



March 15, 2019

Nebraska FFA Foundation
Attn: Stacey Agnew, Executive Director, & Board of Directors
PO Box 94942
Lincoln, NE 68509-4942

Dear Stacey and Board Members:

Thank you for inviting HBE LLP to submit our proposal to continue to provide outsourced accounting services to Nebraska FFA Foundations (the Foundation) and for allowing us to demonstrate our ongoing commitment to serving the organization. The following proposal is based on our current partnership and experience serving the organization.

HBE 360 is our firm's service platform for outsourced accounting and CFO-level services. These services include scalable, cloud-based record keeping and financial reporting which can help ensure the organization is meeting its fiscal responsibilities. There are several reasons why HBE 360 is an excellent fit for the services the Foundation requires:

- **Experience.** We have knowledge and experience in the specialized environment that the Foundation operates in. With a large portion of our practice dedicated to serving not-for-profit clients, we are very familiar with the industry's unique recordkeeping and financial management requirements.
- **On-demand access to our entire team of professionals.** Our people are *your* people; they will work closely with you to provide seamless services that are aligned with your organizational goals. With HBE 360, you'll also receive comprehensive, ongoing review of your specific needs and challenges.
- **Accurate and timely reporting.** Running a successful organization requires having the right information available to make key decisions. With real-time access to fiscal intelligence, you can lead with confidence knowing exactly how the organization is positioned at any given moment.
- **Audit support.** Our team members are very experienced with the intricacies of not-for-profit audit engagements. We will help manage the organization's annual audit process by preparing the workpapers requested, providing supporting documentation, and answering auditor inquiries.
- **Team continuity and accountability.** Our commitment to our people provides you with peace of mind knowing you won't have to be concerned about staff training, turnover, or overhead.

Nebraska FFA Foundation operates under its own unique set of circumstances and we look forward to continuing our relationship and improving your business operations. **Our team remains very enthusiastic about the opportunity to serve you.** We assure that the work entrusted to us will continue to receive the highest degree of attention and professional service. If you have any questions or wish to discuss any aspect of the proposal, please feel free to contact me directly at (402) 261-9634.

Very truly yours,

HBE LLP

Chad L. Pfeiffer
Partner



Executive Summary

Our Understanding of Your Needs

HBE LLP understands Nebraska FFA Foundation (the Foundation) requires comprehensive outsourced accounting and CFO services. HBE is exceptionally well suited to serve the organization as a result of our depth of expertise and experience.

Your Investment

Current Fee (including all software and Bill.com fees) (\$52,620 annually) \$ 4,385.00

Proposed Accounting and CFO Services Fee..... \$ 4,070.00
(to be billed each month)

- | | |
|---|---|
| ○ Bi-weekly Accounts Payable & Credit Card Activity | ○ Monthly Financial Statement Preparation |
| ○ Semi-monthly Payroll Recording | ○ Annual Budget Planning Support |
| ○ Semi-monthly Payroll Expense Allocations | ○ Annual Audit Preparation and Support |
| ○ Pledge Receivable Recording & Other Deposits | ○ Unlimited Correspondence |
| ○ General Ledger Accounting | ○ Monthly Management Call with Executive Director |
| ○ Bank Reconciliations | ○ Monthly Management Call with Executive Team |
| ○ Credit Card Reconciliation | ○ Attendance at Quarterly Board Meetings |
| ○ Fixed Asset Maintenance | ○ Your Cause Support |
| ○ Program & Funder Tracking | |

Online Bill.com Fees (billed separately)

ACH Payments	\$0.49 per ACH
Check Payments.....	\$1.49 per check
Stop Payments	\$25.00 per item
Returned Checks	\$3.00 per item
FFA's prior year average	\$75 per month

Software Fees (billed separately)\$705 per month
(Including Your Cause, ADP, and Intacct. Will evaluate in Year 3.)

