

SAULT STE. MARIE TRIBE OF CHIPPEWA INDIANS

**401(k) Plan
523 Ashmun St.
Sault Ste. Marie, MI 49783
(906) 635-6050**

REQUEST FOR PROPOSAL

The Sault Ste. Marie Tribe of Chippewa Indians 401(k) Plan, subsequently referred to as the Plan, invites all qualified independent certified public accounting firms to submit proposals to perform the following:

- 1. Three audits of the financial statements and records of the various funds of the Sault Ste. Marie Tribe of Chippewa Indians 401(k) Plan for the 3 fiscal years ending December 31, 2024, 2025, and 2026.**

GENERAL INFORMATION:

All responding firms are asked to respond completely to the attached requirements for performing the audits. The proposal requires a lump sum fee each year of the audit and requires a three-year maximum fee.

The books will be available for audit by May 15th, 2025, 2026 and 2027, and the final audit reports must be completed and received by the Sault Tribe by July 15th, 2025, 2026 and 2027.

All interested firms may obtain a copy of the **Financial Statements** of the Plan for the year ending December 31, 2023 at the Sault Tribe Purchasing Office upon request during regular working hours. Additionally, files, records and reports may be examined by appointment by contacting the Purchasing Manager, Kara Reno at (906) 635-6050.

It is further required that all vendor responses to this Request for Proposal be submitted to the Sault Ste. Marie Tribe of Chippewa Indians, Attn: Kara Reno, 2186 Shunk Road, Sault Ste. Marie, MI 49783 **no later than December 12, 2024 at 3p.m., Eastern Daylight Time, at which time they will be opened on camera.** This opening is open to the public. All bids must be submitted in a sealed envelope marked "Sault Ste. Marie Tribe of Chippewa Indians 401(k) Audit, **Project # 24-157**". It is the intention of the Tribe to award the contract no later than January 31, 2025. The contract period will cover transactions beginning January 1, 2024 and ending December 31, 2026.

The Sault Tribe 401(k) plan currently has 1,188 active participants and 244 inactive participants with approximately \$44 million in market value assets plus \$1.6 million in outstanding loans as of December 31, 2023.

The plan trustee is Fidelity Retirement Services. Due to the fact that a third-party trustee is used, our current auditors have not performed any auditing procedures on the information certified by Fidelity. The remaining information in our audit was audited and is in compliance with the Dept

of Labor's Rules and Regulations for Reporting and Disclosure under ERISA of 1974.

The plan provides for 3% participation after qualifying with a minimum of 1,000 hours of service and an additional 1% match if the team member contributes 1%. The Tribe allows for participant loans. For 2023, participant contributions were approximately \$2.4 million and withdrawals were approximately \$2.5 million. The Plan currently has 39 fund offerings.

The Sault Tribe payroll department handles most of the employer required functions related to the Plan while each participant generally deals directly with Fidelity for any of their individual needs.

BACKGROUND INFORMATION:

The Sault Ste. Marie Tribe of Chippewa Indians is a federally recognized Indian Tribe with approximately 1,600 employees and over 45,000 members. Our main service area is comprised of the eastern seven counties of the Upper Peninsula of Michigan.

While the Plan is included as a Pension Trust Fund in the Fiduciary Fund section of the annual Basic Financial Statement audit of the Sault Tribe of Chippewa Indians, the Plan is also audited separately and has been since its inception in 1998. The plan trustee prepares the Federal Form 5500 and supporting schedules and makes that available to both the Tribe and the Auditor.

ASSISTANCE AVAILABLE TO BIDDER:

The Sault Tribe will make every effort to make available all personnel when necessary to assist the bidder in their performance of the audit. The Sault Tribe Finance Department will also be available as needed.

The Sault Tribe shall record, close and balance all accounts and will provide all information supplied by the Plan Administrator. All information will be available no later than May 1st of each year.

Fidelity Retirement Services has an extensive array of reports available both on-line and in hard copy for plan auditors. They include, among others: Summary of Plan Operations, 5500 Worksheet, Year End Trial Balance, SAS 70 Report, Participant Activity, Contributions, Loans, Fees, etc.

AUDIT REQUIREMENTS:

The audit shall be a Department of Labor limited-scope audit of the financial statements of the Sault Tribe of Chippewa Indians 401(k) plan.

Before, during, and after the fieldwork of the audit, staff personnel will be made available to the successful bidder to assist in preparation of the work paper information and to answer questions as they might arise. As noted above, trial balances will be provided to the successful bidder, but

the physical preparation and layout of the financial reports will be the responsibility of the selected audit firm, in accordance with Accounting and Auditing standards.

After the completion of the fieldwork, an exit conference will be scheduled to review with the Sault Tribe CFO, the management letter and audit reports.

