

# Request for Proposal

*Audit and Financial Statement Preparation for  
the MSRB 401(k) Retirement Plan*



March 2022

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## **Request for Proposal (RFP)**

### **Annual Audit and Financial Statement Preparation for the MSRB 401(k) Retirement Plan**

The Municipal Securities Rulemaking Board (MSRB) is accepting proposals from qualified firms to provide audit and financial statement preparation services for the MSRB 401(k) Retirement Plan (the “Plan”). Additional details are provided in Section II (“Scope of Work”) below. We invite your firm to submit a proposal by close of business on **Friday, April 1, 2022**.

#### **I. Background Information on MSRB**

The Municipal Securities Rulemaking Board (MSRB) was established in 1975 by Congress as an independent self-regulatory organization. For almost 50 years the MSRB has been charged with protecting investors and the public interest by promoting a fair and efficient municipal securities market through rulemaking on the municipal securities activities of broker-dealers and banks. With the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, the MSRB’s mission was expanded to also protect municipal entities and obligated persons and to undertake rulemaking in connection with the municipal advisory activities of municipal advisors. The MSRB also operates market information and transparency systems for use by investors and municipal market participants.

#### *Mission*

The MSRB protects and strengthens the municipal bond market, enabling access to capital, economic growth, and societal progress in tens of thousands of communities across the country.

- We create trust in our market through informed regulation of dealers and municipal advisors that protects investors, issuers and the public interest.
- We build technology systems that power our market and provide transparency for issuers, institutions, and the investing public.
- We serve as the steward of market data that empowers better decisions and fuels innovation for the future.

Under the Securities Exchange Act of 1934, as amended, the MSRB is subject to oversight by the U.S. Securities and Exchange Commission (SEC), which includes the approval of the MSRB’s rules and the regulation of certain of the MSRB’s technology systems under the SEC’s Regulation Systems Compliance and Integrity (Regulation SCI). The MSRB Board of Directors consists of 15 members who are knowledgeable of matters related to the municipal securities market. These members include eight representatives of the public and seven representatives of regulated entities in the municipal securities market. Members of the Board of Directors meet throughout the year to make policy decisions, authorize rulemaking, consider enhancements to market transparency systems and oversee operations. A professional staff of over 110 individuals led by the Chief Executive Officer manages the MSRB’s day-to-day operations under direction of the Board of Directors. The MSRB’s activities are funded primarily

from assessments on regulated dealers and municipal advisors, and the MSRB receives no funding from the federal government.

Proposing firms are encouraged to visit our website at [www.msrb.org](http://www.msrb.org) for further information on the organization.

### ***Background information on the MSRB 401(k) Retirement Plan***

The Plan is a defined contribution plan covering all employees of the Municipal Securities Rulemaking Board (the Plan Sponsor or the MSRB). The MSRB Retirement Plan Committee is the Plan administrator and determines the appropriateness of the Plan's investment offerings and monitors investment performance. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The MSRB 401(k) Retirement Plan had 173 participants and total plan assets of \$39.8 million on December 31, 2021. The participation rate is 89.9% and average deferral rate is 11.6%.

#### **Employee Contributions**

Participants may contribute up to 100% of their annual compensation, as defined in the Plan, not to exceed statutory limits established under the Internal Revenue Code Section 401(k). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollovers).

Eligible employees are automatically enrolled in the Plan at a deferral rate of 6% of pre-tax annual compensation with automatic escalation of 1% each October 1, up to a maximum of 10% of eligible compensation. Participants may affirmatively elect a different percentage or elect not to make elective deferral contributions.

#### **Employer Contributions**

The MSRB provides a non-elective stated contribution to all participants who are active participants on the contribution date, as set forth in the Plan document. The amount of the stated contribution is calculated as of the contribution date and is equal to a percentage of the participant's quarterly compensation based on years of service. The non-elective contribution is contributed quarterly. The MSRB may also, at its discretion, contribute employer matching contributions and discretionary employer contributions to the Plan. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

## **II. Scope of Work**

The MSRB is accepting proposals from qualified firms to provide audit and financial statement preparation services for the Plan year ending December 31, 2021, with the option for the 2022 and 2023 plan years. The requested scope of services and deliverables include the following:

1. Limited scope audit of the financial statements of the Plan which comprise the statements of net assets available for benefits as of December 31, 2021, and 2020, the related statement of changes in net assets available for benefits for the year ended December 31, 2021, and the related notes to the financial statements.
2. The audit report must be completed no later than July 15<sup>th</sup> of each year except for the first year of the engagement. Specific to the first year of the engagement, an extension may be filed with the U.S. Department of Labor (DOL) as determined at the sole discretion of the MSRB Retirement Plan Committee.
3. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructs the audit firm not to perform any auditing procedures with respect to the information certified or provided by Delaware Charter Guarantee and Trust Company d/b/a Principal Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. The trustee holds the Plan's assets and executes transactions.
4. Report on the form and content in compliance with DOL rules and regulations.
5. Assist management in the preparation of the statements of net assets available for benefits, related statement of changes in net assets available for benefits, related notes to the financial statements and supplemental schedule of assets required by the DOL with the full understanding that management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America including the design, implementation and maintenance of internal controls relevant to the preparation.
6. Complete all required procedures, including reporting to the MSRB 401(k) Retirement Plan Committee, in time for the filing of Form 5500 with the audited financial statements, preferably by July 31, 2022, with the option to file for an extension the first year of the engagement.

