



New Fairfield Public Schools

Shared Services Assessment

June 2025
Final Report

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Project Overview

A. Background

New Fairfield Public Schools (hereinafter referred to as “NFPS” and “the District”) engaged CliftonLarsonAllen LLP (hereinafter referred to as “CLA”) to conduct a shared services and internal controls assessment of the District. Our assessment was focused on the shared financial operations model with the Town of New Fairfield (the “Town”) and the District identifying any process bottlenecks, or inefficiencies, and identifying areas of opportunity or improvement.

B. Project Approach & Tasks

This assessment included the following objectives:

1. Conduct interviews with key stakeholders to review and evaluate the overall strengths and weaknesses of the current financial operations and effectiveness of the shared services model.
2. Review the backgrounds and job duties of all relevant personnel to confirm their roles and responsibilities within the current shared services model.
3. Confirm the use of technology to support the shared financial services.
4. Assess the cost-sharing model and shared services framework/Memorandum of Understanding (MOU) with the Town to determine if improvements/changes are recommended.
5. Identify current control and operational weaknesses within the financial operations (specifically, Purchasing, Accounts Payable (AP), Accounts Receivable (AR), and Payroll) and develop proposed improvements.
6. Identify streamlining and realignment opportunities to improve the effectiveness of operations within the shared financial services model.
7. Propose organizational and/or staffing adjustments associated with segregation of duties (as required).
8. Provide concrete recommendations for future-state improvements that will lead to more efficient operations and improved internal controls.

C. Acknowledgements

CLA would like to thank NFPS and Town Leadership teams including the First Selectman, Superintendent, Director of Finance and Operations, and members from the Board of Finance as well as Finance/Business Office employees, for their participation, support, on-going dialogue, and feedback during this assessment.

NFPS Financial Organizational Overview

Below is a description of the original and current organizational model and reporting structure within the NFPS. A summary of existing policies, procedures, and systems in place to support the Finance Office is also documented in this overview.

1. Shared Services Model (Original Design)

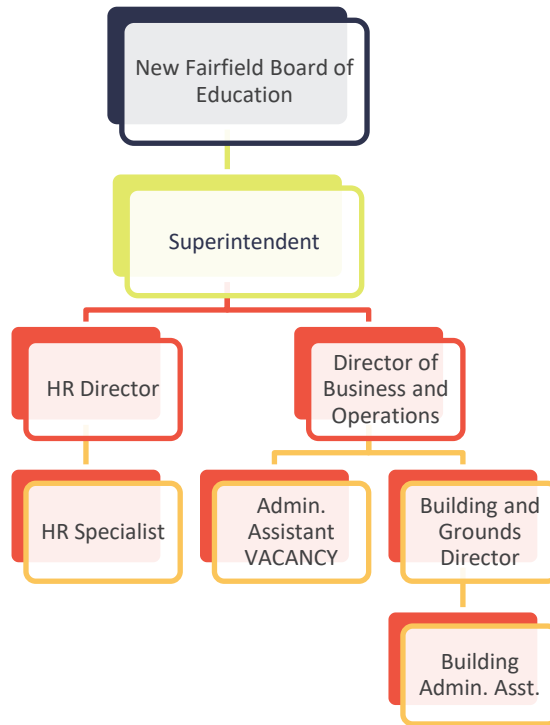
- a. NFPS and the Town have operated under a shared services agreement dating back to July 2006. A brief, one-page agreement was prepared by the Finance Director at that time. The agreement outlines the following:
 - i. A Director of Finance position reporting directly to the First Selectman with additional reporting to the Superintendent of Schools, Board of Finance, and Treasurer, when required.
 - Town position
 - Position is jointly funded by the Town and Board of Education (BOE)
 - ii. Director of Management Services (DMS) reporting directly to the Superintendent of Schools, with additional reporting to the First Selectman for Human Resource matters and the Director of Finance for financial matters. This position is no longer used (similar duties exist within the now Director of Business and Operations which is a District-only position).
 - Board of Education position
 - Position was funded 70% to the BOE and 30% to the Town. The Director of Business and Operations position is now paid solely by the BOE.
 - iii. Three (3) combined Finance Office positions including an Accounting Manager, Purchasing Agent/Contracts Administrator, and Payroll Specialist. These positions were written to report directly to either the Director of Finance or Accounting Manager.
 - Town positions
 - Positions are funded jointly by the Town and BOE
 - iv. Four (4) Accounting Clerks responsible mainly for Town and BOE Accounts Payable, general cashier/revenue, general ledger/account reconciliation
 - Town positions
 - Positions are funded jointly by the Town and BOE
- b. Per the 2006 agreement, allocations of salaries were to be determined annually in a process where the Director of Finance would review time breakouts between the BOE and Town for each of the Finance positions, aggregate them by percentages, and then divide by eight (8) for the number of positions being allocated. Changes in allocations were noted as requiring approval by both the Board of Education and Board of Selectman.



