



CITY OF KYLE, TEXAS

REQUEST FOR PROPOSALS (RFP)

RFP NO. 2017-01-PM  
INDEPENDENT FINANCIAL AUDIT SERVICES

DUE DATE:  
JULY 19, 2017 AT 10:00 A.M. (CST)

ISSUED BY:  
FINANCIAL SERVICES DEPARTMENT

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**NOTICE OF REQUEST FOR PROPOSALS  
RFP NO. 2017-01-PM**

The City of Kyle will accept sealed Proposals for Independent Financial Audit Services **until 10:00 A.M., JULY 19, 2017** in the City's Financial Services Department. **Proposals received after this time will not be considered.**

Please mark on the outside of the envelope and on any carrier's envelope: "RFP No. 2017-01-PM for Independent Financial Audit Services", and send to the attention of Mr. Perwez A. Moheet, CPA, Director of Finance, 100 W. Center Street, Kyle, Texas 78640 (physical location) or P.O. Box 40, Kyle, Texas, 78640 (mailing address).

The City of Kyle will not be responsible in the event that the U.S. Postal Service or any other courier system fails to deliver the sealed proposals to the City of Kyle by the given deadline above. Electronic transmission or facsimile of Proposals will not be acceptable.

The City of Kyle reserves the right to reject any or all responses and to waive irregularities contained therein and to accept any response deemed most advantageous to the City of Kyle.

Perwez A. Moheet, CPA  
Director of Finance  
City of Kyle, Texas



**ACKNOWLEDGEMENT FORM**  
**(Complete & Submit Upon Receipt)**

Request for Proposals for Independent Financial Audit Services

Please fax or mail this page upon receipt of the RFP package and legal notice.

Check one:

**Yes, I will be able to send a response based on RFP package obtained from the City of Kyle's website.**

**No, I will not be able to send a response to this RFP for the following reason:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you are unable to send your response to this RFP, kindly indicate your reason above and return this form to Mr. Perwez A. Moheet, CPA, Director of Finance, City of Kyle **via fax to: (512) 262-3800**. This will ensure you remain active on our vendor list.

Date \_\_\_\_\_

Company: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_



**ETHICS STATEMENT**  
**(Complete and Return this Form with Response)**

The undersigned firm, by signing and executing this RFP, certifies and represents to the City of Kyle that the firm has not offered, conferred or agreed to confer any pecuniary benefit, as defined by (1.07 (a) (6) of the Texas Penal Code, or any other thing of value as consideration for the receipt of information or any special treatment of advantage relating to this RFP; the firm also certifies and represents that the firm has not offered, conferred or agreed to confer any pecuniary benefit or other thing of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this RFP, the firm certifies and represents that firm has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the City of Kyle concerning this RFP on the basis of any consideration not authorized by law; the firm also certifies and represents that firm has not received any information not available to other firms so as to give the undersigned a preferential advantage with respect to this RFP; the firm further certifies and represents that firm has not violated any state, federal, or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that firm will not in the future offer, confer, or agree to confer any pecuniary benefit or other thing of value of any officer, trustee, agent or employee of the City of Kyle in return for the person having exercised their person's official discretion, power or duty with respect to this RFP; the firm certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent, or employee of the City of Kyle in connection with information regarding this RFP, the submission of this RFP, the award of this RFP or the performance, delivery or sale pursuant to this RFP.

**THE FIRM SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY OF KYLE, ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDING, COSTS, DAMAGES AND LIABILITIES ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF FIRM OR ANY AGENT OR EMPLOYEE OF FIRM IN THE EXECUTION OR PERFORMANCE OF THIS RFP.**

I have read all of the specifications and general RFP requirements and do hereby certify that all items submitted meet specifications.

FIRM: \_\_\_\_\_

OFFICER NAME: \_\_\_\_\_

OFFICER SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_

STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_ TELEFAX: \_\_\_\_\_

FEDERAL ID#: \_\_\_\_\_ AND/OR SOCIAL SECURITY #: \_\_\_\_\_

DEVIATIONS FROM SPECIFICATIONS IF ANY:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS  
(Complete and Return this Form with Response)**

Name of Entity: \_\_\_\_\_

The prospective participant certifies to the best of their knowledge and belief that they, the principals in the firm, and the firm:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible from practicing public accountancy, and or voluntarily surrendered their license to practice public accountancy in the State of Texas and or the United States of America.
2. Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from conducting any business and or financial transactions by any department or agency of Federal, State, and or local government.
3. Have not been convicted of, had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
4. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, Local) with commission of any of the offenses enumerated in item 3 above of the certification; and
5. Have not within a five year period preceding this RFP had one or more public transactions (Federal, State, Local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Section 1001, a false statement may result in a fine up to a \$10,000.00 or imprisonment for up to five (5) years, or both.

