why is rental income 100% UBI?**

This relates to revenue from renting space for external conferences and chapel space for ceremonies.

**11. Does CC's bond counsel review Form 990, Schedule K?**

No.

**12. Would CC consider a base fee for the preparation of the 990-T, then a price for form for additional forms e.g. rate per form fee structure for foreign forms and K-1 reviews?**

CC would take different pricing methodologies into account when reviewing responses.

**Retirement Benefit Plan & Emeriti Health Plan Audits**

**1. Were any deficiencies in internal controls (material weaknesses, significant deficiencies, or control deficiencies) reported in FY23 or FY24?**

No.

**2. How many audit adjustments have the auditors proposed in the past two years? How many have been booked and how many have been reported as uncorrected audit adjustments?**

Zero proposed or booked adjustments.

**3. Provide copies of management letters for FY23.**

No management letter comments were received in FY23.

**4. When can the audit package be ready from the service provider?**

The audit package is ready in March each year.

**5. Were there any disagreements with your auditors on accounting issues in the past two years?**

No.

**6. Is drafting financial statements outsourced to the service provider?**

Yes.

**7. Is payroll outsourced, in-house, centralized and/or are there multiple locations?**

Payroll is currently prepared in-house within a centralized location.

**8. Are there any open inquiries with the DOL or IRS**

No.

**9. Any known operations issues or errors?**

No.

**10. Any ongoing litigation with the Plan?**

No.

**11. Can the auditors get direct access to the service provider portal?**

Yes.

**12. Have there been, or do you expect there to be, any changes to service providers for the plan year 2025?**

The record keeper for the Emeriti Retiree Health Plan will change to OneBridge from January 1, 2025.

**13. Have there been, or do you expect there to be, any changes in investments in 2025?**

There will be some changes in investments in 2025 for the Emeriti Retiree Health Plan.

**14. Do you maintain original source documentation (such as I-9s) or is it system generated?**

Maintained by CC.

**15. Would you like the Audit Provider to provide review or preparation of 5500 services?**

Yes.

**16. Will the 5500 engagements include filing a form 8955-SSA for the retirement plan?**

Yes.

**17. Do you have any activity for the Emeriti Retiree Health Plan that runs outside of the Trust?**

No.

**18. Can you confirm all the benefits provided by the Emeriti Retiree Health Plan?**

CC contributes pre-tax amounts specifically reserved for qualified medical expenses for all employees 40 years or older. Contributions are immediately vested for employees and can be accessed either upon termination from the plan or at retirement age (55 years of age and 10 years of service or 60 years of age and 5 years of service). Employees can also voluntarily contribute to the Plan (post tax) with no annual limit.

**19. Has there been any changes to the benefits provided by the Emeriti Retiree Health Plan since the 2023 Financial Statements?**

No.

## **General Queries**

**1. Can the submission be more than 40 pages including exhibits?**

Yes. Responses will not be excluded from consideration if they are more than 40 pages. CC encourages Responders to be as succinct as possible while providing all necessary information to answer the RFP thoroughly.

**2. Please provide an organizational chart of CC including all upstream/downstream subsidiaries for due diligence for independence purposes.**

CC has two wholly owned for-profit subsidiaries:

- Dale Street Properties LLC
- Cascade Avenue Medical Building, Inc.

These subsidiaries have no activity and no assets or liabilities.

**3. Does CC have an internal audit department?**

No.

**4. What are the key IT/ERP systems used?**

- Banner (HCM/Finance/Student)
- Cognos (Reporting)
- Concur (Accounts Payable)
- TouchNet (Student Accounts)
- PowerFAIDS (Student Aid)
- Affiniquist/Salesforce (Advancement)

**5. Outside of the audit process, what does CC find important in its relationship with its auditors? Are there any areas of focus the audit committee/Board of Trustees would find beneficial from its auditors?**

CC values frequent communication and clear timelines.

It's important that CC's auditors and tax service providers have broad experience with not-for-profit organizations, especially higher education institutions.

Continuity in senior level staffing is also important.

CC is looking forward to a strategic partnership with its Audit and Tax Services Providers and developing a trusted advisor relationship with key personnel on the audit and tax teams.