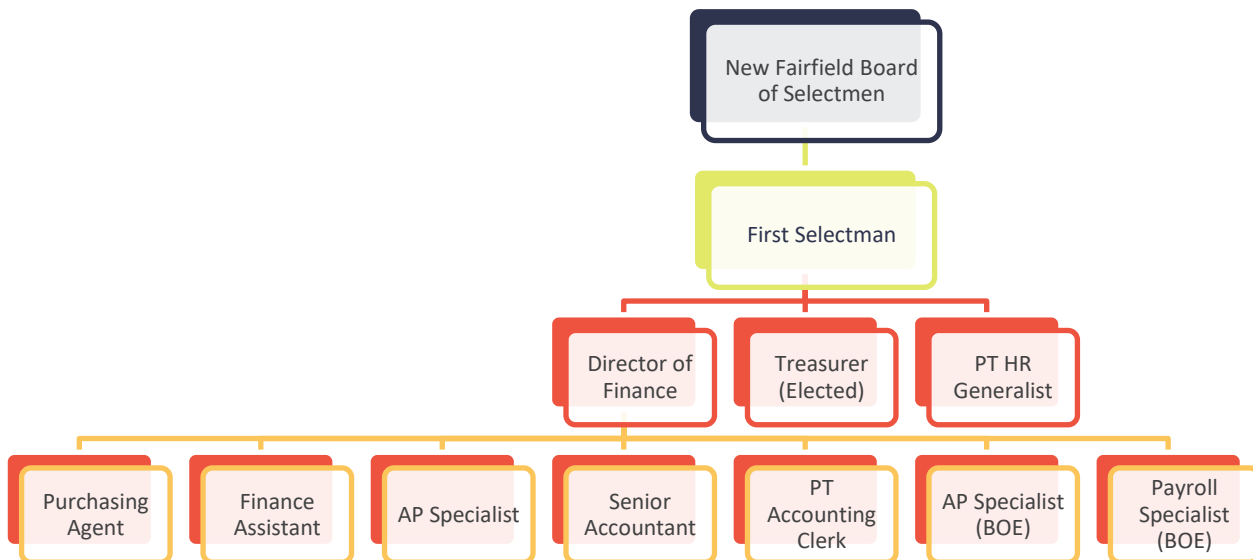
- i. Based on our interviews, this process is not occurring. Salaries for all positions noted above are paid 50/50 by the Town and BOE.
- 2. Shared Services Model (Current State)
 - a. While the shared model is currently in place, the titles and positions have evolved over time. Currently, the following Town positions are in place as part of the Finance Operations.
 - i. Director of Finance
 - ii. Purchasing Agent
 - iii. Finance Assistant
 - iv. AP Specialist
 - v. Part-time Accounting Clerk
 - vi. Senior Accountant
 - vii. Payroll Specialist (BOE focus)
 - viii. AP Specialist (BOE focus).
 - b. All of the positions are funded jointly, 50/50 by the Town and BOE even though there are only two (2) positions, the Payroll and AP Specialists, who dedicate a majority of their work duties to supporting NFPS operations. The Finance Assistant and Purchasing Agent also spend a portion of their time (50% or less) working on BOE financial work. There is no annual review of workload/time allocations and percentages worked for Town and District operations.
 - i. Under the current model, the District is funding 50% of the wages for all seven (7) positions, in addition to the Director of Finance who works predominantly to manage the Town financial operations.
 - c. The District also pays the entire salary of the Director of Business and Operations position; the Town does not contribute as outlined in the original agreement.
- 3. Human Resources (HR)
 - a. The District has created a position for Human Resources Director that is solely dedicated to the BOE. A full-time BOE position for an HR Specialist is also in place. Both are funded by the BOE and are outside of the shared financial office structure. The Town's HR function is supported by a Town-funded position, part-time HR Generalist.
- 4. High-level organizational charts related to the above areas are depicted on the following page. They are not representative of the entire District or Town organizations and do not include all District or Town departments and employees.



