



2802 S. Bus. Hwy 281  
Edinburg, Texas 78539  
Phone: (956) 318-2626  
Fax: (956) 318-2629  
[www.co.hidalgo.tx.us/purchasing](http://www.co.hidalgo.tx.us/purchasing)

April 02, 2018

\_\_\_\_\_  
Bidder's name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

Re: **RFQ No.: 2018-080-04-18-TDL**

HIDALGO COUNTY – Juvenile Justice Center / Juvenile Probation

Request for Bid – Hidalgo County Juvenile Justice Center / Juvenile Probation "Independent Audit Services" |

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Dear Gentlemen/Ladies:

Enclosed, please find the Request for Bids (RFQ) packet. **Modifications and new requirements** have been added and implemented. Carefully read and review all instructions, Requirements and Specifications.

Hidalgo County Purchasing Department welcomes and appreciates your participation in the Request for Bids process.

If any further assistance is required, please do not hesitate to call the Purchasing Department (956) 318-2626 ext. 4878

Sincerely,

A handwritten signature in cursive script that reads 'Martha L. Salazar'.

Martha L. Salazar, CPPB  
Hidalgo County Purchasing Agent

MLZ/tdl  
Enclosures

RFQ No.: 2018-080-04-18-TDL	BUYER III: Tanya De Lira	Tel. No.: (956) 318-2626
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# REQUEST FOR QUALIFICATIONS

HIDALGO COUNTY JUVENILE JUSTICE CENTER / PROBATION DEPARTMENT

“INDEPENDENT AUDIT SERVICES”

ACCEPTANCE DATE

April 18, 2018

Contact Person:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
Administration Building  
Physical Address: 2802 S. Business Hwy. 281  
Mailing/US Postal Address: 2812 S. Business Hwy. 281  
Edinburg, Texas 78539  
(956) 318-2626



Form HCPD-04

- 1) Sealed proposals will be received for “Hidalgo County Juvenile Justice Center / Juvenile Probation Independent Audit Services”, in accordance with the requirements attached hereto as Exhibit "A." Proposals should address all requirements set forth. Proposers may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the requirements. Hidalgo County reserves the right to reject the deviation and its effect on the overall proposal.
- 2) One (1) original and three (3) copies of all RFQs are required, with the vendor's name and address clearly typed/printed on upper left-hand corner and the proper notation clearly typed/printed on the lower left-hand corner of the envelope and/or package, RFQ No.: 2018-080-04-18-TDL- “Hidalgo County Juvenile Justice Center / Juvenile Probation Independent Audit Services” and in County's Purchasing Department, physical address: 2802 S. Business Hwy. 281; mailing address: 2812 S. Hwy. Business 281, Administration Building, Edinburg, Texas, on or before 9:30 a.m., Wednesday, April 18, 2018.

No facsimiles, emails or late arrivals will be accepted. Any RFQ received after that time will not be opened and will be returned. Overnight mail must also be properly labeled on the outside of express envelope or package with reference to RFQ No.: 2018-080-04-18-TDL-“Hidalgo County Juvenile Justice Center / Juvenile Probation Independent Audit Services”. Hidalgo County reserves the right to refuse and reject any/all proposals and to waive any/all formalities or technicalities or to accept the proposal considered the best and most advantageous to Hidalgo County.

Additionally, all forms listed below must be properly executed and included with your RFQ:

1. Legal Notice (See page 9);
  2. Insurance pages with Acknowledgment Forms (See Exhibit “C”);
  3. Form CIQ-Conflict of Interest Questionnaire (See Exhibit “D”);
  4. Vendor Bidder Application & W-9 forms (See Exhibit “E”);
  5. Certification Regarding Debarment (See Exhibit “F”);
  6. Proposer’s Affidavit (See Exhibit “H”); and
  7. RFQ Submittal Check List (See page following Proposer’s Affidavit)
  8. SAMS.gov Registration Acknowledgement (See Number 18 below).
- 3) Hidalgo County reserves the right to A. separate and accept, or eliminate any item(s) listed under this proposal that it deems necessary to accommodate budgetary and/or operational requirements; B. reject any or all proposals submitted and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal for approval. Receipt of any proposal shall under no circumstances obligate County to accept the lowest dollar proposal and; C. Award of this contract shall be made to the responsible offeror whose proposal is determined to be the best evaluated offer resulting from negotiation, taking into consideration the relative importance of price and other evaluation factors as herein set forth.
  - 4) Failure of the delivered item(s) to perform as specified or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible proposer or to reject all proposals and re-advertise.

- 5) For work to be performed at a County owned or operated location, each proposer shall, in its sole discretion, visit the job site before preparing the proposal and thoroughly familiarize himself/herself with existing conditions. Proposer should take field dimensions and note all circumstances which affect the dollar amount of the proposal.
- 6) Descriptive specifications are referenced in this document to indicate the general kind and quality of equipment desired by Hidalgo County. Due to various styles and models of equipment, proposers are required to include illustrations, specifications, explanation of warranties, and service data with their proposal including catalogue numbers and any necessary references.
- 7) No proposal may be withdrawn within sixty (60) days from the scheduled time to open proposals.
- 8) Proposed prices are to remain firm for a minimum of ninety (90) days after priced proposal opening.
- 9) Any interpretations, amendments, corrections or changes to this proposal document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Proposals. Proposers shall acknowledge receipt of all addenda as a part of their proposal.
- 10) County reserves the right to accept or reject any or all proposals.
- 11) Costs are to be net F.O.B., County Prepaid.
- 12) County is exempt from Federal Excise Tax, State Tax, and Local Tax. Do Not include tax in cost figure. If it is determined that tax was included in the cost figures it will not be included in the tabulation of any awards. Tax exemption certificates will be furnished upon request.
- 13) Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of a proposal or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.
- 14) Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security card to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy of their Federal ID Number Certificate.
- 15) DELIVERY INSTRUCTIONS FOR GOODS AND SERVICES: (If applicable)
  - No deliveries accepted after 3:00 P.M., Monday-Friday.
  - At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, CPPB, Purchasing Agent before delivery will be accepted.
  - If you need additional information call the office listed below:

Hidalgo County Purchasing Department  
Martha L. Salazar, CPPB, Purchasing Agent  
(956) 318-2626
- 16) BILLING AND PAYMENT INSTRUCTIONS
  - Invoices must include:
    - a) Name and address of successful proposer

- b) Name and address of receiving department or official
- c) Purchase Order Number and Contract Number (if any)
- d) Notation -“Hidalgo County Juvenile Justice Center / Juvenile Probation Independent Audit Services”
- e) Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.

- Discount payments will be considered when offered.
- Contact person for Billing and Payment questions:

Hidalgo County Auditor's Office  
 2808 S. Business Hwy. 281  
 Edinburg, TX 78539  
 (956) 318-2511

17) SCHEDULE OF EVENTS

Proposal Acceptance Date Opening, 9:30 A.M.	_____ April 18, 2018
Award of Contract:	_____
Commence Service or Products:	_____

18) BID OR PERFORMANCE BOND AND DEBARMENT CERTIFICATION; PAYMENT UNDER CONTRACT

- If the contract proposed is for the construction of public works or is for a contract for goods and services exceeding \$100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All participants are required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR76. Register at SAMs System for Award Management @ [www.sam.gov](http://www.sam.gov).
- Appendix II to CFR 200-Contract Provisions: Pursuant to 2 CFR 200.236, a non-Federal entity's contracts must contain the applicable provisions described in Appendix II to 2 CFR 200-Contract Provisions for non-Federal Entity Contracts under Federal Awards. Therefore, if applicable, the provisions of Appendix II to 2 CFR 200 are attached and incorporated by reference into this County contract should it be subject to Federal award.
- Together with the signing of a contract or issuance of a purchase order following the acceptance of a proposal, and prior to commencement of the actual work, the proposer shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds \$50,000.
- If the contract is for \$50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and material men have been paid.

- If a contract is for the construction, alteration or repair of public buildings or public works, the contractor *shall* provide a payment bond for a contract in excess of Twenty Five Thousand Dollars (\$25,000.00), as required by Tex. Govt. Code Ch. 2253.
- For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications

#### 19) TITLE VI NOTICE/ NONDISCRIMINATION

- a) "The County of Hidalgo, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat.252, 42 U.S.C. §§2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."
- b) The appropriate clauses of Appendices "A" through "E" as delineated in the USDOT Standard Title VI/Nondiscrimination Assurances-Specific Assurances are hereby incorporated by reference as applicable. Title VI Appendices "A" through "E" are attached as Exhibit "G".
- c) Bidder will attach all applicable notices to which it is obligated to provide or submit as part of the bid, including Form FHWA 1273 to be submitted by all contractors and subcontractors in relation to construction contracts.

#### 20) ETHICAL STANDARDS

- It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before any department or agency of the County.
- It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.
- No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

#### 21) DISCLOSURE OF CONFLICT OF INTEREST

- Effective January 1, 2016, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as Exhibit "D", the vendor, person consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure

requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful Proposer fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Complete Form CIQ must be submitted to the Hidalgo County Clerk's Office located at 100 North. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse.

Completion and submission of form ciq is the sole responsibility of the prospective proposer. Questions regarding compliance should be directed to your legal counsel.

## 22) CERTIFICATE OF INTERESTED PARTIES (FORM HB1295)

- As of January 1, 2016, to comply with Texas Government Code Section §2252.908, and the rules issued by the Texas Ethics Commission found in Title 1, Section 46.1, 46.3 and 46.5 of the Texas Administrative Code, we have updated and revised our RFQ packet. In accordance with these requirements, a business must submit a completed Certificate of Interested Parties Form 1295 to the County before the County may enter into a contract with the business entity. In box 3 of Form 1295, you will provide the RFQ Project No. (2018-080), as shown on the packet. Once completed and filed with the Texas Ethics Commission, Form 1295 must be printed, filled out, signed and submitted to our office either by facsimile transmission to (956) 292-7612 or via email to [tanya.delira@co.hidalgo.tx.us](mailto:tanya.delira@co.hidalgo.tx.us). Hidalgo County cannot enter into a contract until Form 1295 is submitted, therefore, failure to timely submit a completed Form 1295 may result in the delay of award. Full instructions for completion and submittal of Form 1295 may be found on the Texas Ethics Commission website:

<https://www.ethics.state.tx.us/tec/1295-Info.htm>

The awarded vendor will have thirty (30) days from the date the Hidalgo County Commissioner's court approves this agreement, to submit the signed Form 1295. Hidalgo county cannot enter into a contract until Form 1295 is submitted.

