



The **NONPROFIT** accounting specialists.™

November 29, 2022

Rob Clemens, Finance Director
Town of Fraser
153 Fraser Avenue
Fraser, CO 80442

Re: Proposal for Part-Time Accounting & Financial Services

Dear Rob:

It was a pleasure meeting with you to discuss your organization's needs in the finance department. Thank you for inviting Your Part-Time Controller to submit this proposal to the Town of Fraser ("TOF").

Background

TOF's mission is to provide support and services to the residents and visitors of your town. Also, to work collaboratively with surrounding areas to provide common utility services such as water and wastewater services. As the finance director you are responsible for the accounting and reporting. At this time a lot of this work is being done by you and that takes you away from other responsibilities that better fit your background as you aren't an accountant. You have internal staff to handle a lot of the transactional work but are looking for help with the account reconciliations and month end close to free up your time. You are looking for an outsourced firm that can generate the necessary journal entries, perform account reconciliations, including bank accounts, to support preparation of monthly financial statements. Assist with ensuring the proper segregation of duties and internal controls are in place. In addition to this you would like any suggestions for streamlining with the goal of reducing the amount of time spent on the accounting process. You would also like to ensure you are set up for future success.

Helping nonprofits reach these goals is exactly what we do! We would love the opportunity to partner with you and further your work.

Why YPTC?

Here are some reasons why hiring Your Part-Time Controller makes sense for TOF:

- Our clients are happy! The quality of our work is consistently outstanding. Please check out our website at www.yptc.com/our-clients where you will find numerous testimonials provided by our clients.
- We work almost exclusively with nonprofit organizations, so we understand your accounting, your needs and your culture.

- Having YPTC involved in the accounting process provides TOF with segregation of duties, providing for a strong internal control structure.
- Although we will plan deadlines in advance with you, we understand that things like budgets for proposals sometimes come up suddenly. Our schedules are very flexible, and we will do everything we can to meet requests.
- Our staff is continually trained on accounting and financial management issues that matter to nonprofit organizations.
- YPTC has a team of professionals to call upon if a technical question or software issue arises.
- Our relationship is open-ended. We do not lock our clients into long term contracts.
- You can expect higher quality information and analysis with us. TOF will be a stronger organization for it.

By taking care of your financial department (our mission), we free you to pursue your organization's mission.

YPTC Qualifications and Approach

Founded in 1993 by Eric Fraint, Your Part-Time Controller's reputation in the nonprofit community is unsurpassed. With over 300 staff members and multiple offices across the country, we **focus almost exclusively on helping nonprofit organizations** with their bookkeeping, accounting, financial reporting, and financial management. Although we may sound like a "big company" we provide very personalized service, and **we customize our services for every client.**

Whether we perform our work onsite at your place of business or remotely, you will never have to modify how you work in order to accommodate us. We modify how we work to accommodate you. You will always have convenient access to our staff by email, telephone, or video conference. You will always have the opportunity to pose questions and have the type of interactions that you want and need from your CFO or controller.

We work with all types of nonprofit organizations including multi-national organizations, arts organizations, schools, fundraising nonprofits, foundations, social service agencies, membership-based organizations, and religious institutions.

Our mission is to help nonprofit organizations develop and maintain proper fiscal management. We help our clients follow "best practices" by ensuring that they have strong internal controls as well as efficient and effective financial systems, policies, and procedures. We are, in effect, partners in your success!

Description of Our Team Members for TOF

One of our core competencies is hiring excellent, experienced accountants, training them well and ensuring a good fit with their client assignments. We also require each candidate to take accounting and computer tests and we conduct reference and background checks.

As a firm, we value continuous training and development. Our staff members go through our extensive orientation program. Throughout the year, we train our staff members on emerging

nonprofit issues and trends as well as the best ways to serve our clients. Our staff members are experts using the commonly encountered accounting software packages.

We will assign an Associate to work with you on an ongoing basis. Our Associates are highly qualified and ready to serve you. Many of our Associates are CPAs and/or MBAs, many have a public accounting background and most have years of controllership/CFO experience.

We will also assign a Manager to work with you. The Manager's role is to ensure your financial management needs are being met. They will also be an additional YPTC person familiar with your needs, issues, and circumstances, which allows for greater continuity and coverage for you. *Further, in addition to your assigned Associate and Manager, you will have the experience and resources of over 300 staff members.* While we can't identify and reserve the staff who will work with you until we are closer to commencing the engagement, we have built our business and our reputation on making successful staff/client matches.

The YPTC Team assigned to serve you will not change except in very unusual circumstances. We have a very low staff turnover rate. In fact, *The Business Journal* has continuously voted us the "Best Place to Work!" The advantage of hiring a reputable firm to perform this work is that we will ensure that it is continuous and that you are always covered in the unlikely event that our staff changes. I encourage you to review our staff testimonials which can be found here: www.yptc.com/staff-testimonials.

Scope of Services

In **Attachment A** we detail the specific activities we will perform, along with a description of the deliverables you can expect.

Fees

Our estimated fees are shown in **Attachment A**. We bill all of our services by the hour and on a weekly basis. Our Manager rate is \$230 per hour, our Associate rate is \$180 per. Services provided by our Data Visualization Group will be billed at the Manager rate. Our fee estimates are based on a typical work day of 7 hours.

Actual fees will vary based on many circumstances that may develop that we cannot predict or control. However, we will always keep you informed of our progress and clear with you in advance any need for additional time.