\_\_\_\_\_  
Name and Title of Authorized Representative (Typed)

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

I am unable to certify to the above statements. My explanation is attached.



**CONFLICT OF INTEREST QUESTIONNAIRE**  
**For vendor or other person doing business with local governmental entity**

**FORM CIQ**

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

**OFFICE USE ONLY**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

Date Received

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

**1. Name of person who has a business relationship with local governmental entity.**

**2.  Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7<sup>th</sup> business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

**3. Name of local government officer with whom filer has employment or business relationship.**

\_\_\_\_\_  
 Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

- A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?  
 Yes       No
- B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?  
 Yes       No
- C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?  
 Yes       No
- D. Describe each employment or business relationship with the local government officer named in this section.

**4.**

\_\_\_\_\_  
 Signature of person doing business with the governmental entity

\_\_\_\_\_  
 Date





## **DESCRIPTION OF THE CITY**

The City of Kyle is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the voters in the year 2000.

The City operates as a Home Rule City under a Council-Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Manager is the chief executive officer for the City of Kyle. The City covers approximately 30.39 square miles and has an estimated population of 39,400 in 2017.

Kyle is a thriving community having easy access to major highway and roadways including Interstate Highway 35. Kyle is strategically located eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio. Kyle is the second largest city in Hays County and enjoys a south central location convenient to most major population and employment centers in Texas.

## **THE CITY COUNCIL**

The governing body of the City, the City Council, is composed of a Mayor and six Council Members each elected for a term of three years. The Mayor and Council Members for Place 1, 3, and 5 are elected from the City at-large. Council Members for Place 2, 4, and 6 are elected from single member districts. The current members of the City Council are:

Mayor: R. Todd Webster

Mayor Pro Tem: Damon Fogley, Place/District 5

Council Members: Travis Mitchell, Place/District 1  
Becky Selbera, Place/District 2  
Shane Arabia, Place/District 3  
David Wilson, Place/District 4  
Daphne Tenorio, Place/District 6

## **THE CITY OF KYLE ORGANIZATION**

The City of Kyle provides all general municipal services within the City limits through the following City Departments:

1. Office of the City Manager
2. Building Inspection (Permits, Code Enforcement)
3. City Attorney
4. City Secretary
5. Communications (Public Information)
6. Community Development (Planning & Zoning)
7. Economic Development



8. Emergency Medical Services (Contracted)
9. Engineering Services
10. Financial Services (Budget & Accounting, Utility Billing, and Municipal Court)
11. Human Resources
12. Information Technology
13. Parks & Recreation
14. Police
15. Public Library
16. Public Works (Water, Wastewater, Street, Drainage)

The approved budget for Fiscal Year 2016-17 totals \$80.4 million for all funds and includes 220.5 authorized full time equivalent positions. The City of Kyle's approved budget for Fiscal Year 2016-17 and other financial reports are available on the City's website at:

[www.cityofkyle.com/finance](http://www.cityofkyle.com/finance)

### **CITY'S FINANCIAL SERVICES DEPARTMENT ORGANIZATION**

The Financial Services Department is comprised of three divisions; Budget & Accounting, Utility Billing, and Municipal Court. An organization chart is provided in the Appendix section of this RFP.

Budget & Accounting: The responsibilities of the Budget & Accounting Division is carried-out by a total of 8.0 authorized full time equivalent positions. This includes accounting, financial reporting, and transaction processing functions such as cash receipt/bank deposits, accounts payable, accounts receivable, payroll, bank reconciliation, fixed assets, investments, general accounting, property tax and utility rates development, budget development and monitoring, financial analyses, and financial reporting.

Utility Billing: This division is primarily responsible for customer service, service turn-on and disconnects, meter reading, billing, and collection for water, wastewater, and solid waste services. This division has 8.0 authorized full time equivalent positions comprised of both administrative and field personnel.

Municipal Court: Responsibilities include adjudication of all Class C Misdemeanor violations within the City of Kyle limits including processing of warrants, citation dismissals, acceptance of payments, and payment plans. Provides administrative and bailiff support to the Municipal Court Judge for court sessions. This division is comprised of 3.0 authorized full time equivalent positions.

