

**Memorandum of Understanding  
Shared Financial Services  
Draft Date 8/15/25**

The Town of New Fairfield (“Town”), acting through its First Selectman, and the New Fairfield Public Schools (“District”), acting through its Superintendent, have reached an understanding and agreement as follows:

Whereas, both the Town and District perform similar financial functions, such as payroll, accounts payable, accounting, benefits administration, purchasing; and

Whereas, the Town and District desire that identified financial functions be shared and consolidated in order to achieve greater efficiency and effectiveness of effort;

Now, therefore the Town and District agree as follows:

1. Term. This Memorandum of Understanding (MOU) becomes effective upon execution and remains in effect from July 1, 2025, through June 30, 2028, unless terminated earlier as specified within the agreement. The MOU will be fully operational once signed by both parties.
2. Renewal Process. The renewal timeline of this MOU is strategically designed to align with the fiscal planning cycles of both the Town and the District. This alignment ensures that decisions regarding the agreement's future, whether to renew, modify, or terminate, are made with ample time for budgetary considerations.

The Town and District will assess the MOU’s terms and effectiveness by October 31 each year, starting in 2026. The annual review will assess the following:

- a. Operational effectiveness,
- b. Budgetary performance,
- c. Staffing adequacy,
- d. Compliance with applicable laws and policies, and

- e. Recommendations for improvement or amendment.

Should both parties choose to renew the MOU beyond June 30, 2028, a new MOU must be finalized by October 31, 2027. Failure to reach such an agreement by this date will result in the MOU's expiration on June 30, 2028.

- 3. Shared Financial Services. For the purposes of this MOU, Shared Financial Services (“Shared Services”) shall refer to the functions outlined in Sections 3a through 3h:

- a. Payroll
- b. Accounts Payable and Receivable
- c. Accounting
- d. Benefits Management
- e. Procurement and Purchasing
- f. Financial Reporting and Auditing
- g. Grants Management
- h. Internal Controls and Compliance

- 4. Town Finance Director and District Director of Business and Operations. The Town and the District agree that Shared Services shall operate under the leadership of the Town Finance Director (“Finance Director”) in collaboration with the District Director of Business and Operations (“Director of Business”).

On matters specifically related to District operations, the Finance Director shall consult regularly with the Director of Business to ensure coordination, alignment with District policies and priorities, and effective financial oversight. This collaborative approach is intended to support the distinct operational needs of both the Town and the District while maintaining the integrity of the Shared Services model.

- 5. Joint Recruitment and Selection of a Finance Director. The Town and the District agree to work cooperatively in recruiting for and selecting the most capable person for the professional, upper-level position of Finance Director. The Town and the District shall mutually develop a Job Description, recruitment advertisement, interview questions, and other related selection materials and processes. The Finance Director’s mission is to create and

maintain a Shared Services operation that is efficient, effective, and uses best financial practices.

6. Duties and Responsibilities. The duties and responsibilities of the Finance Director shall be as specified in the Job Description. By way of illustration and not limitation, the Finance Director shall directly manage all employees of the Town who perform financial functions, and delegate supervisory authority to the Director of Business for District tasks. The Finance Director shall provide centralized financial management services and reports for the Town, District, and Board of Finance. This person will be responsible for compliance with all applicable federal, state, and local financial regulations.

In the event that either director is unable to work or the position becomes vacant, the counterpart will provide supervisory and financial support, with authorization from the Town or District, through the First Selectman or Superintendent of Schools, until a qualified full-time replacement is appointed.

7. Shared Services Positions: The following positions are included under the MOU between the Town and the District:
  - a. Finance Director,
  - b. Payroll Specialists (2 positions),
  - c. Accounts Payable Clerks (2 positions),
  - d. Senior Accountant,
  - e. Finance Assistant, and
  - f. Purchasing Agent.

These roles are jointly supported and their responsibilities governed by the terms outlined in this agreement, including shared funding, reporting structures and job description requirements,

8. Job Responsibilities: All positions listed under Shared Services shall have current job descriptions on file, jointly reviewed and agreed upon by the Town and the District. These descriptions shall clearly define core responsibilities and outline expectations for collaboration across both entities. Job descriptions shall be reviewed annually and updated as

necessary to reflect changes in responsibilities, use of technology, organizational structure, or other Shared Services duties as assigned.