NEW FAIRFIELD PUBLIC SCHOOLS



TOWN OF NEW FAIRFIELD



NFPS Financial Organizational Overview Findings

Based on CLAs assessment of the current state of the District, these key items were noted:

- a. The shared model does not adequately meet the operational needs of the District. Reasons include:
 - i. The existing agreement between the entities is insufficient and has limited safeguards built within it, to allow the District to alter the arrangement. (see **Model 1** recommendations for developing a new shared services memorandum of understanding).
 - ii. Although the financial model is classified as “shared,” there are only two (2) positions (Payroll Specialist, AP Specialist) who focus the majority of their time on BOE financial work. The Finance Assistant and Purchasing agent also spend a portion of their time (50% or less) working on BOE financial work. Additionally, these positions do not report to the District Director of Business and Operations but rather directly to the Town Finance Director.
 1. Original job descriptions note that the Payroll Specialist and AP Specialist were intended to process payroll and AP for both the Town and District. While they have the ability to perform some backup duties for Town processes, they are almost fully dedicated to District tasks.
 2. These Specialists have no reporting obligations to the Director of Business and Operations. The Director of Business and Operations has no formal oversight or authority. Under this management structure, NFPS tasks and responsibilities can lose attention if not managed properly.
 - iii. Support and coordination between the District and Town relative to financial operations relies heavily on the relationship and intentions of the First Selectman and Superintendent and the Finance Director and Director of Business and Operations. There is limited formal obligation of the Finance Director to support the Director of Business and Operations or to direct the District-focused employees in a manner that the Director of Business and Operations is requesting.
 1. The Director of Business and Operations is the sole financially based employee for the District. The administrative assistant position that reports directly to the Director is currently vacant. (Recommendations for this position are included in the **Additional Findings and Recommendations** section of this report).
 2. Additionally, the Superintendent has no formal authority over the Director of Finance position. Under the current model, the Finance Director reports directly to the First Selectman. The original agreement notes that the Director of Finance also has reporting responsibilities to the Superintendent (when required), but this is not currently practiced

or enforced. Given that the Director of Finance position has complete oversight and control of those employees performing daily District financial processes, the current organizational reporting structure is ineffective.

3. Additionally, the Director of Finance is reporting to a position that is susceptible to turnover with each election. Frequent changes in leadership can cause instability in supporting the financial team. In addition, when the Finance Director position itself is vacant, or experiences frequent turnover, the Finance Office employees lack direction and supervision. There is no designated backup position for the Director of Finance.
- b. The District is currently paying for positions that do not directly support (or minimally support) District financial tasks. Outside of the two (2) Specialist positions and some tasks handled by the Finance Assistant, all others perform financial work almost exclusively for the Town, yet the BOE budget partially funds all Finance Office positions. This equates to approximately \$300,000 annually (based on the 2024-2025 budget book data). The 2025-2026 fiscal year budget includes the new position, part-time Accounting Clerk, as well as salary increases for all Finance Office positions totaling approximately \$340,000.
 - c. The size of the current Finance Office supporting the Town and District is more than sufficient. It is CLA's opinion that, over time, through retirements and other employee departures, the number of finance staff could be reduced. Existing roles and positions could be consolidated or reduced to part-time. Should existing processes be streamlined, with redundancies removed, and technology leveraged, the Finance Office could function optimally with a smaller FTE count over time.

NFPS Operational Procedures & Controls

As part of this assessment, CLA reviewed the procedures and controls within NFPS related to the Finance Office functions. CLA has identified opportunities and recommendations for improvements to enhance controls and streamline processes within each section.

1. Purchasing

- a. All District purchases require a requisition. Department secretaries generally initiate the purchasing process via a purchase requisition within eFinancePlus. However, it was noted that some paper requisitions are still utilized (e.g., ARPA funds, funds outside the general fund). Requisitions are routed to Department Heads or Principals for review and approval. Following their approval, it is routed to the Director of Business and Operations (to confirm budget availability), then the Purchasing Agent, and finally, the Superintendent.
- b. Following the final approval, the requisition is routed to the AP Specialist (BOE focus) for printing; it is automatically converted to a purchase order and released.
- c. Requisitions, per policy, require a number of details including vendor information, items, quantity, price, and date.
- d. Blanket purchase orders are used in some District areas including the Facilities/Building and Grounds Department.
- e. Purchases over \$10K require a formal RFP or bid. This process is managed by the Purchasing Agent.
- f. Per policy, purchases between \$2,500 and \$9,999 require three informal written quotes. Quotes will be obtained by Department Head or Purchasing Agent requesting in writing what they are looking for so vendors will submit pricing for the same item or service. Per our interviews, the District is currently getting verbal quotes for purchases of \$2,500 - \$4,999 and then written quotes are obtained for purchase between \$5,000 and \$9,999K.
- g. Also, per policy, three informal verbal quotes shall be noted on the Purchase Order for goods or services of \$1,000 to \$2,499. Based on our interviews, purchases under \$2,500 do not currently require any quotes.

