



NEW FAIRFIELD PUBLIC SCHOOLS

3 Brush Hill Road, New Fairfield, CT 06812

www.newfairfieldschools.org

Kenneth G. Craw, Ed.D., Superintendent

March 5, 2025

New Fairfield Board of Education
3 Brush Hill Rd.
New Fairfield, CT 06812

RE: Resolution of Finance Department Tasks

Dear Board of Education Members,

In a [February 17, 2025 letter](#), I outlined serious concerns with the shared financial services with the Town that are negatively impacting the Board's ability to operate effectively. The purpose of this communication is to provide you with an update on efforts to resolve these issues promptly. I am pleased to report that the outstanding tasks have either been completed or are in the process of being addressed.

Resolution Process

As you are aware, the Board's Director of Business and Operations discovered potential revenue shortfalls and compliance issues in connection with Board finance operations being performed by the Town's Finance Department. The Director of Business and Operations and I promptly met with the First Selectwoman on February 19 to establish a collaborative plan to address the revenue and compliance issues. As part of this plan, the Director of Business and Operations convened a meeting with members of the Town's Finance Department on February 20 to coordinate the completion of the outstanding tasks.

The Director of Business and Operations has been monitoring the plan and providing support to members of the Finance Department. This support has also included completing several of the tasks on her own, in addition to her administrative responsibilities. The following is a summary of the progress to date.

Revenue Shortfalls

- Building Use Forms:

The building use forms are being processed and billed by a Board employee for past and upcoming events. The required certificate of insurance for groups using Board facilities is now being verified. Reimbursement for the \$26,000 in custodial overtime will be reimbursed to the Board once the outstanding revenue is collected.

- Early Learning Center (ELC) Tuition:
All revenue collected to date has been deposited, and we are in the process of issuing updated statements.
- Sherman Tuition:
The second-quarter tuition in the amount of \$120,000 was billed to the Sherman School District on February 20, 2025. We are currently awaiting payment and anticipate receiving the amount in full by the end of the month.

Compliance Concerns

- 401a Contributions
The 401a contributions for 65 BOE employees have been calculated, with interest calculated at 1.75%, and were deposited into employee accounts on February 25, 2025.
- Health Savings Accounts (HSA)
The delinquent payment in the amount of \$2,500 was deposited in the employee's account on February 19, 2025.
- Fiscal Year 2023-24 Audit
The audit has been delayed for a third time with a new deadline of March 31, 2025.

Financial Controls and Procedures

- Undeposited Funds
The checks containing \$104,000 in funds were recorded and deposited in the bank on February 14, 2025.
- W-2 HSA Reporting Error
The 35 Board employees affected were notified of the error on February 7, 2025 and the corrected W-2s were issued on February 28, 2025.
- Benefits
The individual requesting assistance in collecting death benefits for a family member was contacted and the issue was resolved.

Status Summary

All of the outstanding tasks have either been completed or are in process. The compliance-based tasks are substantially complete. Revenue collection has resumed for the use of

buildings, Sherman tuition and ELC tuition; however, it will take additional time for these funds to be collected.

The estimated overtime incurred thus far due to these remedial tasks is approximately 20 hours, which includes staff time spent resolving revenue collection issues, compliance corrections, and financial control implementations. This unexpected expenditure underscores the need for improved financial oversight and efficiency within the shared services framework.

Next Steps

As communicated previously, during this fiscal year, there have been significant operational concerns in the implementation of the shared services model, including changes in roles and responsibilities within the Finance Department. These changes have contributed to the ongoing disruption of Board financial services. In addition, the Town is looking to expand the Finance Department. It is uncertain that investing additional money in new staff, without clear delineation and accountability, will address the management and organizational concerns.

In light of this, it is my recommendation that the Board conduct an evaluation of its financial services using an independent consultant. The purpose of the study is to assess personnel functions and streamline overall processes, with the goal of enhancing the shared services model. I have provided the Board with a [proposal for professional services](#) from CliftonLarsonAllen, LLC, a firm with extensive experience with municipal financial operations. I look forward to discussing this proposal with you at the upcoming Board meeting on March 6, 2025.

Final Note

I want to commend the Board's Director of Business and Operations for her professionalism and dedication throughout this challenging process. Her proactive efforts and financial acumen have been instrumental in addressing these concerns effectively. I also appreciate the Board's ongoing support in ensuring that our financial operations remain transparent, compliant and properly managed.

Sincerely,



Kenneth G. Crow, Ed.D.