9. Reporting Relationships. As illustrated in Section 16 (Appendix), the Finance Director's reporting lines are clearly defined within the organizational structure. The Finance Director shall report directly to both the First Selectman (solid line) and the Superintendent of Schools (dotted line).

By October 1 of each year, the Finance Director is required to propose annual goals and objectives. These proposed goals will then be reviewed, finalized, and approved by both the First Selectman and the Superintendent of Schools. The Finance Director is expected to actively work toward achieving these goals throughout the year. Regular performance reviews will be conducted by both the First Selectman and the Superintendent, with a mid-year review and an end-of-year review to assess progress and provide feedback.

For Shared Services employees, reporting lines are similarly structured. They shall report directly to the Finance Director (solid line) and the Director of Business (dotted line). The Finance Director will be responsible for conducting annual performance reviews for all shared services employees. During these reviews, the Finance Director will incorporate meaningful feedback from the Director of Business, specifically regarding the employees' performance on District-assigned responsibilities.

10. Delegated Authority. The Director of Business shall have delegated authority, through the Finance Director, to direct, assign, and oversee the work of any Shared Services employee performing tasks on behalf of the District, as defined in this agreement. This includes the ability to determine priorities, set deadlines, provide day-to-day guidance, and ensure completion of District-related responsibilities in a timely and accurate manner. Shared Services employees are expected to be responsive to this direction, and the Finance Director shall support and reinforce the execution of District-assigned work.
11. Personnel Matters. To ensure effective operations within the Shared Services, issues related to the performance or conduct of employees assigned to shared responsibilities will be addressed collaboratively. In the event that a concern arises related to an employee performing tasks on behalf of the District, the Director of Business shall bring the issue to the

attention of the Finance Director. Together, the Director of Business and the Finance Director will discuss the concern and determine appropriate next steps, which may include direct coaching, performance improvement planning, or other personnel actions in accordance with the collective bargaining agreement and applicable policies.

All personnel matters shall be handled as permitted by law with professionalism, confidentiality, and in the best interest of maintaining high standards of service and a respectful work environment. Final personnel actions remain under the authority of the Town, but every effort shall be made to resolve issues cooperatively and proactively.

12. Relocation of BOE Offices and Personnel.

In the event that the District relocates its District offices to a new facility, the Payroll and Accounts Payable personnel whose responsibilities exclusively support the District shall relocate to the new site alongside the Director of Business.

Upon notice of such relocation, the Town and District shall conduct a joint review to determine the operational requirements of the relocated personnel. This review shall include, but not be limited to, space allocation, access to necessary technology and financial systems, communications infrastructure, and other resources required to ensure continuity of Shared Services.