Identified Control Gaps

- a. Current purchasing practices (requirements per threshold) are not in alignment with documented policy.
- b. System overspending allowance – Current settings in eFinancePlus will warn a user if their submitted requisition exceeds a budget line. However, it permits the requisition to still be entered. This can lead to overspending.
- c. Purchase order/budget lookup – Some interviewees outside of the Finance Office noted they are unable, or unaware of, how to look up purchase orders/status and vendor histories within the financial system, as well as view and monitor the status of their department budget. This can decrease accountability and ownership of budget management by the Department Heads/Directors.

Recommendations for Improvements

- a. Update the purchasing policy to align with the current purchasing practices. For example, remove requirements for three (3) verbal quotes with the low-cost goods/services from \$1,000-\$2,499.
- b. Budget settings – Consider changing settings to stop or prevent the submittal of a requisition that exceeds a budget line within the financial system. This setting should be implemented for most users, while the ability to overspend (with only the system warning) may be suitable for the Director of Business and Operations and/or Superintendent.
- c. User access – Budget owners/Department Heads should utilize their lookup access within the financial system to view their budget including any open/outstanding purchase orders and invoices. While some may be doing this currently, others may need additional training. This access/capability improves budget ownership and transparency with departments.
- d. Consider reducing the number of approvers in the purchase requisition review and approval workflow. The District could consider implementing thresholds at which particular reviewers (e.g., the Superintendent) are necessary. This should expedite the current process.

2. Accounts Payable

- a. The AP process is notably manual. Invoices are currently received and approved with physical sign off by the ordering school/department. The departments manually write the relevant budget code/line information and PO number on the physical invoice. They then print a copy of the purchase order from eFinancePlus, attach it to the coded invoice, and provide the physical documents to the AP Specialist (BOE focus) for filling.
- b. Individual departments are not utilizing the electronic, automated workflow in eFinancePlus, rather, the AP Specialist (BOE focus) enters everything into the system “after-the-fact.” The AP Specialist (BOE focus) codes the payment into eFinancePlus and then files the hard copy invoice and PO.
- c. The AP Specialist (BOE focus) creates a batch of payments weekly. Expense Detail Reports are prepared and reviewed by the Director of Business and Operations prior to check printing.
- d. The AP Specialist (BOE focus) prints all District checks and prepares the positive pay file for the bank. The positive pay file is currently reviewed by the Town AP Specialist.
- e. Vendors are added and set up by the Purchasing Agent. W-9s are required. The Town AP Specialist can also edit vendors in eFinancePlus.
- f. The Director of Business and Operations currently reviews all printed checks manually. Approximately 200 paper checks are printed and stuffed manually with each check run by the AP Specialist (BOE focus).

Identified Control Gaps

- a. Following the final approval of ACH payments and checks, they should not be returned to the AP Specialist (BOE focus) as this poses a segregation of duties risk.
- b. The Town AP Specialist, who processes accounts payable for the Town, also has the ability to edit vendors for both the Town and District within the financial management system. This is an additional segregation of duties risk as vendors could be manipulated by the same individual issuing payment.

Recommendations for Improvements

- a. Segregation of duties – To remediate segregation of duties control gaps, after District payments are approved by the Director of Business and Operations, a second individual (outside of the AP Specialist (BOE focus)) should complete the mailing. Vendor modifications and additions should also be limited to the Purchasing Agent (or an individual other than the person processing payments).
- b. CLA recommends that the District maximize the functionality of electronic workflow and automated approvals via eFinancePlus. Within the system, each Department can access and approve the invoice (via automated workflow) prior to the issuance of payment. In addition, the District can eliminate the printing and filing of the invoice (and reprinting of the PO) as it can be stored within the system itself.
- c. To reduce the amount of physical checks, consider transitioning vendors to ACH (where possible.) In the interim the District may consider utilizing a check mailing machine to reduce time spent physically stuffing/ mailing checks.

3. Payroll and Benefits

- a. NFPS includes three (3) schools and approximately 392 full-time equivalent (FTE) employees. (There are additional part-time and seasonal employees.) Payroll is biweekly. The Town has approximately 100 employees and employees are paid weekly. The Payroll Specialist who focuses on District payroll was hired to perform both Town and District payroll. However, during the transition of payroll systems (Phoenix to eFinancePlus), payroll processing for the Town was shifted to the Town Senior Accountant with the intention of returning back to the Payroll Specialist following the conversion. In recent discussions, employees have mentioned Town payroll duties may shift to the newly hired part-time Accounting Clerk rather than the Payroll Specialist.
- b. Employees' pay rates and associated deductions are set up by the Payroll Specialist in the payroll module of eFinancePlus.
- c. The District payroll process is manual and redundant. Currently, there is no automated timekeeping system in use in the District. Rather, paper timesheets are completed by hourly employees (paras, substitutes, custodians, café aids, etc.), reviewed by school administrators/supervisors, and turned into the Payroll Specialist. Timesheets are supposed to be totaled and signed prior to turning them in. Per our interviews, the Payroll Specialist spends significant time resolving errors and discrepancies with the individual departments after receiving the timesheets.