### **CITY OF KYLE'S FUND STRUCTURE**

The City of Kyle's fund structure for accounting and financial reporting purposes for Fiscal Year 2016-17 is as follows:



<u>Fund Type/Account Group</u>	<u>No. of Funds</u>
General Fund	1 plus 3 sub-funds
Special Revenue Fund	13
Debt Service Fund	2
Capital Projects Fund	6
Enterprise Fund	3 plus 4 sub-funds
Agency Fund (OPEB)	1
General Fixed Assets	1

A listing of active Funds in the City's accounting system is attached in the Appendix section of the RFP.

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

The City of Kyle issues Comprehensive Annual Financial Report (CAFR) for fiscal year ending September 30th. The City has been awarded GFOA's Certificate of Achievement for Excellence in Financial Reporting for each of its CAFR.

The City's most recent CAFR for the fiscal year ended September 30, 2016 and other financial reports are available on the City's website at:

[www.cityofkyle.com/finance](http://www.cityofkyle.com/finance)

### **COMPONENT UNITS**

The City of Kyle does not have any separate entities included and or reported as a component unit of the local government.

### **EMPLOYEE RETIREMENT SYSTEM**

The City of Kyle is a participant in the Texas Municipal Retirement System. The City also offers an optional 457 Deferred Compensation Plan to its employees through the International City Manager's Association (ICMA).

### **COMPUTER SOFTWARE SYSTEMS**

The City of Kyle currently utilizes the following computerized system software for the functions shown below:

- |                |   |
|----------------|---|
| 1. Springbrook | Fund Accounting   |
| 2. Audit-City  | Financial Statements  |
| 3. STW         | Utility Billing (water, wastewater, drainage & solid waste) |
| 4. Sensus      | Automated Water Meter Reading                               |
| 5. LT Systems  | Municipal Court   |
| 6. New World   | Police Records Management & Dispatch                        |



- |                  |                                      |
|------------------|--------------------------------------|
| 7. Brazos        | Traffic Citations                    |
| 8. EdgeSoft      | Permitting & Inspections             |
| 9. GovPartners   | Parks Reservation & Receipting       |
| 10. Office 365   | Email, Calendar, Messaging           |
| 11. Atrium       | Library Cataloging & Book Checkout   |
| 12. Envisionware | Library Public Computer Reservations |
| 13. Phone Tree   | Customer Notifications by Telephone  |
| 14. NovusAgenda  | City Council Agenda                  |

**KEY DATES**

**DESCRIPTION OF AUDIT RFP EVENTS**

- |                      |  |
|----------------------|--|
| June 23, 2017        | RFP posted on the City's website and distributed to prospective firms or firms that had made a request previously. |
| <b>July 19, 2019</b> | <b>Responses due 10:00 A.M. in the Financial Services Department.</b>  |
| August 1, 2017       | City Council's selection of firm and award of contract. (Tentative)  |
| September 30, 2017   | Fiscal year end.   |
| November 1, 2017     | Commence audit field work  |
| February 2, 2018     | Audit Report and Management Letter Due   |
| February 20, 2018    | Presentation of Auditor's Report on Financial Statements to City Council   |

**SCOPE OF SERVICES**

The City of Kyle is requesting proposals from firms licensed to practice public accountancy in the State of Texas to examine its financial statements and to render an opinion on the fair presentation of the City's financial position and the changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America.

The examination of the City of Kyle's financial statements should be made in accordance with:

- A. Auditing standards generally accepted in the United States of America as included in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants.
- B. Standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.



- C. Provisions of relevant General Accounting Standards Board Statements.

The selected auditing firm will be required to prepare the following reports:

- A. Independent Auditor's Report.
- B. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters in Accordance with Government Auditing Standards.
- C. All other reports required of the independent auditor examining the financial statements of the City of Kyle in accordance with the standards listed above.
- D. Exit conferences will be held with the City Manager and the Director of Finance.

The successful auditing firm will be expected to provide advisory guidance to City staff during their course of audit work for:

- A. Accounting and other technical matters as needed to keep the City of Kyle in compliance with any changes in governmental accounting and financial reporting standards.
- B. In the preparation of the City's CAFR so that it exhibits complete transparency and full disclosure in financial reporting and to be eligible to receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

#### **APPLICABILITY OF SINGLE AUDIT REQUIREMENTS**

The City of Kyle does not expect to receive nor does it expect to expend the threshold amount of \$750,000 or more in federal awards during Fiscal Year 2016-17.