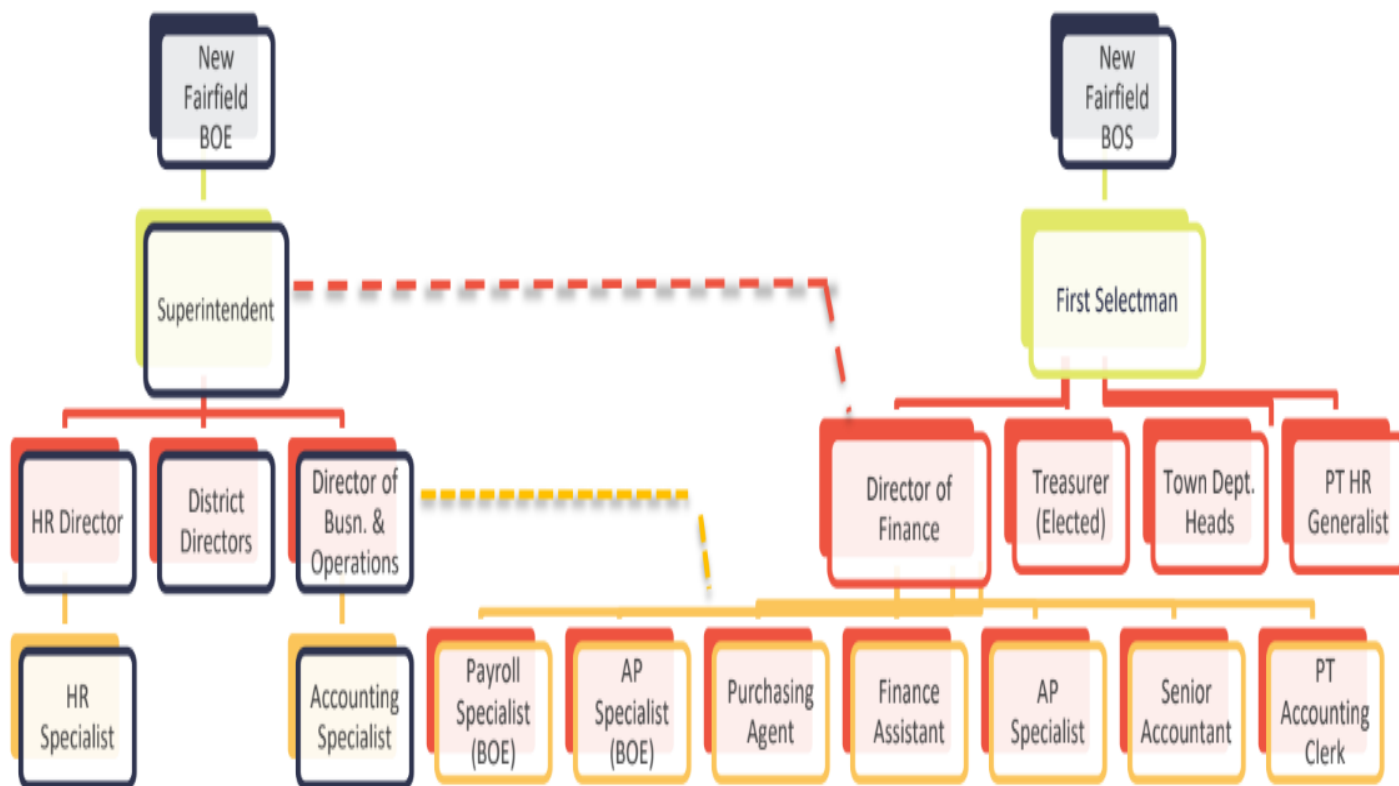
13. Cost Arrangements. The Town and the District will share the costs of all Shared Services positions outlined in Section 7. The cost-sharing ratio is based on the combined salaries and estimated time allocations of each shared employee, and is intended to accurately reflect the service provided to each entity. In addition, the ratio factors in the costs for materials and supplies used in providing the Shared Services.

Based on the current allocations, the Town uses 60% of the services, while the District uses 40%. Recognizing the importance of a smooth transition and the need for operational adjustments, a gradual adjustment in the District's cost share will be implemented. The Town and District will use the following graduated cost-sharing ratios:

- 2025-2026: Town 50%; District 50%
- 2026-2027: Town 55%; District 45%
- 2027-2028: Town 60%; District 40%

This approach helps ensure that the transition to the 2027-2028 cost-sharing ratio is both gradual and reflective of the services provided. The cost-sharing ratio will be reviewed annually and updated by mutual agreement whenever staffing levels, job responsibilities, service usage, or supplies usage change.

14. Dispute Resolution. Any disputes arising under this Agreement shall be resolved through good-faith negotiations between the First Selectman and Superintendent.
15. Termination. Notwithstanding the renewal provisions in Section 2 above, either the Town or the District may terminate this agreement by providing at least 30 days written notice to the other party. Upon termination, the parties shall work in good faith to coordinate a transition plan that minimizes disruption to financial operations and ensures appropriate reassignment or handling of Shared Services. In addition, the parties shall promptly reconcile and settle all cost obligations incurred up to the effective termination date, as specified in Section 13.
16. Appendix, Shared Services Organizational Chart.



For the Town

For the District

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Melissa Lindsey,  
First Selectman

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Kenneth G. Craw,  
Superintendent of Schools