- d. Each pay cycle, the Payroll Specialist currently utilizes an Excel spreadsheet (prepopulated with pay rates) and manually keys all hourly employee time to confirm it totals/reconciles to the paper timesheets. A second employee, sometimes the Town AP Specialist, then also reviews the spreadsheet against the paper timesheets. The Payroll Specialist then manually enters this data for a second time, into eFinancePlus for payroll processing. Since the spreadsheet does not get uploaded directly into the payroll module, it essentially has no utility in the process and the second employee Excel review adds no value. It does not confirm that the payroll entered into eFinancePlus is accurate.
- e. The AP Specialist (BOE focus) obtains the Excel spreadsheets and confirms all the employee accruals (sick, personal, vacation, etc.) noted on the paper timesheets have been appropriately reduced in the Frontline Absence Management system (formerly, AESOP). Employees are responsible for entering their time off/absences into this system.
 - i. The AP Specialist (BOE focus) exports employee absences from Frontline and imports into eFinancePlus. The Payroll Specialist will return an exception report from eFinancePlus to the AP Specialist (BOE focus) to show any discrepancies between systems for correction.
- f. After payroll has been prepared, the Director of Business and Operations then reviews the payroll report and a payroll file edit list and emails her approval to the Payroll Specialist. Following her approval, the Payroll Specialist executes the payroll run and submits direct deposit data to the bank along with a positive pay file.
- g. Employee medical insurance and deductions are set up by the Finance Assistant. District employees who wish to make changes or enroll in benefits notify the District HR Department who then inform the Finance Specialist. This information is then shared with the Payroll Specialist for set up in the eFinancePlus system.
- h. The Town Finance Assistant manages the benefits administration for the District. This includes medical deductions, Medicare filings, open enrollment, and disability and life insurance.

Identified Control Gaps

- a. Paper time sheets – These are susceptible to errors (blanks, illegible writing, calculation errors).
- b. Payroll set up - The Payroll Specialist is both setting up employee pay rates and deductions in the payroll system and executing the payroll process. There is a lack of segregation of duties.

Recommendations for Improvements

- a. Update and streamline the payroll process - Implementing an electronic timekeeping system, integrated with eFinancePlus, will save significant time in the overall payroll process. With this type of system, employees can enter time electronically (reducing errors or hard to read paper timesheets), supervisors can edit/update/approve within the software, and the corresponding hours can be “pushed” electronically to the payroll module for processing by the Payroll Specialist.

- b. In the short term, the District may consider a standard template google sheet (with locked embedded formulas and calculations) that staff can fill out to capture initial time entry. This would eliminate the need for the Payroll Specialist to perform manual calculations.
- c. A second individual to the Payroll Specialist should either set up, or review and confirm the accuracy of set up of employee pay rates and deductions to better segregate duties and mitigate risk.
- d. The District should review capabilities within the eFinancePlus system to determine if there is a means to automate employee enrollments.

4. Accounts Receivable and Cash Receipts

- a. The Town Finance Assistant manages a majority of Town and District revenues and collections including billing and collections for the preschool program (approximately 50 participants) and tuition for Sherman students.
 - i. Sherman tuition is billed quarterly and paid via check. Preschool payments are due monthly and collected via the web (credit card/debit card) or via mailed checks.
 - ii. Payment history and details are maintained in an Excel spreadsheet. There is no parent portal that allows families to confirm payment status or monies owed to the District.
- b. Building usage and rentals are managed by the Building and Grounds Administrative Assistant. This process was noted as incredibly labor intensive and manual. Paper request forms are completed and routed through a number of reviewers including School Principals, the Building and Grounds Supervisor, the Building and Grounds Administrative Assistant, Town Fire Marshal, Director of Business and Operations, and then the Town Finance Office to confirm insurance. Lastly, the Building and Grounds Administrative retains the paper form.
 - i. The Building and Grounds Administrative Assistant creates the rental/usage bill using a District template. She collects the check payments and provides them to the Town Finance Assistant for deposit.
- c. Student activity funds are managed by the individual school buildings (administrative staff) including the collection of monies and bank deposit.

