

## Financial Services Request for Proposal and Statement of Work

**Summary.** Gazelle Finance Georgia is seeking an individual or an audit/consulting firm to provide outsourced, third party financial services to Gazelle Finance to support its portfolio companies to improve and standardize financial controls, management, accounting and reporting systems.

**Engagement Duration.** Four to six months

**Background.** Gazelle Finance (GF) is the manager of the \$30M Gazelle Fund (“Fund”) that invests in SMEs using mezzanine financing instruments and operates in two countries: Armenia and Georgia.

**Scope of Work.** The goal of the assignment is to develop standardized accounting and financial management modules for Gazelle Finance that can be implemented and replicated across most of Gazelle Finance’s portfolio companies that will improve the financial and accounting capacity of Gazelle Finance’s portfolio companies. Since SMEs are required to meet IFRS reporting standards starting from 2019, all the accounting and financial modules that need to be implemented, need to be in compliance with the updated IFRS standards. There will be two phases of the engagement:

- 1) 1<sup>st</sup> phase: consists of creating the standardized modules, systems, and templates.
- 2) 2<sup>nd</sup> phase consists of implementing the modules with the portfolio companies through training workshops and onsite consulting engagements.

**1<sup>st</sup> Phase:** **Create Standardized Modules.** The individual or firm should create the following deliverables, all designed to be replicable across GF’s portfolio with minimum customization [estimated time: two months]:

- **Accounting** module that consists of an Excel-based standardized cost and financial accounting bookkeeping and ledger system that utilizes the local software program;
- **Financial Management** module that consists of an Excel-based system that generates a standardized set of financial statements, including profit and loss, balance sheet and cashflow statements, and supporting notes sections, that can be customized for use across multiple industries;
- **Financial Controls** module that consists of handbook that includes policies and procedures and practical guidelines that illustrates best practices of maintaining proper financial controls and management systems targeting CFOs, Finance Directors and Accountants.

- **Financial Reporting** module that consists of Excel and MS Word based standardized reporting templates that meets the reporting requirements for Gazelle Finance's two investment instruments – Income Participation Loan and Equity.
- **Job Descriptions** that consists of three job descriptions that can be used for recruitment purposes: Accountant, Finance Director, CFO
- **Training** that consists of a Power Point presentation and class plan/notes that can be used as a training tool by the consultant to repetitively train Gazelle Finance portfolio companies on the implementation of the four modules: Accounting, Financial Management, Financial Controls, and Financial Reporting. The scope of work is as follows:

#### *Methodology*

- Create a methodology and strategy based on your evaluation and review of one or two of Gazelle's portfolio companies to improve the financial and accounting capacity of our portfolio companies;
- Once you have created your methodology and strategy on using one or two prototype portfolio companies, evaluate the remaining 7 portfolio companies and segment them to see which category they fit into based on the company's a) stage of development and sophistication level (beginning, intermediary, advanced, graduated); b) sector; c) other parameter/if any.

#### *Review of Financial Information*

- Review and analyze the company's past financial statements and activities;
- Assess the company's existing accounting procedures, use or non-use accounting software, internal controls, accounting policies :
- Introduce and implement principles of financial accounting;
- Classification of expenses, review source documents, correction of chart of accounts;
- Prepare list of adjustment entry for transformation of unadjusted trial balance;
- Discuss draft nonmonetary and monetary disclosure notes of financial statements with the company management.
- Assess the company's existing financial management, financial control and financial reporting systems
- Review the company's operational activity in order to minimize taxation risks and prepare report of suitable tax review and possible ways of problem solutions.
- Define what financial control, management, accounting, and reporting standards are applicable to

all portfolio companies versus what is unique to the portfolio companies.

- Create the modules, systems, and templates.

**2nd Phase:**

**Implementation and Training** [estimated time to completion – two-four months].

*Implement in all portfolio companies a replicable financial system that will include the following:*

- Accounting module as described in the first section of SOW including the recommended accounting software system for the portfolio companies to implement;
- Full set of Financial Modules including financial management, financial control and financial reporting systems including all templates, policies and procedures, guidelines; taking into account that produced reports should be standard for all Gazelle Finance portfolio companies and should be automatically produced from the portfolio companies' existing MIS system.
- Trainings and training modules for the portfolio companies' director and CFO\accountant in financial accounting principles, reporting and in filling out Gazelle's reporting templates, accompanied with the standardized creation of job descriptions for finance/accounting personnel and participate in the hiring process whenever applicable.
- Performance Evaluation: Monitor and Evaluate the portfolio companies to see how they have adapted to the new module and provide ongoing technical support during the implementation period.

**Evaluation.**

The consultant will have three evaluation points during the engagement to assess progress and receive feedback from the company. The first evaluation will occur following the completion of the modules, systems and templates. The second evaluation will occur following the implementation of the modules, systems and templates with the first portfolio company. The final evaluation will occur following the implementation of the modules, systems and templates with the selected portfolio companies.

**Proposals.**

Please submit a proposal that outlines your firm's approach to how you would complete the scope of work.

Please submit your proposal at [jobs@gazellefinance.com](mailto:jobs@gazellefinance.com)