

Request for Proposals (RFP)



OUTSOURCED ACCOUNTING & PAYROLL SERVICES

1. INTRODUCTION

Independence Now, Inc. (“Independence Now” or the “Organization”) is a 501(c)(3) nonprofit organization providing independent living and related services to individuals with disabilities in Montgomery County and Prince George’s County, Maryland.

The Organization is soliciting proposals from qualified firms to provide **outsourced accounting and payroll services**. This RFP is issued in anticipation of a planned transition from the Organization’s current service provider and reflects Independence Now’s commitment to continuity of financial operations, payroll accuracy, internal control integrity, and audit readiness.

2. BACKGROUND AND CONTEXT

1.1 ORGANIZATIONAL SNAPSHOT

- **Legal status:** 501(c)(3) nonprofit organization
- **Years in operation:** Established in 1994
- **Counties served:** Montgomery County and Prince George’s County, Maryland

1.1.1 Approximate organizational profile:

- **Annual operating budget:** Approximately \$1.7–\$1.8 million
- **Payroll frequency:** Semi-monthly
- **Bank and investment accounts:** Multiple operating, payroll, and investment accounts

1.2 SYSTEMS & PLATFORMS IN USE

(The following reflects current systems only.)

- General ledger / ERP: Sage Intacct
- Accounts payable platform: Bill.com
- Payroll provider: Payroll Network

- Banking institution(s): Truist
- Grant tracking: Combination of system modules and supplemental spreadsheets

1.3 GRANT & COMPLIANCE ENVIRONMENT

- Mix of federal, state, and local funding
- Subject to an annual **Single Audit**

1.4 PAYROLL ENVIRONMENT

- Payroll frequency: Semi-monthly
- Employee population: Total = 17 (Combination of hourly and salaried staff)
- Timesheet process: Timesheets are reviewed and approved by management prior to payroll processing

1.5 TRANSITION EXPECTATIONS

- **Access to incumbent provider during transition overlap:** Yes
- **Documented handoff of processes and information:** Yes
- **Process continuity:** The selected firm is not required to replicate prior processes; however, processes implemented must provide sufficient detail to meet internal management needs and external reporting requirements.

Independence Now encourages proposers to recommend best-practice approaches consistent with nonprofit accounting standards and audit requirements.

3. SCOPE OF SERVICES

A. DAY-TO-DAY ACCOUNTING OPERATIONS

- General ledger maintenance in accordance with U.S. GAAP
- Accounts payable processing, including vendor invoice review and payment execution
- Accounts receivable recording and monitoring
- Cash receipts and bank deposit reconciliation

- Credit card transaction review and reconciliation
- Maintenance of vendor and customer records

B. PAYROLL SERVICES

- Semi-monthly payroll processing
- Review and validation of approved timesheets
- Payroll tax filings and compliance
- Benefit deductions and PTO accrual tracking
- Labor allocation and payroll journal entries
- Employee onboarding and payroll system setup

C. MONTH-END AND PERIOD-END CLOSE

- Preparation and review of journal entries
- Bank, investment, and balance sheet reconciliations
- Grant and contribution receivable accounting
- Deferred revenue and net asset releases
- Preparation of monthly financial statements, including:
 - Statement of Financial Position
 - Statement of Activities
 - Budget-to-Actual reports
 - Program and departmental reports

D. YEAR-END AND COMPLIANCE SUPPORT

- Preparation of Forms 1099 and related filings
- Preparation and coordination of IRS Form 990
- Audit and Single Audit coordination and support
- Preparation of indirect cost rate proposals
- Grant reporting and close-out support

E. ADVISORY AND MANAGEMENT SUPPORT

- Budget development and monitoring
- Cash flow and financial forecasting
- Board and Finance Committee reporting support
- Recommendations related to accounting policies, procedures, and internal controls

F. AUDIT, INTERNAL CONTROLS, AND COMPLIANCE EXPECTATIONS

The selected firm will be expected to perform all services in a manner that aligns with generally accepted accounting principles (GAAP), applicable nonprofit accounting standards, and recognized internal control frameworks. The firm must support Independence Now's compliance with federal, state, and local funding requirements, including Single Audit obligations where applicable.

The firm should demonstrate a strong understanding of audit readiness, internal control best practices, and risk management, and should collaborate proactively with Independence Now management and its external auditors to ensure accurate financial reporting, effective controls, and timely resolution of audit matters.

4. TRANSITION REQUIREMENTS

The selected firm must support a **minimum one-month transition overlap period** with the incumbent provider during **June 2026**.