Identified Control Gaps

- a. Manual tuition tracking – Having the Town Finance Assistant manage billing information within Excel requires manual tracking of overpayments, delinquent payments, or other billing and payment details. Additionally, having a single individual manage these payments within a spreadsheet poses a control risk (adjustments can be made without a second approval).
- b. Student activity funds – Having the same individuals collect the monies, prepare the bank deposit, and complete the bank deposit poses a lack of segregation of duties.

Recommendations for Improvements

- a. Tuition billing – Consider a billing application that allows payees and the District to track payment history, view late payments, overpayments, account balances, etc. to decrease the manual tracking currently performed by the Finance Assistant and to reduce the risk of manual edits. The system should include an audit log to show when edits to account balances have been made and by which user.
- b. Facilities/Grounds rental billing – Consider automating the workflow via Adobe or another electronic tool to eliminate the manual circulation of paper. Determine if the current number of approvers in the rental process is appropriate, or if it can be reduced to expedite the process.
- c. Student activity funds - Consider identifying a second individual to either prepare or complete the bank deposit to enhance controls and confirm that no single person has full control of the process. Best practice would be to have one (1) person count and record the deposit, prepare the deposit slip, and a second person verify the amount and physically take it to the bank. A third individual should continue to perform the bank reconciliation (confirming the deposit record).



Finance Office Roles and Responsibilities

CLA reviewed job description documents for all positions within the shared Finance Office (where available). Documentation was a mix of formal job descriptions, in various formats and styles and electronic notes/bulleted duties. The table below summarizes the status and formality of the existing job description documentation and a summary of the job duties being currently performed based on our interviews with staff.

Role	Job Description	Summary of Job Duties
Director of Business and Operations	<ul style="list-style-type: none"> Formal job description in place from 2022 	<ul style="list-style-type: none"> Oversees District operations including facilities, school lunch program, building and grounds, security, transportation, and student activities (serves as check signer) Reviews and approves AP batches and payroll Completes grant drawdowns and grant state reporting Manages EFS reporting Manages Special Education excess costs Manages and monitors District budget, performs budget adjustments Serves as backup for District payroll and accounts payable (as needed) General financial management and reporting duties
Administrative Assistant to the Director of Business and Operations (VACANT)	<p><i>While this position is vacant, the District is preparing an appropriate job description.</i></p>	<p><i>Recommendations for this position are included in the Additional Findings and Recommendations section.</i></p>
Director of Finance	<ul style="list-style-type: none"> Formal job description from 2013 states that position reports to Superintendent for Board of Education duties, new vacancy notice from 2025 does 	<ul style="list-style-type: none"> Directs and oversees Town financial operations including Finance, Tax Assessor, and Collector Manages the chart of accounts for Town and some BOE funds Prepares financial statements and financial reporting



	<p>not mention Superintendent</p> <ul style="list-style-type: none"> • Vacancy notice refers to directing “some” education functions 	<ul style="list-style-type: none"> • Serves as Risk Manager for Town and BOE • Coordinates Town budget • Oversees Town grants • Manages the accounting for District capital and nonrecurring accounts
Senior Accountant	<ul style="list-style-type: none"> • Informal, bulleted notes provided • 2024 Vacancy Notice provided 	<ul style="list-style-type: none"> • Handles Town revenue accounts • Creates and posts some Town and District journal entries • Posts budget transfers for Town and District • Coordinates Positive Pay and other banking tasks • Completes year-end bank reconciliation for various accounts • Prepares periodic financial statements and reports for the Town • Creates new funds and accounts in financial system (as needed) • Supports District with audit (as needed)
Part-time Accounting Clerk	<ul style="list-style-type: none"> • No job description in place, only “Vacancy Notice” posting for job 	<ul style="list-style-type: none"> • This is a new position, but the general duties intended based on the job description include providing support to “various finance functions including AP, General Accounting, AR, Special Revenue” • Job description defines the position as responsible for administrative support to both the Town and BOE • Interviewees noted this position will handle Town payroll, but this is not in the job posting
Finance Assistant	<ul style="list-style-type: none"> • Two job descriptions provided • One (2016) is on formal letterhead with essential job description categories included; refers to 	<ul style="list-style-type: none"> • Manages employee pensions including updating and distributing information, handling employee questions • Updates and corrects medical insurance deductions and reports