## 23) Effective September 1, 2017, the Texas Government Code was amended to add Chapter 2270, Prohibition on Contracts with Companies Boycotting Israel, which provides that a state agency and a political subdivision may not enter a contract with a company for goods or services unless the contract contains a written verification from the company that; (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the contract.

Pursuant to Gov't Code Sections 2270.001(1) & 808.001(1) as amended, "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

By accepting this contract and/or purchase order, the Company/Vendor verifies that it does not Boycott Israel, and agrees that during the term of this contract/agreement will not Boycott Israel as that term is defined in the Texas Government Code.

## 24) If during the life of any contract or proposal awarded, the successful proposer's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and

agreed that the benefits of such reduction shall be extended to County.

- 25) Proposals and all goods and services provided thereunder shall comply with all federal, state and local laws concerning this type(s) of goods and/or services.
- 26) Minimum Standards for Responsible Prospective Proposers: A prospective proposer must affirmatively demonstrate proposer's responsibility. A prospective proposer, by submitting a proposal, represents to County that it meets the following requirements:
- Possess or is able to obtain adequate financial resources as required to perform under the proposal;
  - Be able to comply with the required or proposed delivery schedule;
  - Have a satisfactory record of performance;
  - Have a satisfactory record of integrity and ethics;
  - Be otherwise qualified and eligible to receive an award.
- 27) Successful proposer will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful proposers' officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.
- 28) Any contract award to a successful proposer will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty (30) day's written notice prior to cancellation.
- 29) County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County. In the event of breach or default by successful proposer; County reserves the right to terminate any contract immediately in the event a successful proposer fails to:
- A. Meet schedules;
  - B. Pay any required fees or taxes; or
  - C. Otherwise, perform in accordance with the requirements.
- 30) Successful proposer shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful proposer, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful proposer indemnifies and will indemnify and save harmless County from liability, claim or demand on their part, agents, servants, customers, and/or employees whether such liability, claim or demand arise from event or casualty happening or within the occupied premises themselves or happening upon or in any of the halls, elevators, entrances, stairways or approaches of or to the facilities within which the occupied premises are located. Successful proposer shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful proposer's indemnity hereunder shall include but is not limited to, claims relating to patent, copyright or trademark infringement, and the like, arising out of the goods or services provided by successful proposer.
- 31) Successful proposer shall warrant that all items/services shall conform to the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material,

workmanship and the like. Items supplied under a contract pursuant to this Request for Proposals shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful proposer within two business days at no expense to County. Items not picked up within one (1) week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.

- 32) This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas and will be performable exclusively in Hidalgo County, Texas.
- 33) The successful proposer shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.
- 34) Proposers shall provide with the proposal response, a list of at least three (3) references where like services have been supplied by their firm. Include the name of the business or government, address, telephone number and name of representative or contact person.
- 35) Proposers must provide all documentation requested with this Proposal in their response. Failure to provide this information may result in rejection of the proposal as non conforming.

REQUEST FOR QUALIFICATIONS LEGAL NOTICE  
for  
HIDALGO COUNTY JUVENILE JUSTICE CENTER / JUVENILE PROBATION  
“INDEPENDENT AUDIT SERVICES”  
RFQ No.: 2018-080-04-18-TDL

To: Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
Physical Address: 2802 S. Business Hwy. 281  
Mailing/US Postal Address: 2812 S. Business Hwy. 281  
Edinburg, Texas 78539

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned proposer proposes and commits to furnish all labor, equipment, material, software, and services as set forth in the documents hereinbefore mentioned. The undersigned proposer further agrees, upon acceptance of its proposal, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Proposer acknowledges receipt of all of the pages of the documents referenced in the Request for Proposal Checklist presented in connection with this procurement. Proposer understands that Hidalgo County reserves the right to reject any or all proposals and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal.

Proposer agrees that this proposal shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for receiving proposals, as contained in the Requirements.

Respectfully submitted,

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

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

BY: \_\_\_\_\_  
PRINT  
NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_



2802 S. Bus. Hwy 281  
 Edinburg, Texas 78539  
 Phone: (956) 318-2626  
 Fax: (956) 318-2629  
[www.co.hidalgo.tx.us/purchasing](http://www.co.hidalgo.tx.us/purchasing)

**TABLE OF CONTENTS**  
**REQUEST FOR BIDS (RFQ)**  
**“Hidalgo County Juvenile Justice Center / Juvenile Probation**  
**“Independent Audit Services”**  
**RFB No.: 2018-080-04-18-TDL**

ITEM	DESCRIPTION	No. OF PAGES
1.	Request For Bid Letter	1
2.	Request For Bid, Legal Notice	9
3.	Exhibit A, Requirements	7
4.	Exhibit B, Evaluation	17
5.	Exhibit C, Insurances	4
6.	Exhibit D, Conflict of Interest	2
7.	Exhibit E, Bidder/Vendor Application Form	6
8.	Exhibit F, Debarment Form	1
9.	Exhibit G, Title VI Appendices	6
10.	Audit Requirements	23
11.	RFB Submittal Checklist	1

The above-mentioned items shall be found in this Request for Bids-Goods/Products-RFB packet that is attached herewith. Should you find that any of the listed items are not attached in its entirety, please contact Purchasing by calling (956) 318-2626 or e-mail, to advise us of the missing documentation, and Purchasing will forward information either through facsimile, email or by U. S. Mail.

Thank you,

\_\_\_\_\_  
 Martha L. Salazar, CPPB, Purchasing Agent

\_\_\_\_\_  
 Date

Hidalgo County Juvenile Probation is presently accepting statements of qualifications from interested Certified Public Accountants (CPAs) for the provision of "Independent Audit Services" for fiscal year ending in **August 31, 2018**. Hidalgo County Juvenile Probation intends to enter into a two-year audit engagement contract, with County's option to renew for two (2) additional one (1) year terms under the same rates, terms and conditions, with a state-registered (Texas) CPA Firm. Hidalgo County Purchasing Department will receive sealed envelopes containing Statements of Qualifications for the provision of "**Independent Audit Services-Hidalgo County Juvenile Justice Center / Probation Department**" as specified herein. Statements of Qualifications will be accepted **9:30 A.M., Wednesday, April 18, 2018**. **ANY RFQ RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

Deliver Submittal to:

RFQ Number: 2018-080-04-18-TDL  
Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2812 S. Hwy. 281  
Hidalgo County New Administration Building  
Edinburg, Texas 78539

**The Submittal Envelope Must Show The RFQ Number, Name And Acceptance Date.**

The following outlines the Request for Qualifications:

## **SECTION I - GENERAL TERMS AND CONDITIONS**

### **ADDITIONAL INFORMATION:**

Hidalgo County is requesting that statements of qualifications be routed to Martha L. Salazar, CPPB, Purchasing Agent, at 2812 S. Hwy. 281, Hidalgo County New Administration Building, Edinburg, Texas 78539. **WRITTEN QUESTIONS WILL BE ACCEPTED VIA E-MAIL BY NO LATER THAN Monday, April 09, 2018** at 5:00 P.M. at [tanya.delira@co.hidalgo.tx.us](mailto:tanya.delira@co.hidalgo.tx.us) . Responses will be sent to all applicants via e-mail by Wednesday, April 11, 2018. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

### **DISCLOSURE OF CONFLICT OF INTEREST:**

Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire (the "CIQ") attached as **Exhibit D**, the vendor, person consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encourage to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please submit complete CIQ forms to the Hidalgo County Clerk's Office located at 100 No. Clossner, Edinburg, Texas 78539-Hidalgo County Courthouse **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE BIDDER.**

**PROPOSER'S AFFIDAVIT:**

Respondents to this RFQ must submit a signed Proposer's Affidavit (attached herein in Exhibit "D") certifying that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit; (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's Affidavit; or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

**NON-COLLUSION:**

Submitters, by submitting the signed Proposer's Affidavit, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

**NON-DISCRIMINATION:**

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

**DAVIS BACON ACT:**

All selected and awarded firms are required to include the Davis-Bacon Act when advertising and developing specifications.

**PROCESSING TIME FOR PAYMENT:**

Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

**ELECTRONIC TRANSMISSION OF BIDS:**

Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

**PROOF OF FINANCIAL AND BUSINESS CAPABILITY:**

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

**SUBMITTER DEFAULT:**

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

**RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:**

It is the responsibility of the submitter to review the Request for Qualifications (RFQ) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or

bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

**RFQ DELIVERY:**

Hidalgo County requires submitters, when hand delivering statements of qualifications, to have a Purchasing Department representative time/date stamp and initial the envelope.

**SIGNING OF QUALIFICATIONS:**

In order to be considered, all submittals **must** be signed. *Please sign the original in **blue** ink.*

**WAIVING OF INFORMALITIES:**

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

**SUBCONTRACTING:**

The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

**TERM OF CONTRACT:**

The term of the agreement will be for an initial period of two (2) years with County's option to renew for two (2) additional one (1) year terms under the same rates, terms and conditions.

**TERM OF ENGAGEMENT/CONTRACT:**

An initial letter of engagement to render an opinion on the County's Financial Statements for fiscal/calendar years beginning **September 1, 2018 and September 1, 2019**, with the County's option to renew an additional two fiscal/calendar years ending **August 31, 2021 and August 31, 2022** under the same rates, fees, terms and conditions unless otherwise agreed upon by Hidalgo County.

**SECTION II -RFQ REQUIREMENTS**

**REQUEST FOR QUALIFICATIONS:**

The required contents and limitations for the preparation of the RFQ are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFQ. A total of **one (1) original and three (3) copies** of the RFQ shall be submitted to the address on the cover letter.

**CONTENTS:**

The required contents for the RFQ are presented below in the order they should be incorporated into the submitted document.

**UNDERSTANDING OF THE PROJECT:**

This section should demonstrate the submitter's understanding of the project needs, the work required, and any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

**OVERVIEW:**

The Independent Audit Services for Hidalgo County Juvenile Probation consists of The Texas Juvenile Justice Department requiring an audit to be completed annually in accordance with

Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAS) for all grant funds from the Department. The audit report for the fiscal year ended **August 31, 2018** must be mailed in sufficient time in order for the report to be received by the Department on or before March 1, 2019 and in accordance with this document. Reports received after March 1, 2019 are considered delinquent and a “Non-Compliance Citation Report” will be issued for non-compliance and grant funds may be suspended.