Conclusion

Our firm is small enough to give you the attention you need, yet large enough to demonstrate that we do excellent work and are the perfect partners to help you. Our services are also very flexible. As your needs increase or decrease, we can adjust our services accordingly.

Further, our engagements are totally open-ended. This means you may cancel our services at any time for any reason. Of course, it is our expectation that you will be so happy with our services that this will never happen!

Again, thank you Rob, for the opportunity to submit this proposal. Feel free to contact me with any questions. If this proposal is acceptable, please let me know and I will forward an engagement letter to you for your signature. Once we receive back the signed engagement letter, we will begin our staffing process and schedule a start date.

We hope to work with you soon!

Sincerely,

Joe Kennedy

Joe Kennedy, Manager
Your Part-Time Controller, LLC

ATTACHMENT A -- Scope of Services and Fee Estimate for the TOF

Our priorities as we begin our work with TOF are listed below. We will create a formal work plan with a timeline and use this project management tool to communicate our work and progress. We understand that our work and the organization's priorities may change over time; we are completely flexible with any changes. Further, as we perform our work, we will communicate our findings/observations and our recommendations for long-term solutions.

Start-up

- 1. Gain an understanding of the accounting financial structure and reporting format.**
 - a. Spend time with you and your staff to gain a thorough understanding of the accounting process performed.
 - b. Make any suggestions for streamlining the processes based on the information obtained.
 - c. Review the monthly financial package that you are receiving now; make suggestions for changes to include information that is important to management, the Finance Committee, and the Board.

- 2. Review the month-end closing process.**
 - a. Review/design a month-end financial statement close process checklist and calendar.
 - b. Review/create monthly close schedules/work papers (this will ease the audit preparation burden at year-end).
 - c. Automate processes as much as possible including exploring a bill pay software and set up other recurring transactions in your accounting software.

- 3. Assess policies, procedures, and internal controls; recommend/implement changes.**
 - a. Gain a thorough understanding of how transactions (payables, billing, contributions, receivables, deposits, grants, payroll, credit cards and cash management) are being processed now, make recommendations for changes, and implement the changes upon your approval.
 - b. Review your financial management policies and procedures manual; provide our recommendations for strengthening internal controls and improving efficiencies; implement changes upon approval.
 - c. Review any reporting requirements, deadlines and systems, allocation methodologies, etc. and ensure proper revenue recognition.
 - d. Verify proper internal controls are in place and being implemented.

Ongoing Phase

An ongoing engagement with YPTC will accomplish your goals of always being ahead of the curve with respect to FASB rule changes, coverage/succession plan in the event of an unexpected change in staff, ensuring proper internal controls around cash/banking, and eliminating the time you spend preparing for Finance Committee and Board Meetings.

During and after we've completed the startup activities, we will provide ongoing accounting and financial assistance, performing the following duties on a monthly or annual basis:

- 1. Perform Month-end Close activities:** We will perform your "month-end close:" reconciling the balance sheet accounts and posting month-end journal entries, with an eye to streamlining this process.
- 2. Support the preparation of a Monthly Financial Reporting Package:** We will support the preparation of the monthly financial reports for you and your finance committee to include a balance sheet, income statement compared to budget and prior year, and a cash flow statement. Including recommendations for potential enhancements to the reporting package.
- 3. Perform the analysis:** Our services will also include analysis of financial reports, cash flow planning, regular updates of forecasts, and other ad hoc analysis as needed. These will be as requested by you.
- 4. Present your Financial Reports:** We will review and discuss the financial results with you each month. We will be happy to attend management meetings to present financials and discuss accounting issues with the team.
- 5. Review and Update your Financial Policies and Procedures:** Along the way, we will provide you with our recommendations, including suggestions on internal controls and overall "best practices." We will review and update your Financial Policies and Procedures during our regular work as we identify specific areas of need.
- 6. Prepare for and facilitate your annual audit and 990 Preparation:** At each year-end we will prepare the year-end financials and facilitate the audit preparation and 990 filing process. We will prepare all required work papers, compile supporting documentation, and submit to your auditors electronically.
- 7. Ongoing Process Improvements:** Review and provide recommendations for streamlining/process improvements to create efficiencies and implement upon approval.
- 8. Provide assistance with your annual budget process:** Working with you, we will provide support as you prepare your annual budget, evaluating assumptions and providing scenarios, suggesting formats, etc. Upon approval, we will ensure that the budget numbers are entered into your accounting software.
- 9. Follow Best Practices:** We will continue to apprise you of accounting changes and ensure your organization is prepared and has implemented these changes in a timely fashion.
- 10. Executive Management Support.** Above all, our goal is to support you and the organization to ensure that everyone can sleep at night!

Fee Estimate

We estimate that our services will require approximately 2-4 days for our Associate to complete the **start-up** activities for an approximate one-time cost of \$2,520 – \$5,040.

The time needed for the startup phase is always difficult to predict since it largely depends on the condition of your accounting records and the availability of on-staff resources. Certainly, we will always keep you informed of our progress and clear with you in advance, any need for additional time.

We estimate that our **ongoing** services will require an Associate for approximately 2-4 days per month for an approximate monthly cost of \$2,520 - \$5,040. Based on the tasks to perform we will consider adding a Staff Accountant if we feel it will not decrease efficiency.

Associate time for seasonal events such as audit/990 preparation, year-end close, budget development, and other special situations that come up during the year are estimated to be approximately 3-4 days for an approximate cost of \$3,780 - \$5,040

Should we need to travel to your location we will bill for direct travel costs, plus a per diem of \$50/day. Travel time will be billed to you at 50% of our billing rate.