### III. Evaluation Criteria

The following criteria will be used to evaluate responses to this request for proposal. Clarity and brevity of responses is desired, with page limits for each respective section noted below. Please limit appendices or additional materials beyond what is requested. Your firm's responses to the following four criteria should stand alone and not rely on reference to the appendices. The expected weight of each criterion is provided in parenthesis, as follows:

1. **Firm Qualifications – limit of 3 pages (40%)**
  - Describe the depth of the firm's practice in providing audit services specific to ERISA-qualified retirement plans. Specifically discuss how the firm meets IRS and DOL qualifications for the audit.
  - Discuss, if applicable, the firm's experience working with the Plan's record

- keeper, Principal Financial Group, to obtain information required for the audit.
- Discuss the firm's equity, diversity, and inclusion initiatives.

**2. Experience of Project Team – limit of 2 pages (25%)**

- Identify the individual(s) who will be assigned to this engagement and provide a biography for each that highlights relevant experience including years of experience auditing ERISA-governed retirement plans.

**3. Proposal – limit of 2 pages (20%)**

- Based on your understanding of the Plan and the MSRB, describe the firm's proposed process for applying its expertise to deliver the requested audit and financial statement preparation services.
- Discuss the firm's method to share files and documents electronically in a secure manner.

**4. Fee Proposal – limit of 1 page (15%)**

- Propose a flat, fixed fee to perform the scope of work and deliverables described in Section II of this request for proposal.
- Furnish hourly billing rates for professional personnel and the estimated number of hours per person to complete the project.
- Identify any costs or expenses that are not included in the fixed fee proposal, including a not-to-exceed expense cap.
- Include pricing for a three-year term, covering the plan year ending December 31, 2021, with the options to renew for plan years ending December 31, 2022, and 2023.

In addition, please provide the following information as part of your response to this request for proposal:

**5. Conflicts of Interest Statement**

- Discuss your firm's independence with respect to the MSRB. In particular, describe any conflict of interest with respect to the MSRB, including any relationships with MSRB Board members or MSRB employees (visit [msrb.org](https://www.msrb.org) to obtain a list of current Board members).

**6. Client References**

- Provide references from three entities for which your firm has provided comparable services.

## 7. Firm Standard Agreement

- Provide your firm's form engagement letter proposed to be used for this engagement (which will be subject to negotiation; proceeding with a selected firm be conditioned on and subject to the negotiation, execution and delivery of a mutually acceptable definitive agreement).

Responding firms will be evaluated on the quality of the written proposal, as determined by the MSRB in its sole discretion. The proposal must be complete and stand on its own merits. All proposals and any accompanying information will become the property of the MSRB and will not be returned.

## IV. Timeline

March 18, 2022	Execute confidentiality statement
April 1, 2022	Response to request for proposal due
April 15, 2022	Selection of firm
May 2, 2022	Audit support, including draft of Form 5500, will be available for the firm to begin work
July 15, 2022	The audit report must be completed no later than July 15 of each year. Specific to the first year of this engagement, the MSRB may file for an extension of Form 5500.

The MSRB reserves the right to alter this timeline at its sole discretion, or to discontinue/cancel this request for proposal. This request for proposal does not obligate the MSRB to enter into any further agreement or documentation.

## V. Submission of Response

Please submit any questions about this request for proposal and your response to Bonnie Moynihan, Controller, in electronic form no later than **April 1, 2022**, to [bmoynihan@msrb.org](mailto:bmoynihan@msrb.org).

## VI. Confidentiality Statement

By accepting to take part in this request for proposal process, you agree to keep in confidence all information provided to you relating to or in connection with the proposal process, not to disclose it to third parties, and not to use it for any purpose other than for the proposal.

Please return a duly signed version of the attached Intent to Submit Proposal and Confidentiality Statement (via email to [bmoynihan@msrb.org](mailto:bmoynihan@msrb.org)) by **March 18, 2022**, as evidence of your firm's wish to participate in the proposal process. Once we have received your firm's Confidentiality Statement, we will be available to provide you with additional information and to answer any questions.

**Request for Proposal ("RFP")**  
**MSRB 401(k) Retirement Plan Audit and Financial Statement Preparation**  
**Intent to Submit Proposal and Confidentiality Statement**

To: Municipal Securities Rulemaking Board  
1300 I Street NW, Suite 1000  
Washington, DC 20005

In response to the above-referenced RFP, the undersigned firm accepts the invitation to present its proposal to the MSRB. The firm shall submit its proposal on the terms and conditions stated in the RFP and by the due date set forth in it.

The firm agrees to keep confidential all information (whether oral, written or in any other form/media) provided by or on behalf of the MSRB in connection with the RFP/the proposal and potential engagement (collectively, "Confidential Information"), and not to disclose any Confidential Information to any third party(ies) or to use it for any purpose other than solely for purposes of the proposal and, if any, the engagement. The firm acknowledges and agrees that the RFP's contents and the fact that the MSRB is seeking the services described therein, as well as all notes, memoranda/proposals or other documents or materials created by the firm which contain Confidential Information, shall be considered to be Confidential Information. The firm may disclose Confidential Information to its employees as necessary or appropriate in connection with its proposal, provided, that the firm shall make employees receiving Confidential Information aware of the confidentiality obligations herein (and shall be responsible for any unauthorized disclosure or use of Confidential Information by any of its employees).

The firm has caused this Intent to Submit Proposal and Confidentiality Statement to be signed on its behalf by its duly authorized officer or other duly authorized employee.

**Firm Name:** \_\_\_\_\_

**Authorized Signatory:**

**Print Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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

**Phone:** \_\_\_\_\_

***Please deliver a duly executed copy of this Statement to the MSRB  
via email to [bmoynihn@msrb.org](mailto:bmoynihn@msrb.org).***