**FIRM QUALIFICATIONS:**

The County of Hidalgo is seeking to contract with a competent “Independent Certified Public Accounting Firm(s), registered and licensed to practice in the State of Texas, that has had experience in, but not limited to, the following areas:

- The Auditor must be a Certified Public Accountant (CPA) with a current license from the Texas State Board of Public Accountancy. An accounting firm other than a sole practitioner must be licensed by the Texas State Board of Public Accountancy.
- The Auditor or Audit Firm must submit along with the Statement of Qualifications, a copy of the current CPA License and a copy of the firms current “Peer Review”.

Additionally, this section should include a description of the firm’s project personnel and their most recent similar projects. A list of clients to show experience in auditing governmental entities and in performing audits in accordance with the Single Audit Act Amendments of 1996. For each project, a current contact name and phone number should be included for reference purposes. Additionally, the names of the personnel proposed for this project who participated in the listed projects should be provided. This project list is limited to 5 pages.

**PERSONNEL AND STAFFING:**

Must supply a list of all potential servicing personnel with who would in any way be involved in the handling and/or assisting of the “Juvenile Probation-Independent Audit”. Any additional personnel to be involved at a later date must have resume submitted for prior consultation with “Juvenile Probation Department-Attention Buddy Silva”, with subsequent proposal for personnel to follow guidelines as provided herein. Resumes should include a summary of education, experience, licenses. There is a one (1) page limitation for each biographic summary provided.

**REQUIRED CERTIFICATIONS AND SUBMITTAL:**

This section will contain any licenses and certifications as required by the State Of Texas, Hidalgo County and the Texas State Board of Public Accountancy. All interested parties are required to furnish a certification or acknowledgment stating that the auditor/accountant is/are free from suspension or debarment pursuant to federal regulation 45CRF76. Certification forms is included in this packet and must be completed and submitted as part of the response on the RFQ. The participants should add copies of their current license from the Texas State Board of Public Accountancy.

**SCOPE OF SERVICES:**

The services required by Hidalgo County Juvenile Probation for an Independent Audit Services from Certified, Licensed Public Accountant, including but not limited to are as follows:

- Audit must be performed by a Certified Licensed Public Accountant

- **Once selected, awarded firm must complete the audit by a deadline of March 1, 2019. Any extension for audit report date, can only be authorized and approved by Hidalgo County Juvenile Probation Chief Probation Officer-Buddy Silva. A copy of the “Audit Report” must be forwarded to the “Texas Juvenile Justice Department” on or before March 1, 2019, by Juvenile Department. If the “Audit Report” is not submitted by deadline of March 1, 2019 by the awarded vendor to the Juvenile Probation Department, it will cause the department to be in Non-Compliance and probable cause for grant funds to be suspended.**
- The Auditor’s Engagement Letter shall state, among other things, that:
  - a) The audit will be performed in accordance with generally accepted auditing standards, Single Audit Act Amendments of 1996, Government Auditing Standards, and Government Accounting Standards Board (GASB) Statement No. 34;
  - b) The audit report will be completed in final form by March 1, 2019;
  - c) The awarded “CPA Firm” will utilize the “Requirements” submitted by the “Texas Juvenile Justice Department listed as “Audit Requirements”;
  - d) The number of auditors that will be assigned to the audit services.

**FOR FURTHER DETAILED SCOPE OF SERVICES/REQUIREMENTS, PLEASE SEE THE “TEXAS JUVENILE JUSTICE DEPARTMENT AUDIT REQUIREMENTS” ATTACHMENT.**

**INSURANCE:**

All other applicable insurances as required by Hidalgo County and as detailed in Exhibit “C” contained herein.

**PARTICIPATING FIRMS ARE NOT TO PROVIDE A FEE PROPOSAL WITH THIS SUBMITTAL:**

The fee will be negotiated in accordance with the Professional Services Procurement Act, Tex. Govt. Code Ann. 2254.001, et seq. Once selected for negotiations, proposer is to provide a fee proposal for the following scope of services/work, including the estimated number of hours and the audit cost proposal. A breakdown of the estimate hours and billing rates shall be submitted for all auditors, partners, support staff and owners involved in the audit.

**The County reserves the right to negotiate with any an all audit firms that submit Statement of Qualifications as per the Texas Professional Service Procurement Act and the Uniform Grant and Contract Management Act of 1981. The County of Hidalgo is an Affirmative Action/Equal Opportunity Employer.**

**NUMBER OF COPIES TO BE SUBMITTED:**

Hidalgo County requires one (1) original submittal and three (3) copies of the Statement of Qualifications (SOQ’s).

## **SECTION III -SELECTION AND SCHEDULES**

### **EVALUATION SYSTEM:**

The evaluation system consists of a 100-point system. However, after the 100-point evaluation, Hidalgo County Board of Judges may elect to narrow the participating firms and request a presentation from a representative from firms that have scored at least 80 points in order to finalize ranking. Such presentation will increment the total scoring points with up to 10 additional points for a maximum of 110 total scoring points.

Categories under the 100-Point Scoring System include the following listed criteria:

- 1) Professional Qualifications of team (20 Points)
- 2) Experience of Project Team/Availability to Commit Resources (25 Points)
- 3) Experience with similar projects within past five (5) years (20 Points)
- 4) Understanding of Project/Capability to meet schedules and deadlines (25 Points)
- 5) Familiarity with Applicable Rules and Regulations (10 Points)

Categories are further detailed in the Selection Criteria (Exhibit B) section of this RFQ.

### **SELECTION PROCEDURES:**

The RFQ shall be submitted according to the schedule below. The respondent should be able to submit a cost proposal on short notice at a later time after qualifications.

**RFQ SUBMITTED TO:** An original and three (3) copies of RFQs should be submitted to:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2812 S. Hwy. 281  
Hidalgo County New Administration Building  
Edinburg, Texas 78539

### **RFQ SCORING AND PROPOSAL RANKING:**

- (A) The Hidalgo County Juvenile Justice Center and/or Evaluation Committee and/or an Evaluation Committee (selected and/or designated by Hidalgo County Board of Judge's) will review, score and evaluate the written Statements of Qualifications (SOQ's) received in response to this Hidalgo County Juvenile Probation Request for Qualifications.
- (B) After the SOQ's have been reviewed, scored and evaluated, a grid will be presented to Hidalgo County Board of Judges for the purposes of ranking. However, as detailed in the Selection Criteria, at the sole discretion of Board of Judges, a presentation may be requested from the participating firms that have scored at least 80 points in order to complete and finalize the ranking of the firms.

### **NEGOTIATION PROCESS:**

After ranking has been finalized, a fee proposal will be requested from the top-ranked firm. The Board of Judges or its representative will then enter into negotiations process with the top ranked firm for the purpose of reaching an agreement. After an agreement is reached and negotiation efforts are successful, a contract/letter of engagement in an approved County format will be drafted and executed with the firm for the required services. If negotiations prove unsuccessful, the Board

of Judges will terminate negotiations with the firm and will contact the next highest ranked firm to open negotiations. This process will continue until negotiation efforts are successful. The County Of Hidalgo reserves the right to reject any and all RFQs.

**TERMINATION OF SERVICES:**

Any contract awarded to a qualified “Independent Certified Public Accountant” will be in effect until **(a) the contract expires, (b) performance of all services ordered, or (c) terminated by County with ninety (90) day’s written notice prior to cancellation, (d) or until County has engaged the services of a new “Independent Certified Public Accountant”.**

RFQs must be submitted by **no later than 9:30 a.m. on Wednesday, April 18, 2018.** All costs and expenses associated with the preparation and submission of (bids, proposals and/or quotes) shall be the responsibility of the bidder and no reimbursements for such charges or expenses shall be passed onto Hidalgo County.

**Exhibit "B"**  
**RFQ EVALUATION/SELECTION CRITERIA**  
**"INDEPENDENT AUDIT SERVICES"**  
**RFQ 2018-080-04-18-TDL**

The submitter's RFQ will be evaluated based on the criteria presented below. These criteria will be scored on the scales shown on the enclosed "RFQ" Evaluation Form."

**1. Professional Qualifications of Team (20 Points)**

The firm must provide information on their proposed professional team members, i.e. applicable certifications/registrations and other pertinent information that demonstrates their qualification to perform the contract. The professional team members shall have experience in performing similar contracts for counties, cities, or other clients as stated in the Request for Proposals (RFP).

**2. Experience of Project Team/Ability to Commit Resources (25 Points)**

The provider shall designate experienced staff to completely and efficiently perform the work. The designated individuals may not be replaced during the project unless approved by the County. The RFP shall identify the project team composition, project leadership, reporting responsibilities and address how sub-providers, if any, will fit into the management structure. Resumes of the key technical staff members, limited to two (2) pages per person must be included in an appendix, as well as narrative descriptions of projects proposed as similar work experience. Also in this section, outline the firm's contingency plans for servicing the project in the event that one or more key personnel are not available for any reason during the period of performance.

**3. Experience with similar projects within the past five (5) years (20 Points)**

The RFP should provide the firm's experience in providing the scope of services for the project. The firm should provide as much background information as to its experience in providing similar services to City, County or any other governmental agencies. Reference information should be as current as possible, especially contact persons and telephone numbers. Similar experience gained through other clients should be substantiated by reference. A list of and scope of, similar projects for comparative purposes shall be included in an appendix.

**4. Understanding of Project/Similar Projects (25 Points)**

The RFP shall include the following:

- Demonstrate an understanding of the scope of services
- Identify information to be gathered or obtained
- Capability to meet schedules and deadlines

**5. Familiarity with Applicable Rules and Regulations (10 Points)**

The firm must be knowledgeable and familiar with any rules and regulations concerning the Audit requirements.