#### **INDEPENDENT AUDITOR'S REPORT REQUIREMENTS**

- A. The report should be addressed to the City Council of the City of Kyle, Texas.
- B. Reports of examinations of Financial Statements must:
  - 1) State the scope of examination and that the audit was performed in accordance with generally accepted auditing standards and,
  - 2) Must include an opinion as to whether the financial statements present fairly, in all material respects, and the respective changes in financial position and cash flows, in conformity with accounting principles generally accepted in the United States of America.



- C. Reports of compliance examinations must include a statement that the audit was conducted in accordance with applicable auditing standards. The audit report must state whether the examination disclosed instance of non-compliance with laws and regulations. Findings of non-compliance or ineligible expenses must be presented in enough detail for management to be able to clearly understand them.
- D. The independent auditor will present the audit report to the City Council at its 2nd meeting in February of each year of the contract.

#### **CITY OF KYLE'S RESPONSIBILITIES DURING AUDIT**

- A. The City of Kyle will provide and make available on-site office space, internet connectivity, power source, standard office supplies, use of copier/scanner, and postage to conduct the audit and related confirmations by mail.
- B. The City of Kyle will make available and accessible all documents, records, and systems requested by the independent auditors to conduct their examination.
- C. The City's accounting staff will be available to provide documents and reports for examination, reproduce documents, prepare specific schedules, etc.
- D. The City's accounting staff will be responsible for preparing, organizing, copying, and binding the final CAFR.

#### **TERM OF CONTRACT**

The City of Kyle will enter into a 3-year contract term for Independent Financial Audit Services with two 1-year contract extension options. The term of the contract is subject to annual renewal and may be terminated at any time by either party with sufficient notice as stated in the contract.

The first year to be audited will be for Fiscal Year 2016-17 beginning October 1, 2016 and ending September 30, 2017.

#### **AUDIT FEES**

The proposal should provide an annual maximum not-to-exceed fee listed separately for each of the five years – maximum contract term. Please provide a maximum not-to-exceed audit fee separately for fiscal years ending September 30, 2017, September 30, 2018, September 30, 2019, September 30, 2020, and September 30, 2021. Please do not provide a lump sum fee amount for the 5-year contract term.



## EVALUATION CRITERIA

The City staff's recommendation to the City Council will be based on the proposal determined to offer the best value to the City of Kyle. The evaluation of the proposals will be made based on, but not limited to, the following criteria, in no particular order of priority or rating. These factors will be applied to all eligible, responsive firms in comparing the proposals received and selecting the audit firm.

The City of Kyle reserves the right to require oral presentations by any or all firms. In the event of oral presentations, a second matrix will be developed based on the selection criteria. A contract award may be made without oral presentation and or discussion with firms after RFP responses are received by the City of Kyle. Therefore, RFP responses should be submitted on the most favorable terms.

All costs directly or indirectly related to preparation of a response or oral presentation, if any, required to supplement and/or clarify an item in the RFP shall be the sole responsibility of and shall be borne by the responding firm.

The City of Kyle will use the following criteria in selecting the best qualified firm:

- A. Knowledge of generally accepted accounting principles, auditing standards, financial policies, and procedures as applicable to governmental entities.
- B. Prior experience in auditing financial statements of similar sized or larger municipal governments in Texas.
- C. Proposing Firm's approach to the examination and the work plan for accomplishing the scope of services required in the RFP.
- D. Availability of trained personnel and technical resources required for conducting the audit and for providing consultation on accounting and other technical matters as needed to keep the City of Kyle current on any changes in governmental accounting and financial reporting standards.
- E. A demonstrated ability to provide assistance in obtaining the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- F. The all-inclusive annual not-to-exceed maximum fee amount for each of the five years for fiscal years ending September 30, 2017, September 30, 2018, September 30, 2019, September 30, 2020, and September 30, 2021.



## **RIGHTS RESERVED BY THE CITY OF KYLE**

1. If only one or no proposal is received by "submission date", the City has the right to accept, reject, re-solicit, and or extend the RFP by up to an additional two (2) weeks from original submission date.
2. The right to reject any or all proposals and to make award as they may appear to be advantageous to the City of Kyle.
3. The right to hold proposals for 90 days from submission date without action.
4. The right to extend beyond the original 90-day period prior to an award if agreed upon in writing by both parties.
5. The right to terminate all or any part of the unfinished portion of the work resulting from this solicitation within thirty (30) days written notice; upon default by the firm, for delay or non-performance by the firm, or if it is deemed in the best interest of the City of Kyle for convenience.
6. The City of Kyle reserves the right to request additional information or to meet with representatives from responding firms to discuss points in the RFP before and after submission, any and all of which may be used in forming a recommendation.
7. The City of Kyle reserves the right to reject any and all proposals received, and to accept the proposal it considers in its best interest based upon the requirements and descriptions outlined in this RFP.