It is the intent of the Sault Tribe to establish a relationship between the accounting firm and the Plan via an audit engagement letter. The items that the Sault Tribe feels necessary for inclusion in the engagement letter pursuant to financial and compliance audit are as follows:

1. The scope of the audit will be made for forming an opinion.
2. Fiscal period to be covered by the audit.
3. Time schedule for the audit (when the Sault Tribe will be prepared for the auditors to begin the audit and a targeted completion date.)
4. The engagement letter should require that the audit lead to the expression of a required opinion on the financial statements as required by DOL.
5. Which individual personnel of the public accounting firm are to participate in the audit and to what extent.
6. Procedures to be followed should fraud and defalcations be uncovered.
7. A termination clause.
8. Delivery date of the completed auditor's report.
9. Maximum fees and the terms and time of payment.
10. Signatures of the proper officials representing the government and the public accounting firm.

ADDITIONAL REQUIREMENTS:

All working papers prepared by the bidder must be kept a minimum of three years. Additionally, work papers are subject of review by authorized representatives of federal, state, municipal, or tribal agencies.

The Sault Tribe is not liable for any cost incurred by professional before acceptance of a proposal and the award of a contract.

The audit firm is required to be a "Peer/Quality Review Firm" that has undergone and successfully passed the peer review process as prescribed by the American Institute of Certified

Public Accountants, a copy of which is to be provided.

The firm should provide proof of Professional Liability Insurance before the award and contract.

UNACCEPTABLE AUDIT REPORTS:

In the event that final audit reports prepared by the successful bidder pursuant to this agreement are not accepted by the Department of Labor, the successful bidder, shall, at its own expense, take the necessary steps to prepare and resubmit final audit reports which are acceptable to DOL.

CANCELLATION OF THE AGREEMENT:

If, through any course, the successful bidder shall fail to fulfill in a timely and proper manner his obligations under this agreement, or if the successful bidder shall violate any of the covenants, agreements, or stipulations of this agreement, the Sault Tribe shall thereupon have the right to terminate this agreement by giving written notice to the successful bidder in such termination and specifying the effective date thereof. In the event of termination all property and finished or unfinished documents, data, studies, and reports purchased or prepared by successful bidder under this agreement shall at the option of the Sault Tribe become its property.

The Sault Tribe retains the right to not extend the audit agreement for year 2 and 3 at its discretion.

NATIVE PREFERENCE:

Indian Economic Enterprise means any business entity which is at least 51 percent owned by one or more members of a federally recognized Indian Tribe: and has one or more of the tribe members involved in the daily business management of the economic enterprise: and a majority of the earnings from said Economic Enterprise benefits said member or members.

The vendor claiming to be an Indian Economic Enterprise must have satisfied the requirements of eligibility/certification. Eligibility would include proof that a member/vendor is an Enrolled Tribal Member of a Federally Recognized Indian Tribe. Certification of eligibility for native preference could include: Bureau of Indian Affairs Certification, Michigan Minority Business Development Council, Small Business Administration, and Certification of membership from another Tribe. Eligibility shall be submitted with the bid response.

REQUEST FOR PROPOSAL - DETAILED REQUIREMENT:

Your firm's proposal must consist of the following format:

1. Letter of Transmittal:

- a. Briefly state your firm's understanding of the work to be done and the anticipated time requirements. (Including tentative schedules with dates and total hours

anticipated to perform the work.)

- b. Include a brief description of your firm's auditing approach.
- c. Indicate an all-inclusive fee that will include all out-of-pocket cost.
- d. Provide the names and titles of person/persons who will be authorized to make representations for your firm.
- e. Please state, as a condition of submitting the audit proposal, that your firm agrees not to withdraw their proposal for a period of forty-five days following the deadline date for receipt of the proposal.

2. Summary of Proposer's Qualifications:

- a. Provide the names and titles of the persons who will be assigned to the engagement including accounting and data processing educational background and experience on Indian housing audit engagements.
- b. Identify the location of the office from which the work is proposed to be done. Please list the number, names and specialties of partners, managers, supervisors, seniors and other professional staff employed by your firm at said office.
- c. Provide list of organization, contact person, and telephone number of past Pension Audits, and if possible, any Native American Pension Audits.

3. Compensation:

- a. Please indicate a lump sum fee for performing the audit for each year. Also, include a 3-year maximum amount.

4. Payment:

- a. Fifty percent of fee paid upon completion of audit. Balance paid upon audit acceptance of Tribal Board of Directors and the Department of Labor.

5. Other:

- a. Please give any additional information considered essential for this proposal.

PROPOSAL EVALUATION:

Evaluation and selection of the audit firm will be based on the following criteria:

1. Organization size and structure.

2. Responsiveness to the request for proposal.
3. Qualifications of staff assigned to the audit, including education, position in the firm, years, and types of audit experience, with an emphasis on prior pension auditing.
4. Results of external quality control reviews.
5. Firm's understanding of the work to be performed, based upon the letter of transmittal, approach of the audit and the time to complete the work.
6. Cost of the Audit.
7. Completion date.

The Sault Tribe reserves the right to reject all bids submitted under the request for proposals.

All questions regarding this Request for Proposal should be directed to, Kara Reno, Sault Tribe Purchasing Manager via email @kreno@saulttribe.net. Written responses will be sent within 24 business hours.