Exhibit "B"  
**RFQ EVALUATION/SELECTION FORM**  
 RFQ 2018-080-04-18-TDL

	<u>Selection Criteria</u>	<u>Points</u>	<u>Score</u>
1.	Professional Qualifications of Team	20	_____
2.	Experience of Project Team and Ability to Commit Resources	25	_____
3.	Experience with similar projects within the past five (5) years	20	_____
4.	Understanding of Project/Schedules and deadlines	25	_____
5.	Familiarity with Applicable Rules and Regulations	10	_____
<b>TOTAL SCORE</b>			_____

PROVIDER: \_\_\_\_\_

EVALUATOR: \_\_\_\_\_ DATE: \_\_\_\_\_

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# EXHIBIT "C"

## Insurance Requirements Professional Services (i.e...Engineers, Architects, Appraisers & Surveyors)

The proposer awarded the contract shall furnish proof of insurance, which will also include any subcontractor that is subcontracted by the proposer in at least the following limits, to be in place prior to providing any services under this Contract and to continue at all times in force in effect during the term of this Contract:

1. Professional liability insurance policy with limits of at least One Million Dollars (\$1,000,000) per occurrence, or limited to claims made, include at least a five (5) year extended reporting period.
2. A Five Hundred Thousand Dollars (\$500,000.00) Comprehensive General Liability insurance policy providing additional coverage to all underlying liabilities of County.
3. Automobile liability insurance policy with limits of at least Three Hundred Thousand Dollars (\$300,000.00) per person and Five Hundred Thousand Dollars (\$500,000.00) per occurrence. Coverage should include injury to or death of persons and property damage claims with limits up to Five Hundred Thousand Dollars (\$500,000.00) arising out of the services provided to County hereunder.
4. Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
5. Workers compensation insurance in amounts established by Texas law, unless the Bidder is specifically exempted from the Texas Workers Compensation Act, Texas Labor Code Chapter 401, et. seq.

**Hidalgo County will only accept certificates of insurance on an Acord form (as attached hereto).**

Certificates of insurance naming County as an additional insured shall be submitted to County for approval prior to any services being performed by Contractor. Each policy of insurance required hereunder shall extend for a period equivalent to, or longer than the term of the Contract, and any insurer hereunder shall be required to give at least thirty (30) days written notice to the County prior to the cancellation of any such coverage on the termination date, or otherwise. This Contract shall be automatically suspended upon the cancellation, or other termination, of any required policy of insurance hereunder, and such suspension shall continue until evidence adequate replacement coverage is provided to County. If replacement coverage is not provided within thirty (30) days following suspension of the Contract, this Contract shall automatically terminate.

<b>ACORD</b>		<b>CERTIFICATE OF INSURANCE</b>	DATE (MM/DD/YY)
PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.		
INSURED	<b>INSURERS AFFORDING COVERAGE</b>		
	INSURER A:		
	INSURER B:		
	INSURER C:		
	INSURER D:		
			INSURER E:

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THEIR TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b>				EACH OCCURRENCE \$
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$
	<input type="checkbox"/> CLAIMS MADE OCCUR				MEDICAL (Any one person) \$
	<input type="checkbox"/> OWNER'S & CONT PROT				PERSONAL & ADV INJURY \$
	<input type="checkbox"/> OWNER'S PROTECTIVE LIABILITY				ANNUAL AGGREGATE \$
	<input type="checkbox"/> GEN L AGGREGATE LIMIT APPLIES PER POLICY PROJECT <input type="checkbox"/> LOC				PRODUCTS - COMP/OP AGG \$
B	<b>AUTOMOBILE LIABILITY</b>				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				
<input type="checkbox"/> NON-OWNED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY-EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY AGG \$
C	<b>EXCESS LIABILITY</b>				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
D	<b>WORKERS COMPENSATION AND EMPLOYER'S LIABILITY</b>				WC STATU: <input type="checkbox"/> OTHER TORY LIMITS
					E L EACH ACCIDENT \$
					E L DISEASE-EA EMPLOYEE \$
					E L DISEASE-POLICY LIMIT \$
	<b>OTHER</b>				

DESCRIPTION OF OPERATIONS / LOCATION / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 County of Hidalgo shall be named as additional insured on all Commercial General Liability policies.

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
<b>Hidalgo County</b> Attn: Purchasing Department 2812 S Highway Bus. 281 Edinburg, Texas 78539		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <b>30</b> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES
		AUTHORIZED REPRESENTATIVE

# Insurance Requirement Acknowledgment

I, \_\_\_\_\_, authorized representative for \_\_\_\_\_,  
Company/Vendor

hereby acknowledge receipt of the County's required insurance limits. Said requirements:

- will be acquired within 10 working days after notification from Purchasing Department of award of project by the Hidalgo County Commissioners' Court;
- will acquire additional amounts required to meet the County's requirements within 10 working days after notification from Purchasing Department of award of project by the Hidalgo County Commissioners' Court; currently carry the following

Professional Liability (Errors & Omissions): \$ \_\_\_\_\_

Automobile Liability: \$ \_\_\_\_\_ General Liability: \$ \_\_\_\_\_

- have already been met, see attached copy of insurance certificate.

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Date

## Notice to Proposer:

A certificate of insurance for the required insurance limits shall be provided to the Purchasing Department's Contract Managers in order to qualify for award and to execute a contract between your Company and the County

Failure to provide Certificates of Insurance to the Purchasing Department's Contract Managers will cause the award to be rescinded and re-awarded to next qualified vendor. Certificates of Insurance will be monitored and verified on a **quarterly basis** to ensure coverage policy is in place. It is the Company's obligation to maintain the appropriate insurance coverage throughout the term of the contract.

**THIS FORM MUST ACCOMPANY YOUR PACKET**

# PROJECT REQUIREMENTS ACKNOWLEDGMENT

This is to certify that I, \_\_\_\_\_, possess all of the **APPLICABLE:**

1. Licenses: \_\_\_\_\_

2. Bonds: \_\_\_\_\_

3. Certificates: \_\_\_\_\_

4. Permits: \_\_\_\_\_

5. Other: \_\_\_\_\_

necessary to carry out the required project. Furthermore, I am providing copies of the required documentation so that, if my company is awarded this project, I may be eligible to enter into a contract with Hidalgo County and proceed to complete the project in a timely manner.

**\* Any licenses, bonds, certificates, permits, etc. which are required must be presented as part of the packet in order to expedite the evaluation process. Failure to provide said documentation will result in the disqualification of your proposal/qualification.**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

# CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

## FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

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

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 vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

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

### OFFICE USE ONLY

Date Received

1 Name of vendor 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 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

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

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes       No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes       No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6  Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

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

\_\_\_\_\_  
Date

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

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

**Local Government Code § 176.001(1-a):** "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

**Local Government Code § 176.003(a)(2)(A) and (B):**

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

\*\*\*

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or
- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

**Local Government Code § 176.006(a) and (a-1)**

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

- (A) begins discussions or negotiations to enter into a contract with the local governmental entity; or
- (B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

- (A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);
- (B) that the vendor has given one or more gifts described by Subsection (a); or
- (C) of a family relationship with a local government officer.



**HISTORICALLY UNDERUTILIZED BUSINESS (HUB) DECLARATION**

The primary objective of the Hidalgo County HUB Program is to ensure Historically Underutilized Businesses receive a fair and equal opportunity for participation in the County's procurement process. This fact holds true for Services (Professional & Non-Professional), Commodities, and Construction contracts and any subcontracts thereto. The program strongly encourages Prime Contractors to provide subcontracting opportunities to Certified Hub Contractors/Vendors. Our goal for HUB contractor/vendor participation, as well as HUB subcontractor participation is 30%. To be considered as a "Certified HUB Contractor/Vendor" the contractor/vendor must have been certified by, and hold a current and valid certification with any of the three agencies listed below.

Have you been Certified as a HUB or an MBE/WBE source?:  Yes  No

If yes, by whom?:  Texas Building & Procurement Commission  Other \_\_\_\_\_

Indicate Certification No(s): \_\_\_\_\_ or Are Certificate(s) Attached?:  Yes  No

---

**LIST OF CERTIFIED HUB SUBCONTRACTORS**

(Attach additional pages if necessary)

What percentage of the Bid, RFP, or RFQ is to be subcontracted with Certified HUB sources?: \_\_\_\_\_%  
(List HUB Subcontractor information below).

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  Other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  Other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

---

HUB Subcontractor Name: \_\_\_\_\_ HUB Status:  
Certifying Agency (Check all applicable):  Texas Building & Procurement Commission  Other  
Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip:  
Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_ Phone No.: ( )  
Subcontract Amount: \$ \_\_\_\_\_ Description of Work to be Performed:

---



**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>4</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>1</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.

**Certification  
Regarding Debarment, Suspension and Ineligibility**

As is required by the Federal Regulations Implementing Executive Order 12549, Debarment and Suspension, 45 CFR Part 76, Government-wide Debarment and Suspension, the applicant certifies, to the best of his or her knowledge and belief, that both it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency;
- b. Have not within a three-year period preceding this bid proposal and/or application been convicted of or 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;
- c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity with commission of any of the offenses enumerated herein; and
- d. Have not within a three-year period preceding this bid proposal and/or application had one or more public transactions terminated for cause or default.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_  
Date: \_\_\_\_\_

If the bidder is unable to certify to all of the statements in this Certification, such bidder should attach an explanation to this proposal.

## APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation, the Federal Highway Administration, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the Federal Highway Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the Federal Highway Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Nondiscrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating, or suspending contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

## APPENDIX B

### CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Assurance 4:

NOW, THEREFORE, the U.S. Department of Transportation as authorized by law and upon the condition that the **COUNTY OF HIDALGO** will accept title to the lands and maintain the project constructed thereon in accordance with all applicable federal statutes, the Regulations for the Administration of all Department of Transportation programs, and the policies and procedures prescribed by the Federal Highway Administration of the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the **COUNTY OF HIDALGO** all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit 1 attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto **COUNTY OF HIDALGO** and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the **COUNTY OF HIDALGO**, its successors and assigns.

The **COUNTY OF HIDALGO**, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]\* (2) that the **COUNTY OF HIDALGO** will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and(3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].\*

(\*Reverted clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

## APPENDIX C

### CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the **COUNTY OF HIDALGO** pursuant to the provisions of Assurance 7(a):

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:
  1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permitted, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, **COUNTY OF HIDALGO** will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.\*
- C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the **COUNTY OF HIDALGO** will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the **COUNTY OF HIDALGO** and its assigns.\*

(\*Reverted clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

## APPENDIX D

### CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by **COUNTY OF HIDALGO** pursuant to the provisions of Assurance 7(b):

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Nondiscrimination covenants, **COUNTY OF HIDALGO** will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.\*
- C. With respect to deeds, in the event of breach of any of the above Nondiscrimination covenants, **COUNTY OF HIDALGO** will there upon revert to and vest in and become the absolute property of **COUNTY OF HIDALGO** and its assigns.\*

(\*Reverted clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

## APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:

### **Pertinent Nondiscrimination Authorities:**

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23U.S.C. § 324et seq.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49CFRPart 27;
- The Age Discrimination Act of 1975, as amended,(42U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49U.S.C. § 4 71, Section 4 7123),as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987,(PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189)as implemented by Department of Transportation regulations at 49C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U .S.C. 1681 et seq).