Transition expectations include:

- Knowledge-transfer meetings with the outgoing firm
- Review and validation of opening balances
- Parallel payroll processing, if required
- Documentation of accounting and payroll processes
- Confirmation of audit readiness following transition

The selected firm will assume full responsibility for services effective **July 1, 2026**.

5. QUALIFICATIONS AND EXPERIENCE

Proposals should demonstrate:

- Experience serving nonprofit organizations of similar size and complexity
- Experience with federally funded programs and Single Audits
- Adequate staffing depth and continuity
- Relevant professional credentials (CPA preferred)
- Familiarity with outsourced accounting environments

6. PROPOSAL REQUIREMENTS

To facilitate an objective and consistent evaluation process, proposers should respond to the following questions **in the order presented**.

1. Firm Overview & Nonprofit Experience

- Provide a brief overview of your firm, including years in operation, office location(s), and the number of professionals dedicated to nonprofit accounting.
- Describe your experience serving nonprofit organizations of similar size and complexity, particularly those subject to Single Audits.
- Identify current or recent nonprofit clients with federal or state funding similar to Independence Now.

2. Proposed Team & Staffing Model

- Identify the proposed engagement team, including partner(s), manager(s), and day-to-day contact(s).
- Specify the expected time allocation for each role.
- Describe your firm's staffing continuity model and how turnover is managed on client engagements.

3. Transition & Onboarding Plan

- Describe your proposed approach to transitioning services from the incumbent firm, including knowledge transfer and validation of opening balances.
- Confirm your ability to support a **one-month transition overlap in June 2026** and outline key transition milestones.
- Describe the information or support you would require from Independence Now during the transition period.

4. Accounting & Payroll Approach

- Describe your approach to day-to-day nonprofit accounting operations.
- Describe your payroll processing approach, including controls to ensure accuracy and timeliness for a semi-monthly payroll.
- Describe how segregation of duties is maintained in an outsourced accounting environment.

5. Systems, Technology & Data Security

- Describe your experience working with **Sage Intacct** and **Bill.com**.

- Identify any systems you propose to use and whether changes to current platforms are recommended.
- Describe your data security, confidentiality, and business continuity practices.

6. Financial Reporting & Audit Support

- Describe your month-end and year-end close process, including standard timelines.
- Provide examples of standard monthly financial reports prepared for nonprofit clients.
- Describe your experience supporting external auditors and Single Audits.
- Describe your experience preparing or supporting IRS Form 990 filings and indirect cost rate proposals.

7. Communication & Client Management

- Describe your communication cadence with clients, including meetings, reporting, and responsiveness expectations.
- Identify service-level expectations, including response times and escalation paths.
- Describe how issues, errors, or adjustments are identified, communicated, and resolved.

8. Fees & Pricing Structure

- Provide a detailed fee proposal, including monthly recurring fees, transition or onboarding fees, and fees for out-of-scope services.
- Describe any assumptions underlying your pricing structure.

9. References

- Provide at least three nonprofit client references, including organization name, contact person and title, length of engagement, and services provided.

10. Additional Information (Optional)

- Describe what differentiates your firm from other nonprofit accounting service providers and why you would be a strong long-term partner for Independence Now.

7. EVALUATION CRITERIA

Proposals will be evaluated based on:

- Nonprofit and grant accounting experience
- Staffing depth and stability
- Quality of transition approach
- Responsiveness and communication style
- Overall value and fee structure
- References and demonstrated performance

8. ANTICIPATED TIMELINE

1.5.1.1 Independence Now anticipates selecting a firm within approximately 5–6 weeks of RFP issuance, subject to proposal quality and organizational needs.

- **RFP issued:** Tuesday, February 17, 2026
- **Questions due:** Wednesday, February 25, 2026
- **Proposals due:** Monday, March 16, 2026
- **Internal review & shortlisting:** Tuesday–Monday, March 17–23, 2026
- **Interviews:** Tuesday–Tuesday, March 24–31, 2026
- **Firm selection by:** Friday, April 10, 2026
- **Contracting & onboarding:** April–May 2026
- **Transition overlap:** June 2026
- **New firm fully operational:** Wednesday, July 1, 2026

9. SUBMISSION INSTRUCTIONS

Proposals must be submitted electronically in **PDF format** no later than **Monday, March 16, 2026**, to:

Diane Palmer, Executive Director dpalmer@innnow.org

Proposals received after the stated deadline may not be considered.

10. RESERVATION OF RIGHTS

Independence Now reserves the right to reject any or all proposals, request additional information, and modify the RFP timeline as deemed necessary in the best interest of the Organization.

This RFP is intended for planning and evaluation purposes only and does not constitute a contract or commitment.