TOTAL ESTIMATED ANNUAL EXPENDITURE \$ 58,200

5 Year Fee Schedule

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
HBE 360 Monthly Fee	\$ 4,070	\$ 4,195	\$ 4,320	\$ 4,450	\$ 4,585
Annually	<u>\$ 48,840</u>	<u>\$ 50,340</u>	<u>\$ 51,840</u>	<u>\$ 53,400</u>	<u>\$ 55,020</u>

What the Foundation Must Commit To

- Continuation with a Point Person who will be responsible for the collection and submission of information to us as outlined in the policies and procedures manual
- Open and honest feedback

Personnel

Your Service Team

Chief Financial Officer



Chad Pfeiffer
Partner

Chad Pfeiffer will serve as the Foundation's Chief Financial Officer. In this role, Chad will perform all CFO-level duties, as well as provide oversight and direction on all outsourced accounting and financial management services the firm provides for the organization. In addition, Molly Dudley will continue to serve as Client Controller. Additional members of the HBE 360 professional team will be assigned to serve as Client Accountants. This team will utilize their prior experience, strong technical backgrounds, and outstanding management skills to ensure the Foundation's services are handled in an accurate, timely, and efficient manner.

We strive to maintain staff continuity in order to maximize the benefit of our experience and relationship with our clients. However, we reserve the right to assign personnel to the service team to achieve optimum staffing for timely completion of services. The Foundation will be notified as soon as practical in the event that changes are made to the client service team.

Client References

Similar Client Experience

The following clients have been selected to serve as references due to their similarity to the Foundation either in type of funding, nature of operations, or services received. The Foundation may feel free to contact the individuals noted:



Humanities Nebraska

Chris Sommerich, Executive Director
(402) 474-2131 ext. 105

David Buntain, Board Member (2012-2017)
(402) 474-6900



Wyoming Humanities Council

Shannon Smith, Executive Director
(307) 721-9243



NeighborWorks Lincoln

Mike Renken, CEO
(402) 477-7181

Scott Williamson, Board Member
(402) 323-5306



Firm Profile and Qualifications

About Our Firm

HBE's story is one of solid growth, quality service, employee satisfaction, and business diversification. We are proud of our reputation as one of Nebraska's finest certified public accounting and consulting firms. Our values reflect a culture of integrity, trust, open and honest communication, and a commitment to exceeding expectations. The firm has enjoyed steady growth since opening its doors over 40 years ago and presently staffs a workforce of approximately 100 employees, operating from three office locations in Lincoln, Norfolk, and Omaha, Nebraska.

HBE provides a complete range of financial management services for businesses, nonprofit and governmental organization, and individuals. Services include, but are not limited to, auditing and financial statement preparation, financial reporting, federal and state tax planning and tax return preparation, management advisory services, software consulting and data processing, and personal financial planning.

Client Service

Fostering client relationships is built into our core values and we strive for excellent service at all times. We believe feedback is critical to our success, and we always encourage open and honest communication with our clients through surveys, follow-up, and frequent interactions between you and our professional staff. We assure you that we will do our best to prioritize timeliness of service and mutual commitment to established timelines as we know these areas are important to the success of your organization.

Recognized Leader of Ethical Business Practices



HBE has received the Better Business Bureau Integrity Award for metro Lincoln, Greater Nebraska, and the Kansas Plains. This prestigious award focuses on demonstrated ethical business practices with key stakeholders including clients, employees, and the community at large; confirming that ethics and integrity are core values of our firm. Integrity Award winners are chosen by an independent panel of judges consisting of local business leaders and members of the academic community.

Leadership Equality



For four consecutive years, HBE has been recognized by the Accounting & Financial Women's Alliance and the American Women's Society of Certified Public Accountants as one of just a handful of firms nationwide with high proportions of women partners and principles. This recognition demonstrates HBE's commitment to developing leaders based upon their unique individual contributions, with no regard to gender, age, race, or other diversity.

Our Mission

HBE is dedicated to implementing strategies that enhance the financial well-being of our clients. Working as a team of professionals, our focus is to:

- Strive for excellence as our standard of performance.
- Create value for our clients through leadership and relationships.
- Provide growth and development opportunities for all of our employees.
- Service our community through involvement in civic and professional organizations.

Our Core Values

- Integrity and Honesty
 - Client Relationships
 - Respect and Teamwork
 - Accountability/Responsibility
 - Community Service
 - Quality
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What is the HBE Difference?



Proven Industry Experience

- ▶ Our long-term relationships with clients in the nonprofit industry have provided us with a high level of knowledge specifically related to accounting, financial management, and reporting needs within this industry.