2802 S. Bus. Hwy 281  
Edinburg, Texas 78539  
Phone: (956) 318-2626  
Fax: (956) 318-2629  
[www.co.hidalgo.tx.us/purchasing](http://www.co.hidalgo.tx.us/purchasing)

Hidalgo County Juvenile Justice Center / Juvenile Probation  
**REQUEST FOR PROPOSALS**  
***“Independent Audit Services”***

RFP No.: 2018-080-04-18-TDL

**RFP SUBMITTAL CHECK LIST**

All forms listed below must be included in the RFP response.

Indicate with a check mark (✓) the Forms completed and included in this response:

- ..... Page 9 of Legal Notice
- ..... Exhibit “B” Bid Page
- ..... Exhibit “C” Project & Insurance Acknowledgement forms
- ..... Exhibit “D” CIQ Form -Copy of Co. Clerk Recording fee receipt (if applicable)
- ..... Exhibit “E” Vendor Bidder Applications and IRS form W-9
- ..... Exhibit “F” Certification Regarding Debarment
- ..... SAMS.gov Registration Acknowledgement form [www.sam.gov](http://www.sam.gov)
- ..... One (1) Original, Three (3) Copies of Bid(s) (see No. 2 of Legal Notice).



Texas Juvenile Justice Department  
**AUDIT REQUIREMENTS**

Issued September 15, 2017  
For the Fiscal Year Ended August 31, 2017

**I. Introduction**

The Texas Juvenile Justice Department (TJJD) requires an audit be completed annually in accordance with Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards* (GAS) for grant funds received from TJJD. The audit report for the fiscal year ended August 31, 2017 must be mailed in sufficient time in order for the report to be received by TJJD on or before March 1, 2017 and in accordance with this document. **Departments are encouraged to send the audit reports electronically in PDF format to facilitate timely processing. Reports may be sent to the following email address - [Probation.Independent.Audits@tjjd.texas.gov](mailto:Probation.Independent.Audits@tjjd.texas.gov). Reports received after March 1, 2018 will be considered delinquent.** Departments should provide their independent auditor a copy of these audit requirements, each grant contract, grant allocation amounts and final budgets via Grant Manager interface (beginning in FY 2015 and forward, this information is no longer provided via the TJJD website), corresponding quarterly expenditure reports, and any other relevant information. Forms such as prior year audit requirements, TJJD grants and information regarding each grant can be found at [www.tjjd.texas.gov](http://www.tjjd.texas.gov). NOTE: To review and/or print prior year grant summary requirements and compliance resources manuals, select Resources on the TJJD's website and scroll down to contracts and compliance resource manual (volume 2) and click on the link associated with the specific grant.

The TJJD audit staff will assist you in completing any requests made regarding the following audit requirements.

**II. Changes – FY 2017**

Changes have been made to the fiscal year 2017 audit requirements as follows:

1. Section III. FY 2017 allowable rates for mileage are as follows: September 1, 2016 – December 31, 2016/\$0.54 per mile; January 1, 2017 – August 31, 2017/\$0.535 per mile.
2. Section III B. The Statement of Revenues, Expenditures and Changes in Fund Balance for each grant is limited to funds received from TJJD, i.e., Grants A, B, D, M, R, S, T, and W.
3. Section III B. Grant R is reported in Statement of Revenues and Expenditures-Budget to Actual for the Year Ended 8/31/2017
  - Grant R allocation funds are reported in financials
  - Grant R reimbursement funds are report in Note 6
4. Section IIIC. (1)(2)(3)(4)&(5) categories of expenditures for reporting of operating costs for secure and non-secure juvenile facilities.

5. Section IVF. **Prevention and Intervention (PI)**. The elements listed below are expenditures that can be reported under PI.
  1. **Youth Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
  2. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
  3. **Community Based Programs (General)** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
  4. **Community Based Programs (Mental Health)** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
6. Section V. Expenditures that exceed final budgets (by line item) by more than the 5% are unallowable and should be considered a noncompliance finding and disclosed in the Schedule of Findings and Questioned Cost (SFQC). The SFQC should also include an explanation of the reasons for the overage and management's corrective action plan.
7. Departments are encouraged to send the audit reports electronically in PDF format to facilitate timely processing. Reports may be sent to the following email address - [Probation.Independent.Audits@tjtd.texas.gov](mailto:Probation.Independent.Audits@tjtd.texas.gov).

**III. Special Considerations**

The following items should be considered in preparing the audit report for the year ended August 31, 2017:

- A. The balance sheet is optional.
- B. The Statement of Revenues, Expenditures and Changes in Fund Balance for each grant is limited to funds received from TJJD, i.e., Grants A, B, D, M, R, S, T, and W.

The **final approved budget** should be presented in the Statement of Revenues and Expenditures and Changes to Fund Balance by Contract-Budget to Actual. The following grants should be accounted for in the audit report. Certain grant funds will no longer be required to be reported in the Statement of Revenues and Expenditures, but their revenue activity is required to be disclosed in the footnotes. The following table summarizes the requirements.

	Reported in Statement of Revenues and Expenditures-Budget to Actual for the Year Ended 8/31/2017	Reported in Statement of Revenues and Expenditures-Budget to Actual for the Period Ended 8/31/2017 (Cumulative Basis)	TJJD Grant Revenue Received in the Current Year Disclosed in Notes to Financial Statements Only.
Grant A – State Financial Assistance Fund	Yes	No	No
Grant B – Border Children's Justice Project	Yes	No	No
Grant D – Delta Boot Camp Program (Harris County Leadership Academy)	Yes	No	No
Grant E – Title IV-E Federal Foster Care Program	No	No	Yes
Grant M – Special Needs Diversionary Program	Yes	No	No
Grant P – Juvenile Justice Alternative Education Program (Reimbursement)	No	No	Yes
Grant R – Regional Diversion Alternatives (RDA) Program (Reimbursement)	Yes	No	Yes
Grant S – Prevention and Intervention Demonstration Project	Yes	No	No
Grant T – Prevention and Demonstration Project: School Attendance Improvement	Yes	No	No
Grant W – Juvenile Justice Alternative	No	Yes	No

Education Program (Discretionary Grant approved for a two year period)			
Grant W – Juvenile Justice Alternative Education Program (Discretionary Grant approved for a one year period)	Yes	No	No

- C. The Grantee should use the accrual basis of accounting when preparing the fourth quarter and/or final expenditure report. (i.e., grant revenues and expenses are allocated to periods to which they apply, regardless of when they are actually received or paid).
- D. Since the revenues are reported on the accrual basis of accounting on the financial statements, refunds paid to TJJD either during the year or subsequent to year end should not be presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance, but should be provided as additional information below the Statement.
- E. A note disclosing TJJD’s funding effect on all secure facility operations is mandatory. A separate expenditure schedule should be provided for each secure facility registered with TJJD for TJJD funding effect and/or local funding effect on all secure facility operations. TJJD expenditures disclosed should agree to the financial statements (i.e. the expenditures reported for a secure juvenile facility should agree to the expenditures for the respective Grant (A and C), or a reconciliation should be included. If the Department does not operate a secure juvenile facility, the note should include a disclosure stating that the Department does not operate a secure juvenile facility and thus the footnote should disclose operating costs to operate a secure juvenile facility is not applicable.
- F. TJJD requires a financial statement presentation that may result on an incomplete presentation of a Department’s assets, liabilities, revenue and expenses. The independent auditor should note that financial statements are presented in accordance with the financial reporting provisions of the Texas Juvenile Justice Department and are not intended to present the financial position or changes in financial position of the County.
- G. The year to date interest earned on funds received from TJJD should be disclosed in the notes to the combined financial statements only. A separate column should be included to disclose interest earned on Title IV-E program funds if applicable. If the juvenile probation office did not earn interest on funds received from TJJD, the column for TJJD funding should report “0”. If the juvenile probation office did not earn interest on Title IV-E program funds, the column for Title IV-E funding should report “0”.
- H. Idle grant funds shall be deposited in an interest bearing account. A statement disclosing whether the Department has idle funds and whether they are deposited in an interest bearing account is required. If the Department does not have idle funds, a statement and reason indicating why the Department does not have idle funds should be included.
- I. A confirmation of all reimbursements received under the Title IV-E Program (if applicable) should be disclosed by program year in the notes to the financial statements on a cash basis. This includes any direct and enhanced administrative claims for foster care reimbursement.
- J. A confirmation of all reimbursements received under the Grant P Juvenile Justice Alternative Education Program (if applicable) should be disclosed by program year in the notes to financial statements on a cash basis.
- K. Grant assurances are not required in the compliance report. Assurance testing is an audit requirement and exceptions should only be listed in the compliance report. The general assurances are listed in the State Financial Assistance Contract and General Grant Requirements, Article VIII, Section G, as well as assurances for specific grants should be tested for compliance which includes: Grant E-Title IV-E Federal Foster Care Reimbursement Program, Grant M-Special Needs Diversionary Programs, Grant P and W-JJAEP. The contracts are located on TJJD’s website.
- L. The FY 2017 state allowable rates for mileage are:

September 1, 2016 – December 31, 2016/\$0.54 per mile  
January 1 – August 31, 2017/\$0.535 cents per mile

- M. The Grantee shall ensure that county funding for juvenile services (i.e., juvenile probation services and juvenile justice programs) shall not be decreased or be supplanted by funding received under this grant. The Grantee shall certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses.

#### IV. Audit Requirements

Audits are to be prepared by an Independent Certified Public Accountant and should be conducted in accordance with Generally Accepted Auditing Standards and *Government Auditing Standards*. Audits are completed to cover the grant activity for the 12-month period ending August 31, 2017.