	<p>outdated titles (School Business Manager)</p>	<p>for Town and District; supports open enrollment processes</p> <ul style="list-style-type: none"> • Prepares Medicare information for District quarterly reports • Updates retiree data • Assists with insurance claims for District and Town • Performs billing for preschool program and Sherman tuition billing • Provides administrative support during budget process • Performs some administrative support tasks with building and grounds rentals (receivables) • Several miscellaneous administrative duties (ordering supplies, etc.)
<p>Town AP Specialist</p>	<ul style="list-style-type: none"> • Job description PDF (not dated), lacks essential job description categories 	<ul style="list-style-type: none"> • Enters payables and processes weekly check runs • Assists with monitoring budget account lines • Performs monthly bank reconciliation • Reconciles general fund expense accounts • Monitors Town utility payments • Monitors third-party billings • Runs collection and AP reports • Assists with Town payroll (as needed) • Reviews the District timesheets and hours, enters into reconciliation spreadsheet for biweekly payroll support (as needed)
<p>Purchasing Agent/Contracts Administrator</p>	<ul style="list-style-type: none"> • Formal document on Town letterhead with essential job description categories included (2002) • States that the primary function is to process payroll for both Town and BOE 	<ul style="list-style-type: none"> • Oversees Town and District procurement including quotes, blanket purchase orders, and bid coordination • Sets up new vendors • Oversees District business leases including transportation • Evaluates vendor performance • Reviewer/Approver in District purchase order workflow

		<ul style="list-style-type: none"> • Maintains fixed assets
Payroll Specialist (BOE Focus)	<ul style="list-style-type: none"> • Formal document on Town letterhead with essential job description categories included (2002) 	<ul style="list-style-type: none"> • Processes biweekly BOE payroll • Prepares District payroll tax returns • Tracks and reviews employee attendance and timesheets • Maintains TRB files monthly
AP Specialist (BOE Focus)	<ul style="list-style-type: none"> • Two job descriptions provided • Title on one job description refers to position as “Clerk” vs. “Specialist” • States that the primary function is to process AP for both Town and BOE funds • One (original) is formal document on Town letterhead with essential job description categories included, • More recent document lists AP, AR, Preschool, and Building and Grounds duties that are not currently accurate 	<ul style="list-style-type: none"> • Maintains and processes AP • Maintains paid invoice files

Proposed Organizational Models

For optimal function, CLA recommends the Town and NFPS take immediate action to change the existing organizational model and shared services arrangement. CLA believes strongly that shared services models can be beneficial and optimal for a municipality and school district for a number of reasons including:

1. **Cost Savings:** By pooling resources, towns can reduce overhead and operational expenses. This can lead to significant savings on staff, technology, and facilities.
2. **Enhanced Efficiency:** Shared services streamline operations, making processes more efficient. This can improve the speed and quality of services provided to residents and employees.
3. **Resource Optimization:** Shared services allow for better utilization of resources, ensuring that they are used where they are most needed and cross-trained in essential functions, reducing constraints during vacations and leaves.
4. **Increased Collaboration:** This model fosters and enforces collaboration between departments, leading to better problem-solving and innovation.
5. **Scalability:** Shared services can be scaled up or down based on the organization’s needs, providing flexibility in managing resources and services during busy seasons (e.g., budget season, school year-end).

CLA believes that the current shared model between the Town and District was inadequately designed and documented and not reviewed periodically, from the beginning, which ultimately led to its dysfunction. Key elements that were not defined properly include:

1. **Service Level Agreements (SLAs)** – Mutually agreed upon terms and expectations that define how shared employees will function and meet the needs of both entities were not established.
2. **Cost-Sharing** – The initial salary allocations (BOE and Town) for the Finance Office were not established in alignment with how these employees were allocating their time. The model to continuously assess the breakdown of employee tasks was not maintained and is unrealistic to manage long-term.
3. **Technology** – Ideally, in a shared services environment, both entities would be on a single, shared technology platform in a unified financial application. This was not established in New Fairfield.
4. **Performance Measurement** – Proper metrics and documentation to help the Town and District monitor the success or failure of the shared model were not established.

With the following items noted above, CLA proposes two (2) solutions for NFPS to consider. Although this report is intended to help the District make the necessary decisions regarding their operations and financial team, CLA strongly suggests this effort be made in collaboration and coordination with the Town and First Selectman. Costs and considerations for each of the two (2) models are included on the following pages.