Client Service

- ▶ Fostering client relationships is built into our core values, and we strive for excellent client service at all times.
- ▶ We believe feedback is critical to our success, and we always encourage open and honest communication through surveys, follow-up, and frequent personal interactions.
- ▶ We do our very best to prioritize timeliness of service and commitment to established timelines as we know these areas are important to you.



Integrated Service Options

- ▶ In addition to our tax and accounting services, HBE also offers many integrated and specialized services in a multitude of areas in order to successfully meet the diverse and ever-changing needs of our clients.
- ▶ Examples include (but are not limited to) succession planning, valuation services, revenue recognition, lease accounting, internal control and support, and cost segregation studies.



Keeping You Informed

- ▶ HBE is prepared to keep the Foundation advised on pending changes in not-for-profit compliance and reporting requirements. Due to our constant industry involvement and continuous completion of professional education courses, our staff is fully equipped to keep your organization abreast of the latest developments and work with you as you implement new requirements
- ▶ Beginning this year, several significant changes to accounting standards for not-for-profit organizations will be adopted as a result of FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, ASU 2014-09, *Revenue from Contracts with Customers* (i.e. revenue recognition), and ASU 2016-02, *Leases (Topic 842)*. HBE is more than prepared to help clients navigate the complexity of these issues, and is currently developing educational material and customized tools for proactive implementation.
- ▶ We are also able to provide access to a variety of general and industry specific publications which contain information addressing timely matters.



Employee Satisfaction

- ▶ We are committed to the happiness of our team members—we know that great employee experiences translate to great client experiences.
- ▶ For two consecutive years (2017 & 2018) HBE has been named as one of *Accounting Today's Best Accounting Firms to Work for*. This recognition is awarded to only 100 firms nationwide who have excelled in creating quality workplaces for employees.
- ▶ In 2015, HBE was named to the list of Best Places to Work in Lincoln and was acknowledged for creating an enjoyable culture and work environment that fosters personal and professional growth for its employees.



Strong Nebraska Firm with National Resources

- ▶ HBE is a member of BDO Alliance USA, a nationwide association of independently owned local and regional accounting and consulting firms. The Alliance allows the firm to draw on BDO, LLP's resources and technical services in specialty areas while preserving our local ownership and operating philosophy.

About the HBE 360 Service Platform



The HBE 360 service platform provides multiple levels of premier accounting and CFO services to help ensure our clients successfully execute their financial management and accounting responsibilities.

As nonprofit organization compliance requirements become more complex, it becomes increasingly difficult for organizational leaders to stay ahead of the trends impacting their operations. In addition, many successful organizations may not have the resources required to maintain a full or adequate accounting staff. For organizations that face these and similar challenges, HBE offers a high-quality, highly efficient outsourced accounting and financial management service, which we call HBE 360.

The HBE 360 service platform is built upon HBE's unmatched experience and expertise, combined with industry-leading cloud technologies and best practices. As a result of the integrated levels of financial management and accounting oversight we provide, our clients enjoy all the benefits of working with a robust staff of licensed and trained professionals, without the overhead and expense of a traditional in-house accounting department.

Services we offer through HBE 360 include, but are not limited to:

- AP/AR Management
- Billing and Collections
- Company Credit Card Processing
- Expense Reimbursements
- Sales and Use Tax Reporting
- Payroll Processing and Support
- General Ledger Accounting & Oversight
- Audit Preparation and Support
- Internal Control
- Risk Management
- Compliance
- Budgeting
- Closing Accounting Periods
- Chart of Accounts Maintenance
- Periodic Financial Statement Reporting & Analysis
- Complex Financial Analysis
- KPI Tracking/Dashboards
- Compliance Reporting
- Assistance Managing Bank Relationships
- Preparation of Business Plans and Forecasts

The HBE 360 Difference

- **Dedicated professionals with extensive experience, providing proactive communication and support.**
- **Accurate and timely reporting.**
- **Enhanced workflow, efficiency, and internal control.**
- **Ongoing professional review and guidance by HBE's team of trusted business advisors.**
- **Flexibility, scalability, and advanced financial management customization.** From small-scale to large-scale, part-time to full-time, our platform is built to accommodate any operational requirement you may have.
- **Team continuity and accountability.** Our commitment to our people provides you with peace of mind knowing you won't have to be concerned about staff training, turnover, or overhead.