Any interpretation, correction, or change to the RFP will be made by ADDENDUM. All changes or corrections to this RFP will be issued by the City of Kyle's Financial Services Department and posted on the City's website.

It is the responsibility of the responding firms to determine whether all addendum have been reviewed and addressed in the proposal.

## **INFORMATION REQUESTED AND PROPOSAL CONTENT REQUIREMENTS**

Any Firm interested in being considered for the Independent Financial Audit Services engagement is requested to submit on the firm's letterhead, a proposal which provides information on the following points, numbered, and with section headings as indicated below.

Responding firms should refer to section titled: Instructions to Prospective Responders for additional response guidelines. Please note that the contents of the successful proposal may become a part of subsequent contractual documents. Failure to accept this requirement may result in the cancellation of any contract award.

In order to simplify the review process, please organize your proposal according to the following outline:





A. Title Page

Show the Proposal subject, the name of the proposing firm, address, telephone number, name of contact person, size of the firm, and date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

1. Briefly state the Firm's understanding of the work to be done and provide clear commitment to perform the work within the time periods specified under key dates.
2. State the all-inclusive fee by fiscal year for which the work will be done for examining the City's financial statements and required supplementary information included in the CAFR.
3. State the name of the person who will be authorized to make representation for the firm, their title, address, and telephone numbers.
4. State that the person signing the transmittal letter is authorized to bind the firm and enter in a contract.
5. Identify and discuss any potential conflicts of interest of which the firm is aware not stated in the Conflict of Interest and Disclosure Statements.

D. Profile of the Responding Firm

1. State whether the firm is local, regional, national or international.
2. State the location of the office from which the work is to be performed and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as auditing, accounting, tax, or management services.
4. Describe the local office's capacity to audit computerized systems, including the number and classifications of personnel skilled in computer sciences who will work on the audit.
5. Describe any reprimands or penalties that the firm may have received in recent years from the Texas State Board of Public Accountancy.



6. State the firm's experience in auditing utilities and governmental entities.
7. State the firm's professional affiliations and the results of the latest peer review.
8. Affirm that the firm has completed external quality review with unqualified opinion.

E. Summary of the Proposing Firms Qualifications

1. Identify the partner, audit manager, and supervisors who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for each individual assigned to the audit should be included. (Resumes may be included as an appendix).
2. Describe the most recent local office auditing experience similar to the type of audit being requested. Include a reference list of local government audit clients and any GFOA Certificates of Achievement for Excellence in Financial Reporting awarded.

F. Proposing Firms Approach to the Examination

1. Submit a work plan to accomplish the scope of services required. The work plan should include time estimates for each significant segment of the work and the staff level position. Where possible, individual staff members should be named and their titles provided. The planned use of specialist should be specified.
2. State purpose and degree of utilization of City of Kyle personnel.

G. Audit Fees

State the total hours and hourly rate required by staff classification and the resulting all-inclusive maximum not-to-exceed fee amount for which the requested work will be completed. For additional details please refer to the section titled Audit Fees in this RFP.

H. Complete and include Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification.

The City of Kyle is requesting three (3) copies of the proposals including any attachments. Proposals should be enclosed in an envelope and clearly marked on the outside of the



envelope or any carrier's envelope: "RFP No. 2017-01-PM Request for Proposals", to be mailed, sent by overnight courier, or hand delivered to the attention of:

Mr. Perwez A. Moheet, CPA  
Director of Finance  
City of Kyle  
100 W. Center Street, Kyle Texas 78640 (Physical Location)  
P.O. Box 40, Kyle, Texas 78640 (Mailing Address)

**Proposals will be accepted only until 10:00 A.M., July 19, 2017.**

**NO PROPOSALS WILL BE ACCEPTED AFTER 10:00 A.M. JULY 19, 2017, THE SUBMISSION DEADLINE.**

**The City of Kyle is subject to the Texas Open Records Act. However, certain types of information may be exempt from disclosure under the Act. Firms submitting information which they deem confidential or proprietary must clearly mark and identify such information page by page. The City of Kyle will, to the extent allowed by applicable law, protect such information from disclosure. The final decision as to what information must be disclosed under the Open Records Act lies with the Texas Attorney General.**

Questions or clarifications concerning the City of Kyle's RFP requirements should be sent by email only to:

Mr. Perwez A. Moheet, CPA  
Director of Finance  
City of Kyle  
pmoheet@cityofkyle.com

Response to any questions, if appropriate, will be issued in the form of an Addendum and will be posted on the City's website at:

<http://www.cityofkyle.com/rfps>

### **INSTRUCTIONS TO PROSPECTIVE FIRMS**

The City of Kyle, Texas is requesting proposals from firms interested in providing independent financial audit services. Firms with relevant experience and qualifications are encouraged to submit their proposal and qualifications. Preparation of submittals will be at the expense of the Firm.