Expenditures should be presented in the categories of Basic Probation Supervision, Community Programs, Pre Post-Adjudications, Commitment Division, Mental Health Services, and Prevention and Intervention as defined below:

- A. **Basic Probation Supervision (BPS).** The elements listed below are expenditures that can be reported under BPS.
1. **Court Intake:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  2. **Direct Supervision:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  3. **Youth Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  4. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
- B. **Community Programs (CP).** The elements listed below are expenditures that can be reported under CP.
1. **Court Intake:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  2. **Youth Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  3. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  4. **Community Based Programs (General):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
  5. **Community Based Programs (Mental Health):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
- C. **Pre Post-Adjudication (PPA).** The elements listed below are expenditures that can be reported under PPA.
1. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post Adjudication Secure and Non-Secure, and External Contracts Post Adjudication Secure and Non-Secure;
  2. **Residential Programs and Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post Adjudications (Non-Secure), Inter-County Contracts Post Adjudications (Secure), Inter-County Contracts Detention/Pre-adjudication, External Contracts Post-Adjudications (Non-Secure), External Contracts Post-Adjudications (Secure), External Contracts Detention/Pre-adjudication;
  3. **Post-Adjudications (Non-Secure):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
  4. **Post-Adjudications (Secure):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;

5. **Detention Pre-Adjudications:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
6. **Residential Mental Health Placement:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts.

**D. Commitment Diversion (CD). The elements listed below are expenditures that can be reported under CD.**

1. **Youth Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
2. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post-Adjudication (Non-Secure), Inter-County Contracts Post-Adjudication (Secure), External County Contracts Post-Adjudication (Non-Secure) and External County Contracts Post-Adjudication (Secure);
3. **Community Based Programs (General):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
4. **Community Based Programs (Mental Health):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts;
5. **Residential Programs and Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post-Adjudication (Non-Secure), Inter-County Contracts Post-Adjudication (Non-Secure), Inter-County Contracts Post-Adjudication (Secure);
6. **Post-Adjudication (Non-Secure):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
7. **Post-Adjudication (Secure):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External-County Contracts;
8. **Residential Mental Health Placement:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External-County Contracts.

**E. Mental Health Services (MHS). The elements listed below are expenditures that can be reported under MHS.**

1. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post-Adjudication (Non-Secure), Inter-County Contracts Post-Adjudication (Secure), Inter-County Contracts Detention/Pre-Adjudication, External Contracts Post-Adjudication (Non-Secure), External Contracts Post-Adjudication (Secure), and External Contracts Detention/Pre-Adjudication;
2. **Community Based Programs (Mental Health):** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts, and External Contracts;
3. **Residential Programs and Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts Post-Adjudication (Non-Secure), Inter-County Contracts Post-Adjudication (Secure), Inter-County Contracts Detention/Pre-Adjudication, External-County Contracts Post-Adjudication (Non-Secure), External-County Contracts Post-Adjudication (Secure), External-County Contracts Detention/Pre-Adjudication;
4. **Residential Mental Health Placement:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.

**F. Prevention and Intervention (PI). The elements listed below are expenditures that can be reported under PI.**

5. **Youth Services:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
6. **Mental Health Assessments:** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
7. **Community Based Programs (General)** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.
8. **Community Based Programs (Mental Health)** Salaries and Fringe Benefits, Travel and Training, Operating Expenditures, Inter-County Contracts and External Contracts.

**V. Financial Statement Requirements**

The following elements should be included in the audited financial statements:

- A. Independent Auditor's Report
- B. Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual-Regulatory Basis. The financial statements should include all TJJD grant funds, i.e. grants A, B, D, M, R, S, T and W. The Statement should be prepared using the accrual basis of accounting. Refunds paid to TJJD either during or subsequent to year end should be included below the Statement for memo purposes only since revenues would be reflected to the extent earned. Note that Grant W should be presented in a separate Statement of Revenues and Expenditures – Budget to Actual on a cumulative basis (only if approved to be spent over a two-year period). If approved to be spent in the same fiscal year as awarded, the grant funds should be presented in the Statement of Revenues and Expenditures along with other funds.
- C. Notes to the Financial Statements. The notes should, at a minimum, include:
  - 1. Summary of significant accounting policies should include a description of the following:
    - a. The reporting entity
    - b. Basis of accounting (accrual basis)
  - 2. Reconciliation of interest earned on funds received from TJJD, as follows:
    - a. The beginning balance, interest earned, interest expenditures, and ending balance.
    - b. A separate column to disclose interest earned on Title IV-E funds.
    - c. A statement should indicate if the Department has idle funds and if so, whether they were deposited in an interest bearing account.
  - 3. The operating costs of secure juvenile facilities. A separate expenditure schedule should be provided for each secure facility registered with TJJD. In a facility with non-secure and secure capacity, an allocation based on beds can be used, including funding from TJJD grants and reimbursement program funds.
    - a. If the juvenile probation department does not operate a secure juvenile facility, the note should include a disclosure stating that the county does not operate a secure juvenile facility and thus the footnote to disclose operating costs to operate a secure juvenile facility is not applicable.
    - b. Schedule of expenditures for each secure facility registered with TJJD, which includes TJJD grants, reimbursement program funds and local funds, as applicable.
      - (1) The use of Title IV-E funds for secure placement is prohibited.
      - (2) Other TJJD expenditures disclosed in the note should agree to the financial statements or a reconciliation should be included.
    - c. The categories of expenditures are as follows:
      - (1) **Salary and Fringe Benefits related expenditures** - Include any salary and fringe benefits paid to employees of the facility, or a portion of salary and fringe that is allocated based on time dedicated to facility operation.

- (2) **Travel and Training related expenditures** - Include all expenditures paid by the facility administration for travel and training expenses.
  - (3) **Operating related expenditures** - Include operating expenses such as utilities, building maintenance cost, office supplies and equipment.
  - (4) **Inter-County Contracts related expenditures** - include all expenditures paid from county to county.
  - (5) **External Contracts related expenditures**-include all expenditures paid between the county and private entities.
4. **Federal Financial Assistance.** Departments receiving Title IV-E federal financial assistance are required to include a note disclosing receipts, on a cash basis, including direct and enhanced administrative claims for foster care, identified by contract/fiscal year.
5. **Financial Match Requirements.** The Grantee shall ensure that county funding for juvenile services, (i.e. juvenile probation services and juvenile justice programs) shall not be decreased or be supplanted by funding received under this grant. The Grantee shall certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenditures.
  - a. The note to the financial statement should include the following:
    - (1) The total amount of local expenditures for FY 2017 (excluding construction and capital outlay expenditures)
    - (2) The total amount of local expenditures for FY 2006 (excluding construction and capital outlay expenditures)
6. **State Financial Assistance.**
  - a. Departments receiving Grant P funds for the Juvenile Justice Alternative Education Program are required to disclose the receipts on a cash basis by contract year.
  - b. Only those Departments receiving Grant W funds which have been approved to be spent over two years will disclose the amount of funds available to be carried forward to the subsequent year and the amount of funds that were brought forward from the preceding year. Departments who have received Grant W funds that were approved to be used in the same fiscal year are not required to provide this disclosure.
7. **Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards.** This report should list only the specific TJJD grant assurances that are applicable to the Department.
8. **Schedule of Findings and Questioned Costs.** The schedule should include the finding or questioned cost, affected grant, and a management response or plan of corrective action. If the juvenile probation department does not have current year findings, a schedule indicating such should still be included.
9. **Schedule of Prior Year Findings and Questioned Costs.** This schedule should include the prior year finding or questioned cost, grant affected, recommendation, current status, management response or plan of correction actions. If the Department did not have prior year findings, a schedule indicating such should still be included.

## VI. Financial Assurances

The following assurances have been copied from the contracts to provide a reference document: **PLEASE DO NOT INCLUDE THIS LIST IN THE AUDIT REPORT.**

- A. **General Financial Assurances.** Recipient agrees to comply with the following general accounting rules, procedures, and assurances in addition to any program-specific requirements noted in the FY 2017 contract: General Assurances are found in the State Financial Assistance Contract and General Grant Requirements 2016 – 2017 Biennium, Article VIII Section (G) Financial Assurances.
1. Separate accountability for the receipt and expenditure of all grant funds under the State Financial Assistance Contract is maintained for each grant program from which the Grantee receives funds;
  2. Expenditures reported to TJJJ are in agreement with Grantee's accounting records and audited expenditures in each budget category;
  3. Expenditures are made in accordance with the *Expenditure Guidelines* contained in *Appendix 1* of the General Grant Requirements and supported by written documentation;
  4. Salary expenditures under each grant are verified and supported by appropriate documentation or hours worked, activities performed and leave taken. Employees whose salaries are funded 100% out of state funds, shall be dedicated to juvenile justice programs and services only;
  5. All travel expenses are supported by daily documentation of the individual traveling. The Grantee shall document date, destination, times, mileage or odometer readings and related activities;
  6. Travel reimbursement paid with the grant funds, including travel allowances paid in lieu of mileage, are paid according to county policy and do not exceed state travel rates as described below:
    - a. **Lodging/Meals -**
      - i. The Grantee shall not exceed the allowable federal rates determined by area and time period within the requirements of the U.S. General Services Administration (GSA). The federal lodging rates are located at [www.gsa.gov/portal/category/21287](http://www.gsa.gov/portal/category/21287)
      - ii. Lodging rates not listed on the federal lodging rates website are \$89 per night.
    - b. **Mileage -** September 1, 2016 – December 31, 2016/\$0.54 per mile; January 1, 2017 – August 31, 2017/\$0.535 per mile
  7. The grant funds used for residential expenditures are paid for placement of a child in a secure pre-adjudication detention facility, a short-term detention facility, a post-adjudication correctional facility, or a non-secure residential placement facility operated by or under the authority of the Grantee, another governmental entity or a third-party service provider licensed under the laws of the state;
  8. The grant funds used for residential child-care facilities and out-of-state residential placement facilities do not exceed the Health and Human Services Commission's Levels of Care Rates [TJJJ-FED-27-04]. This financial assurance does not apply to non-secure correctional facilities that are registered with TJJJ;
  9. The grant funds used for TJJJ registered facilities shall not exceed the *TJJJ Tier Level of Care Rates for Registered Facilities* [TJJJ-FIS-175];