The following instructions should be followed by firms responding to this RFP:



1. Please respond specifically to all information requested in this Request for Proposals or indicate on the attached acknowledgement form why no response is given.
2. Please limit response to relevant material; additional information must be submitted in the form of an attachment or appendix.
3. Identify the question being answered in the introduction to each response.
4. Respondents or their representatives are prohibited from communicating with any City of Kyle officials to include City Council members regarding the RFP from the time the RFP is released until it has been acted upon by the City Council.
5. Respondents or their representatives are prohibited from communicating with City of Kyle employees regarding the RFP, until the contract is awarded. Violation of this provision by the respondent or their agent will lead to disqualification of the respondent's RFP from consideration.
6. If there are any clarification questions regarding the scope of work and or any other requirements of this RFP, respondents or their representatives should submit written questions and forward those to the City's staff named as the contact person for this solicitation. All response by the City will be provided in the form of an addendum and will be posted on the City's website.

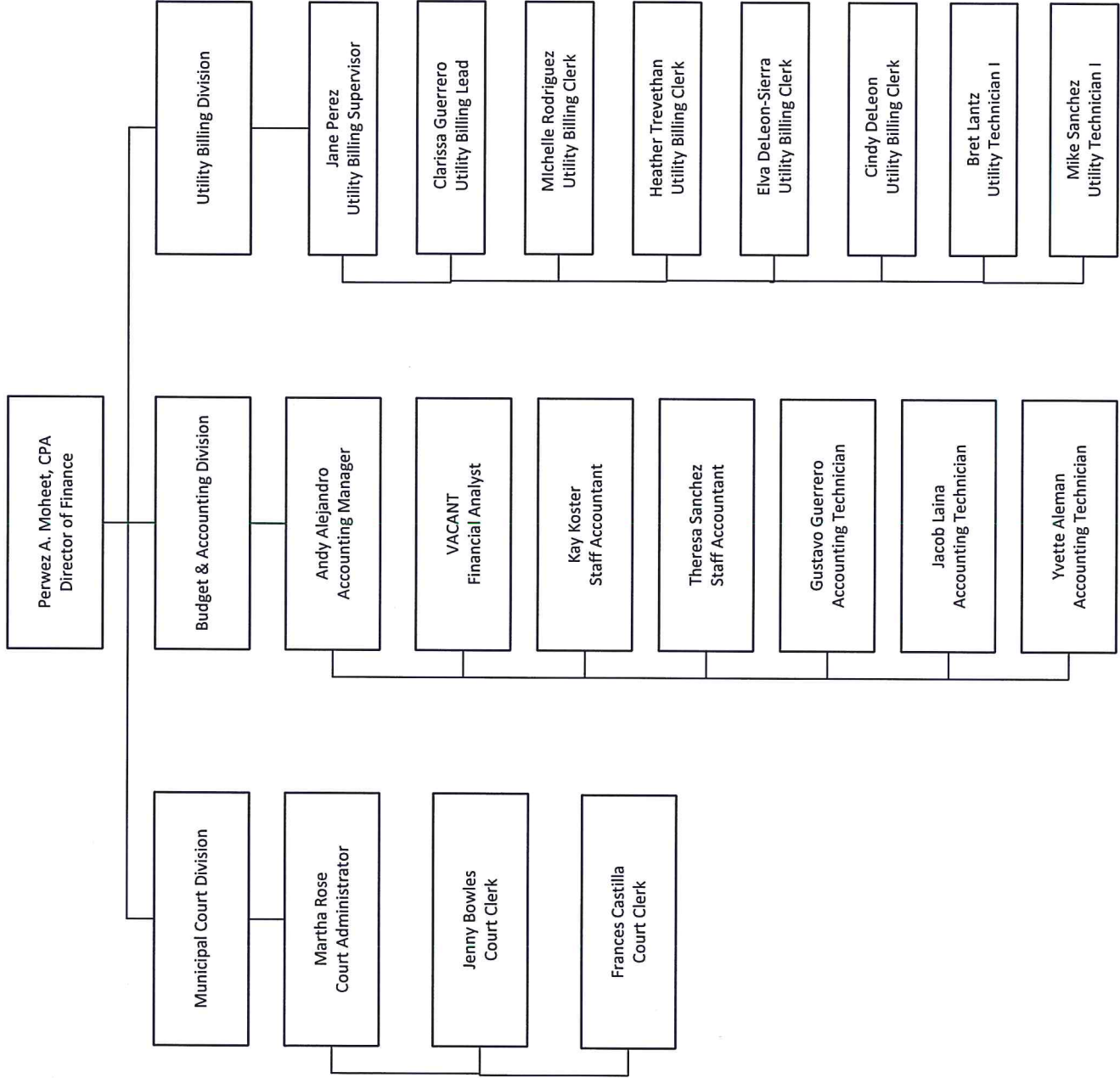


**APPENDIX**





# Financial Services Department



City of Kyle, Texas  
Summary of Approved Budget  
For Fiscal Year 2016-17

	General Fund 110	Utility Fund 310 & 311	Drainage Utility Fund 312	General Fund CIP Projects 111	Street Maintenance & Improvement 115	Transportation Fund 127	Police Forfeiture Fund 131	Police Sp. Revenue Fund 132	Hotel Occupancy Fund 135
1. * Beginning Balance	\$ 5,243,550	\$ 2,702,346	\$ -	\$ 80,390	\$ 924,628	\$ (3,693)	\$ 13,180	\$ 13,704	\$ 78,662
2. Revenue	\$ 20,503,650	\$ 16,326,900	\$ 1,807,457	\$ -	\$ 375,500	\$ -	\$ 3,500	\$ 3,000	\$ 406,460
3. Transfers-in	1,388,050	120,000	-	679,502	-	-	-	-	-
4. Total Revenue & Transfers-in:	\$ 21,891,700	\$ 16,446,900	\$ 1,807,457	\$ 679,502	\$ 375,500	\$ -	\$ 3,500	\$ 3,000	\$ 406,460
5. Expenditures	\$ 21,051,235	\$ 11,080,147	\$ 1,807,457	\$ 585,000	\$ 765,000	\$ -	\$ 3,500	\$ -	\$ 246,170
6. Transfers-Out	776,965	4,262,946	-	-	535,128	-	-	-	238,952
7. Total Expenditures & Transfers-Out:	\$ 21,828,200	\$ 15,343,093	\$ 1,807,457	\$ 585,000	\$ 1,300,128	\$ -	\$ 3,500	\$ -	\$ 485,122
8. Revenue in Excess of Expenditures	\$ 63,500	\$ 1,103,807	\$ (0)	\$ 94,502	\$ (924,628)	\$ -	\$ -	\$ 3,000	\$ (78,662)
9. Estimated Ending Balance:	\$ 5,307,050	\$ 3,806,152	\$ (0)	\$ 174,892	\$ (0)	\$ (3,693)	\$ 13,180	\$ 16,704	\$ 0

City of Kyle, Texas  
Summary of Approved Budget  
For Fiscal Year 2016-17

	Court Sp. Revenue Technology 140	Court Sp. Revenue Security 141	Court Sp. Revenue Judicial Training 142	Court Sp. Revenue Child Safety 143	Debt Service Fund 151	TIRZ Debt Service Fund 152	Park Development Fund 172	2008 CO Bond Fund 184	2013 GO Bond Fund 188
1. * Beginning Balance	\$ 62,544	\$ 70,351	\$ 22,160	\$ 21,735	\$ 982,887	\$ 25,814	\$ 171,730	\$ 1,148,989	\$ 51,599
2. Revenue	\$ 20,000	\$ 15,000	\$ 3,500	\$ 2,500	\$ 7,813,900	\$ 501,900	\$ -	\$ -	\$ -
3. Transfers-in					371,446	1,882,120			
4. Total Revenue & Transfers-in:	\$ 20,000	\$ 15,000	\$ 3,500	\$ 2,500	\$ 8,185,346	\$ 2,384,020	\$ -	\$ -	\$ -
5. Expenditures	\$ 25,000	\$ 2,500	\$ 1,500	\$ -	\$ 7,097,006	\$ 2,349,834	\$ 171,730	\$ -	\$ -
6. Transfers-Out		18,600			1,882,120				
7. Total Expenditures & Transfers-Out:	\$ 25,000	\$ 21,100	\$ 1,500	\$ -	\$ 8,979,126	\$ 2,349,834	\$ 171,730	\$ -	\$ -
8. Revenue in Excess of Expenditures	\$ (5,000)	\$ (6,100)	\$ 2,000	\$ 2,500	\$ (793,780)	\$ 34,186	\$ (171,730)	\$ -	\$ -
9. Estimated Ending Balance:	\$ 57,544	\$ 64,251	\$ 24,160	\$ 24,235	\$ 189,107	\$ 60,000	\$ (0)	\$ 1,148,989	\$ 51,599