10. The grant funds are not expended for the purchase of equipment, renovation or construction unless explicitly authorized by TJJJ within the individual grant requirements. An item is equipment if County policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than \$5,000;
  11. Authorized capital purchases are capitalized and depreciated within the county accounting system;
  12. Proper cut-off procedures are observed at the end of each fiscal period. Obligations of the fiscal period under review are not paid from funds of a subsequent fiscal period. Obligations of a subsequent fiscal period are not prepaid from funds of a fiscal period under review. An accrual basis of accounting should be used in preparing the fourth quarter expenditure reports to TJJJ;
  13. Refunds and reimbursements are properly accounted for as reduction of expenditures rather than as increases in revenues;
  14. Any funds not expended under the terms of each grant were returned to TJJJ according to the Unexpended Balances and Refunds Due provisions contained in the State Financial Assistance Contract, Subsections VIII (D) 2 and VIII (D) 4, respectively;
  15. The amount of local or county funds expended excluding construction and/or renovation for juvenile services are at least equal to or greater than the amount spent in the 1994 county fiscal year;
  16. All employees with access to monies are covered by surety bonds; and
  17. The Grantee is required to separate all county and state transactional funds, revenues and expenses.
- B. **Financial Match Requirements.** The Grantee shall certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses per the State Financial Assistance Contract, Article VIII, Section (C) Financial Match Requirements.
- C. **JJAEP Assurances.** Include general assurances listed above and individual assurances listed from the Juvenile Justice Alternative Education Program/JJAEP Grant P, Article VIII, Section (G) Financial Assurances.
1. All students for whom JJAEP grant funds were collected were eligible for funding as defined in Section IV (A) of this grant.
    - a. Actual student attendance days reported on the JJAEP *Attendance Voucher* (TJPC-JJAEP-01-05) are verifiable and in agreement with the Grantee's monthly attendance roster.
    - b. The amount of funds received is reconciled with reported student attendance days and unearned funds have been refunded to TJJJ.
- D. **Title IV-E Assurances.** Include general assurances listed above and individual assurances listed from Title IV-E Federal Reimbursement Program, Article VIII, Section (G) Financial Assurances.
1. The receipt and expenditure of all Title IV-E federal reimbursements received by the Grantee pursuant to this grant are accounted for separately and expended according to the grant requirements;
  2. Prior written authorization from TJJJ is received for the purchase of equipment, renovation or construction. An item is equipment if county policy requires it to be capitalized or, if the county has no policy, it has a useful life of more than one year and a cost of more than \$5,000.
  3. No more than fifteen percent (15%) of any federal funds received pursuant to the Title IV-E Program are used for any flat or contingency fees paid to private service providers for administrative claiming;

4. Grantee did not use reimbursement funds received through this grant for secure placement or detention or any related costs;
5. Idle funds are invested in an account that provides a reasonable interest rate and provides necessary protection of principal. Interest generated as a result of Title IV-E funds deposited from TJJJ is credited to the account for enhancing juvenile justice services;
6. Salary expenses reported on Title IV-E administrative reimbursement claims do not include travel allowances or emoluments;
7. Title IV-E specific training and general training costs reported on Title IV-E administrative claims are an accurate representation of costs;
8. Direct and indirect costs reported on Title IV-E administrative claims are an accurate representation of allowable expenses incurred on behalf of the Title IV-E Program.
9. Any and all findings related to the Title IV-E program noted in the annual Single Audit for the Grantee, if applicable, are disclosed in the Schedule of Findings and Questioned Costs in the Grantee's Annual Independent Audit and a reporting package is submitted to TJJJ as prescribed by OMB-A-133.
10. The Grantee's policies on compensatory time and overtime pay are consistently applied to employees of the Grantee's juvenile probation department for all state and federal programs.

# APPENDICES

## Appendix 1

### INDEPENDENT AUDITOR'S REPORT

Members of the Board  
The Sample County Juvenile Board  
Sample County, Texas

We have audited the accompanying financial statements of the Texas Juvenile Justice Department Grant Funds of Sample County Juvenile Probation Department (Department), which comprise the statement of revenues, expenditures and changes in fund balances – budget and actual-regulatory basis for the year ended August 31, 2017 and the related notes to the financial statements. *[Note: If the financial statements include a balance sheet (which is optional), reference will include the balance sheet as of August 31, 2017].*

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Texas Juvenile Justice Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue earned and expenditures incurred compared to budgeted revenues and expenditures of the Department's Texas Juvenile Justice Department Grant Funds for the year ended August 31, 2017, in accordance with the financial reporting provisions of the Texas Juvenile Justice Department as described in Note 1. *[Note: If the financial statements include a balance sheet, reference will include the balance sheet as of August 31, 2017].*

#### Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of the Texas Juvenile Justice Department, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Texas Juvenile Justice Department. Our opinion is not modified with respect to that matter.

**Emphasis of Matter**

As discussed in Note 1, the financial statement presents the results of operations of the Department’s Texas Juvenile Justice Department Grant Funds only and is not intended to present fairly the results of operations of the County in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

*[Note: If supplementary information is included in the audit report, this paragraph is required. Refer to SAS No. 119 for additional information or modification of this sample].*

Our audit was conducted for the purpose of forming an opinion on the accompanying financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The (refer to specific supplementary schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. *(If applicable, the following is required for supplemental schedules not subjected to auditing procedures)* The supplemental schedules XYZ have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated \_\_\_\_\_, on our consideration of the Department’s internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sample County’s internal control over financial reporting and compliance.

**Restriction on Use**

This report is intended solely for the information and use of management, Sample County, others within Sample County Juvenile Probation Department and the Texas Juvenile Justice Department and is not intended to be and should not be used by anyone other than these specified parties.

Firm’s signature

City, State

Date

## Appendix 2

### Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standard*

*(No Material Weaknesses Identified, No Significant Deficiencies Identified, No Reportable Instances of Noncompliance or Other Matters Identified) – See Note Below*

#### Independent Auditor's Report

Members of the Board  
The Sample County Juvenile Board  
Sample County, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Texas Juvenile Justice Department Grant Funds of Sample County Juvenile Probation Department, and have issued our report thereon dated \_\_\_\_\_.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sample County Juvenile Probation Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sample County Juvenile Probation Department's internal control. Accordingly, we do not express an opinion on the effectiveness of Sample County Juvenile Probation Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sample County Juvenile Probation Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

[Firm's signature]

City and State

Date

**NOTE: This sample report illustrates a report when there are no material weaknesses identified, no significant deficiencies identified, no reportable instances of noncompliance or other matters identified. Refer to the AICPA Audit Guide, Government Auditing Standards and the updated 2013 Circular A-133 Audit Guide (GAS-A133 Guide) which have been updated for the 2011 edition of Government Auditing Standards, as well as the new clarity auditing standards for sample auditor's reports which disclose material weaknesses, significant deficiencies or other reportable instances of noncompliance or other matters.**

### **Appendix 3**

*(Government Auditing Standards Report on Internal Control over Financial Reporting and on Compliance and Other Matters—with Significant Deficiencies and Reportable Instances of Noncompliance, and Other Matters Identified, but No Material Weaknesses Identified)*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**SEE APPENDIX 2 NOTE**

**Appendix 4**

**The Balance Sheet is optional**

**SAMPLE BALANCE SHEET**

Sample Juvenile Probation Department  
Texas Juvenile Justice Department Grant Funds  
Combined Balance Sheet – (Regulatory Basis)  
August 31, 2017

	Grant Funds
<b>ASSETS</b>	
Cash	\$20,000
<b>Total Assets</b>	<b>\$20,000</b>
<b>LIABILITIES</b>	
Accounts Payable	\$20,000
<b>Total Liabilities</b>	<b>\$20,000</b>
<b>FUND BALANCE</b>	
Fund Balance	-
<b>Total Liabilities and Fund Balance</b>	<b>\$ 20,000</b>

## Appendix 5

COUNTY NAME  
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

### SAMPLE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BY CONTRACT BUDGET AND ACTUAL (REGULATORY BASIS)

FOR THE YEAR ENDED AUGUST 31, 2017

	Grant A-17-XXX			Grant R-17-XXX					
	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance</u>			
Revenues:									
TJJD	\$600,000	\$ 575,000	\$ 25,000	\$14,000	\$10,000	\$4,000			
Funds									
<b>Total Revenues</b>	<b>600,000</b>	<b>575,000</b>	<b>25,000</b>	<b>\$14,000</b>	<b>\$10,000</b>	<b>\$4,000</b>			-
Expenditures:									
Basic Probation Services	550,000	525,000	25,000						-
Community Programs									
Pre Post Adjudications									
Commitment Division	-								
Mental Health Services	50,000	50,000							
Prevention and Interventi									
Region				\$14,000	\$10,000	\$4,000			
<b>Total Expenditures</b>	<b>600,000</b>	<b>575,000</b>	<b>25,000</b>	<b>\$14,000</b>	<b>\$10,000</b>	<b>\$4,000</b>			-
Excess Revenues over Expenditures	-	-	-	-	-	-			-
Fund Balance- Beginning of Year	-	-	-	-	-	-			-
<b>Fund Balance-End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Additional Information: Refunds Paid to TJJD. (Include all refunds whether paid during or subsequent to year end)**

8/15/2016	\$25,000	
10/1/2016		\$4,000

Note: Departments receiving Grant W funds that are required to be spent within the same fiscal year should present those funds in this statement.

COUNTY NAME  
TEXAS JUVENILE JUSTICE DEPARTMENT GRANT FUNDS

SAMPLE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE BY CONTRACT  
BUDGET AND ACTUAL (REGULATORY BASIS)

GRANT W 2017-XXX

(Note: This statement is required for Grants approved to be spent over a two-year period)

FOR THE PERIOD ENDED AUGUST 31, 2017

	TOTAL BUDGET	PRIOR YEAR. ACTIVITY	CURRENT YEAR ACTIVITY	TO DATE ACTIVITY	BUDGET VARIANCE
Revenues:					
TJJD Funds	\$ 200,000	\$ 150,000	\$ 50,000	\$ 200,000	\$ -
Total Revenues	\$ 200,000	\$ 150,000	\$ 50,000	\$ 200,000	\$ -
Expenditures:					
Salaries and Fringe Benefits	\$ 100,000	\$ 75,000	\$ 25,000	\$ 100,000	\$ -
Travel	-	-	-	-	-
Operating Expenditures	50,000	37,500	12,500	50,000	-
Inter-County Contracts	50,000	37,500	12,500	50,000	-
External Contracts	-	-	-	-	-
Total Expenditures	\$ 200,000	\$ 150,000	\$ 50,000	\$ 200,000	\$ -
Excess Revenues over Expenditures	-	-	-	-	-
Fund Balance-Beginning of Year	-	-	-	-	-
Fund Balance-End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

Additional Information: Refunds Paid to TJJD. (Include all refunds whether paid during or subsequent to year end).  
 Note: This statement is required for Grants approved to be spent over a two-year period.

## Appendix 6

Notes to the Financial Statements

**COUNTY NAME JUVENILE PROBATION DEPARTMENT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2017**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. ENTITY**

The Texas Juvenile Justice Department Grant Funds of County Name (the Funds) were established to account for juvenile probation services funded by the Texas Juvenile Justice Department (TJJD) in County Name.

The Funds provide separate accountability as required under the State Financial Assistance Contract, by TJJD. The funds are used to account for each separate program, matching funds and all related expenditures incurred.

**B. BASIS OF ACCOUNTING**

The financial statements were prepared in conformity with the accounting practices prescribed by TJJD, which prescribes policies and procedures for county probation departments, which is a comprehensive basis of accounting other than generally accepted accounting principles. These accounting practices include the following:

- The financial statements are reported using the accrual basis of accounting. Revenues are recorded when all eligibility requirements have been met and expenditures are recorded when incurred.
- The accompanying financial statements do not represent financial statements prepared in accordance with provisions for governmental funds as prescribed by the Governmental Accounting Standards Board.
- The accompanying financial statements are prepared in a format to facilitate uniform financial reporting by county probation departments.

**NOTE 2: RECONCILIATION OF INTEREST EARNED**

Idle funds were maintained in an interest bearing account. The reconciliation of interest earned on funds received from TJJD is as follows:

	Interest earned TJJD Funds <u>FY 2017</u>	Interest earned Title IV-E Funds <u>FY 2017</u>	Total <u>Interest</u>
Beginning balance, Sept 1, 2016	\$4,000	\$5,000	\$9,000
Interest earned on funds received from the period of 9/01/16– 8/31/17	<u>2,000</u>	<u>4,000</u>	<u>6,000</u>
Total Interest at Aug 31, 2017	\$6,000	\$9,000	\$15,000
Minus interest expenditures in FY 2017	<u>(---)</u>	<u>(---)</u>	<u>(---)</u>
Ending Balance, Aug 31, 2017	<u>\$6,000</u>	<u>\$9,000</u>	<u>\$15,000</u>

**Note to Auditor:** If the Department does not have idle funds, a statement and reason should be included.

**NOTE 3: OPERATING COST FOR A SECURE JUVENILE FACILITY OPERATED BY YOUR COUNTY**

The Department operates two secure juvenile facilities—a post-adjudication and pre-adjudication facility. The schedule of expenditures for each facility is as follows:

Operating Costs  
Texas County Post-Adjudication Facility  
For the Year Ended August 31, 2017

	<u>TJJD</u> <u>Funding</u>	<u>Local</u> <u>Funding</u>	<u>Total</u>
Salary and Fringe	\$ 50,000	\$ 250,000	\$ 300,000
Travel and Training	-	20,000	20,000
Operating Expenses	20,000	10,000	30,000
Inter-County Contracts	-	15,000	15,000
External Contracts	10,000	10,000	20,000
	<hr/>	<hr/>	<hr/>
Total Operating Expenditures	<u>\$80,000</u>	<u>\$305,000</u>	<u>\$385,000</u>

Operating Costs  
Texas County Pre-Adjudication Juvenile Facility  
For the Year Ended August 31, 2017

	<u>TJJD</u> <u>Funding*</u>	<u>Local</u> <u>Funding</u>	<u>Total</u>
Salary and Fringe	\$100,000	\$150,000	\$250,000
Travel and Training	-	10,000	10,000
Operating Expenses	-	200,000	200,000
Inter-County Contracts	-	40,000	40,000
External Contracts	-	10,000	10,000
	<hr/>	<hr/>	<hr/>
Total Operating Expenditures	<u>\$100,000</u>	<u>\$410,000</u>	<u>\$510,000</u>

- TJJD Funding is provided from:  
Grant A - \$40,000

**Note to Auditor:** If the Department does not operate a secure juvenile facility, the following statement should be included:

**The Department does not operate a secure juvenile facility.**

**NOTE 4: FEDERAL FINANCIAL ASSISTANCE**

The Texas Juvenile Justice Department administers along with the Texas Department of Family and Protective Services, the Title IV-E Program (CFDA 93.658). TJJD disburses funds to County Name on a cost reimbursement basis. A confirmation of revenue received in the year ending August 31, 2017 is required and presented below. This includes receipts for direct and enhanced administrative foster care claims.

<u>Title IV-E Contract Number</u>	Amount Received (Cash Basis) <u>August 31, 2017</u>
E-14-XXX	\$ 30,000
E-15-XXX	10,000
E-16-XXX	200,000
E-17-XXX	100,000
Total	<u>\$ 330,000</u>

**NOTE 5: FINANCIAL MATCH REQUIREMENTS**

To receive Texas Juvenile Justice Department state funds, the juvenile probation departments are required to certify that the amount of local or county funds expended for juvenile services is at least equal to or greater than the amount spent in the 2006 county fiscal year excluding construction and capital outlay expenses. A confirmation of local funds for the year ending August 31, 2017 is required and presented below:

	<u>Local Funding Expended (less construction and capital outlay)</u>
FY 2017	\$50,000
FY 2006	\$40,000

The juvenile probation department certified the financial match requirements were fulfilled in FY 2016

**Note to Auditor:** If the financial match requirement was not achieved, it should be stated as a finding in the "Schedule of Findings and Questioned Costs" for the current fiscal year.

**NOTE 6: STATE FINANCIAL ASSISTANCE**

- a. The Texas Juvenile Justice Department provided the County the following funds for the JJAEP Juvenile Reimbursement Grant funds. A confirmation of revenue receipted in the year ending August 31, 2017 is required and presented below.

<u>Contract Number</u>	Amount Received (Cash Basis) <u>August 31, 2017</u>
P-17-XXX	\$ 33,000
P-16-XXX	\$ 57,000

- b. [The Texas Juvenile Justice Department provided approval for the County for the following funds: Grant W Juvenile Justice Alternative Education Program Discretionary Grant funds that can be used over a two year period. The following indicates the amounts that are available to be carried forward to the subsequent year and amounts that were expended from prior year contracts.]

<u>Contract Number</u>	Amount Carried Forward to Fiscal Year August 31, 2017	Amount Brought Forward From Fiscal Year August 31, 2016
W-15-XXX		\$ 30,000
W-16-XX		\$ 20,000
W-17-XXX	\$ 70,000	

**Commented [PL1]:** Janet, not sure if this is correct. Does this mean there were no 2014 grant A funds that were approved to be carried over to 2015? And there were no 2015 grant A funds approved to be carried over to 2016? But there are 2014 grant W funds carried over to 2015 and 2015 grant W funds to be carried over to 2016? Please clarify so I can ensure our tables and examples are correct.

**Commented [JA2]:** Priscilla, that is correct. Grant A funds were not allowed to be carried forward from 2014 to 2015 or from 2015 to 2016. Grant W funds are permitted to be carried forward from year to year.

c. The Texas Juvenile Justice Department provided the County the following funds for the Grant R- Regional Diversion Alternatives (RDA) Program Reimbursement Grant funds. A confirmation of revenue receipted in the year ending August 31, 2016 is required and presented below.

<u>Contract Number</u>	<u>Amount Received</u> <u>(Cash Basis)</u>
R-2017-xxx	August 31, 2017
Total	\$ 4,850

## Appendix 7

### SAMPLE FINDINGS AND QUESTIONED COSTS

County Name Juvenile Probation Department  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2017

#### FINDING NO. 2017-1

##### Affected Grant:

A reference to the affected grant is required to be disclosed

##### Criteria

The State's maximum allowable rate for meal reimbursement is xxxxx.

##### Condition:

The Department's travel mileage reimbursement rate exceeds the state's maximum allowable rate.

##### Cause

The individual responsible for approving the reimbursement was not aware of the State's reimbursement rates.

##### Effect

As a result of this finding, a refund from Grant A, in the amount of \$25, is due to TJJJ.

##### Recommendation:

Training should be provided to individuals responsible for approving travel reimbursements.

##### Questioned Cost:

As a result of this finding, a refund from Grant A, in the amount of \$50, is due to TJJJ.

##### Corrective Action Plan/Management Response:

The County Name Juvenile Probation Department will use local funds to cover the difference between the maximum allowable rate and the Department's reimbursement rate. A refund in the amount of \$50 will be forwarded to TJJJ on or about Date.

##### Person Responsible for Finding Resolution

Chief Financial Officer

##### Target Completion Date

February 4, 2018

FINDING NO. 2017-2

Affected Grant:

A reference to the affected grant is required to be disclosed

Criteria

The County's actual expenditures, by category, may not exceed the final approved budget by more than 5% .

Condition:

The County exceeded Inter-County Contract expenditures by 7%.

Cause

The individual responsible for approving the contract expenditures did not submit a request for budget amendment prior to spending State funds.

Effect

As a result of this finding, \$2,500 of Inter-County Contract expenditures are questioned.

Recommendation:

The individual responsible for approving grant expenditures should review monthly expenditure reports and current obligations. The County should adopt an encumbrance system to ensure all obligations are recorded in a timely basis.

Questioned Cost:

As a result of this finding, a refund of \$2,500 may be owed to TJJD

Corrective Action Plan/Management Response:

The Juvenile Probation Department will adopt procedures to ensure that the County does not obligate expenditures in excess of the approved budget in the future. A refund in the amount of \$2,500 will be forwarded to TJJD on or about Date.

Person Responsible for Finding Resolution

Chief Financial Officer

Target Completion Date

February 4, 2018

**Note to Auditor:** If the Department did not have findings, the schedule of findings and questioned costs schedule should be included, stating the following:

**There were no findings or questioned costs in the current year.**

Sample County Juvenile Probation Department  
Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended August 31, 2017

FINDING NO. 2017-1

Affected Grant:  
All Grants.

Condition:

One employee is responsible for cash receipting, recording and reconciling the bank account.

Recommendation:

The Department should fill the vacant position as soon as possible and assign this individual the receipting responsibilities. Compensating controls should be implemented for any duties which cannot be segregated.

Current Status:

The Accounting Clerk position was filled on February 18, 2017 and the cash handling activities were segregated from the Business Manager.

Questioned Costs: N/A

**Note to Auditor:** If the Department did not have prior year findings or questioned costs; the schedule of prior year findings and questioned costs should be included, stating the following:

There were no findings or questioned costs in the prior year.