City of Kyle, Texas  
Summary of Approved Budget  
For Fiscal Year 2016-17

	2014 Tax Notes 190	2015 GO Bond Fund 192	Water CIP Fund 331	Water Impact Fee Fund 332	Wastewater CIP Fund 341	Wastewater Impact Fee Fund 342	Train Depot Renovation Donation 412	Mental Health Svcs Grant 413	Victims Coordinator Grant 414
1. * Beginning Balance	\$ 356,991	\$ 26,432,905	\$ 1,115,680	\$ 1,537,828	\$ 424,439	\$ 10,632,176	\$ 1,965	\$ (19,157)	\$ (15,228)
2. Revenue	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,600,000	\$ -	\$ -	\$ 40,904
3. Transfers-in	\$ -	\$ 535,128	\$ 710,000	\$ -	\$ 1,850,000	\$ -	\$ -	\$ -	\$ 21,965
4. Total Revenue & Transfers-in:	\$ -	\$ 535,128	\$ 710,000	\$ 1,000,000	\$ 1,850,000	\$ 1,600,000	\$ -	\$ -	\$ 62,869
5. Expenditures	\$ -	\$ 21,023,915	\$ 710,000	\$ 350,000	\$ 2,420,000	\$ 10,483,900	\$ -	\$ -	\$ 62,869
6. Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Total Expenditures & Transfers-Out:	\$ -	\$ 21,023,915	\$ 710,000	\$ 350,000	\$ 2,420,000	\$ 10,483,900	\$ -	\$ -	\$ 62,869
8. Revenue in Excess of Expenditures	\$ -	\$ (20,488,787)	\$ -	\$ 650,000	\$ (570,000)	\$ (8,883,900)	\$ -	\$ -	\$ -
9. Estimated Ending Balance:	\$ 356,991	\$ 5,944,118	\$ 1,115,680	\$ 2,187,828	\$ (145,561)	\$ 1,748,276	\$ 1,965	\$ (19,157)	\$ (15,228)

City of Kyle, Texas  
Summary of Approved Budget  
For Fiscal Year 2016-17

	Juvenile Justice Grant Fund 419	Library Grant Fund 420	Public Educational & Government 450	OPEB Liability Fund 810	Bunton Creek PID 820	Total Fund Balance
1. * Beginning Balance	\$ (44,821)	\$ 2,348	\$ 43,644	\$ 282,500	\$ 143,577	\$ 52,505,423
2. Revenue	\$ 71,208	\$ -	\$ 35,000	\$ -	\$ -	\$ 50,530,379
3. Transfers-in	\$ -	\$ -	\$ -	\$ 156,500	\$ -	\$ 7,714,711
4. Total Revenue & Transfers-in:	\$ 71,208	\$ -	\$ 35,000	\$ 156,500	\$ -	\$ 58,245,090
5. Expenditures	\$ 71,208	\$ -	\$ 78,644	\$ -	\$ -	\$ 80,386,616
6. Transfers-Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,714,711
7. Total Expenditures & Transfers-Out:	\$ 71,208	\$ -	\$ 78,644	\$ -	\$ -	\$ 88,101,327
8. Revenue in Excess of Expenditures	\$ -	\$ -	\$ (43,644)	\$ 156,500	\$ -	\$ (29,856,236)
9. Estimated Ending Balance:	\$ (44,821)	\$ 2,348	\$ 0	\$ 439,000	\$ 143,577	\$ 22,649,186



**Note.** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

## What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note. ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

**Line 2**

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

**Line 3**

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

**Limited Liability Company (LLC).** If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

**Line 4, Exemptions**

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

**Exempt payee code.**

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note.** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

**Line 5**

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

**Line 6**

Enter your city, state, and ZIP code.

**Part I. Taxpayer Identification Number (TIN)**

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note.** See the chart on page 4 for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.ssa.gov](http://www.ssa.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/businesses](http://www.irs.gov/businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting [IRS.gov](http://IRS.gov) or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note.** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

\*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records from Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338).

Visit [IRS.gov](http://IRS.gov) to learn more about identity theft and how to reduce your risk.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee <sup>1</sup>  The actual owner <sup>1</sup>
5. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor <sup>*</sup>
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

**Privacy Act Notice**

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.