Model 1: Maintain Shared Services Arrangement with Significant Remodeling/Restructuring

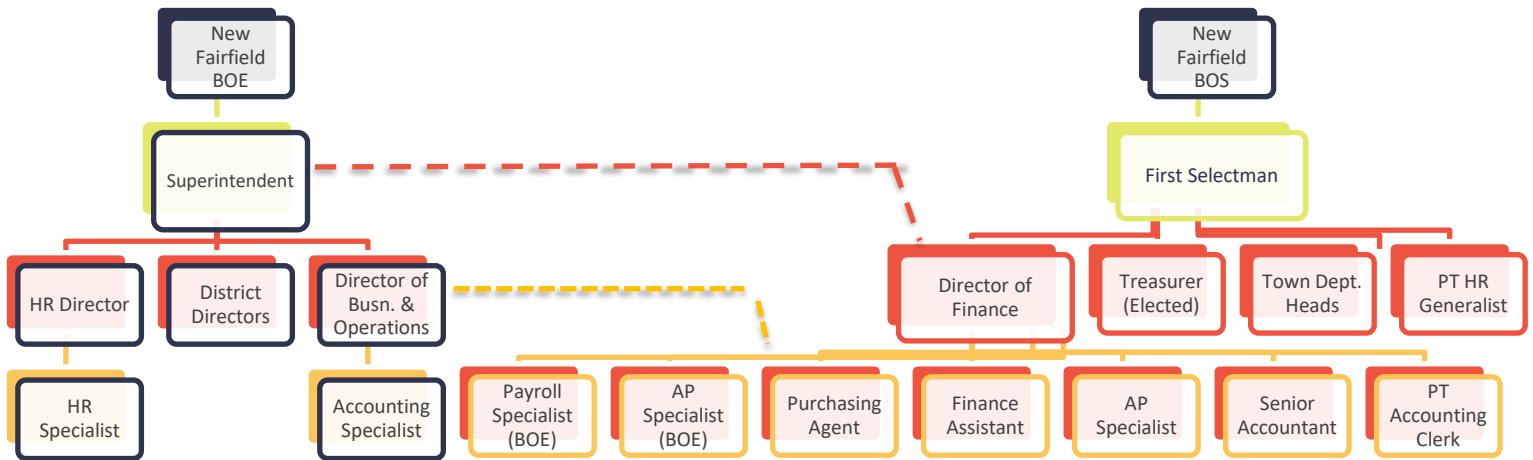
In order to successfully maintain a shared services model, CLA recommends restructuring and organizational changes identified below. While some of these items can likely be addressed in the near future, others are more complex and will require collaboration and coordination with the First Selectman, Board of Education, Board of Selectman, and potentially employee unions.

1. Restructuring of a formal Memorandum of Understanding (MOU) – An updated intra-municipal memorandum of understanding (MOU) for a unified finance office should be developed. The Town and District should consider inclusion the following elements:
 - a. Which financial functions are in scope (payroll, purchasing, accounts payable, accounts receivable, budgeting, etc.).
 - b. The intention and reason for establishing the unified financial function (greater efficiency and effectiveness of effort).
 - c. How financial books and records for the BOE and Town are managed and audited (combined or separate).
 - d. Whether the annual financial audit requires the BOE and Town to share and consolidate their financial information within one audit report and within combined financial statements or if they remain separate
 - e. How a single leadership position, the Director of Finance, (with direct support and input from the Director of Business and Operations) will facilitate the unification of finance functions.
 - f. Agreement of the Town and BOE to jointly recruit and select/hire the Finance Director position. The job description for the Finance Director should be jointly developed by the Town and BOE.
 - g. Defined reporting relationships, including the Finance Director being accountable to both the First Selectman and the Superintendent. The MOU should state that the First Selectman and Superintendent shall timely provide the Finance Director with annual goals and objectives, and timely performance reviews.
 - h. Cost arrangements clearly establishing the ratios or cost-sharing model between the Town and BOE for the Finance Director position and any other unified Finance Office positions. The MOU should state that the ratio may be adjusted by the mutual consent of the Town and BOE.
 - i. Equipment and software sharing should be outlined including the shared payment ration for the single financial system.
 - j. Agreement renewal terms including the provision that the BOE or BOS must provide written notice to the other of its intent to cancel the MOU by X date (e.g., February 1) of a particular year, otherwise the MOU shall renew automatically for an additional year without notice. The MOU should include that if notice is provided, the MOU shall terminate on X date (e.g., July 1) of the second fiscal year following the notice.

- k. The agreement should be signed by the First Selectman and Superintendent of Schools on behalf of the Board of Selectman and Board of Education.
2. For optimal shared services, consolidate operations into a single financial management system, in one (1) database.
 3. Reassess the distribution of time and effort for the Finance Office employees as it relates to Town vs. District tasks. The amount of salary costs allocated to the BOE should be reduced/modified to reflect the actual efforts of work performed. The BOE should not be charged for positions that do not provide services to the District.
 4. The Director of Business and Operations should be given reporting authority over those that support BOE functions within the shared structure.
 5. Strong coordination between the Director of Business and Operations and Town Finance Director will continue to be critical. Monthly meetings should be held to confirm shared financial operations are meeting the needs of both the Town and District.

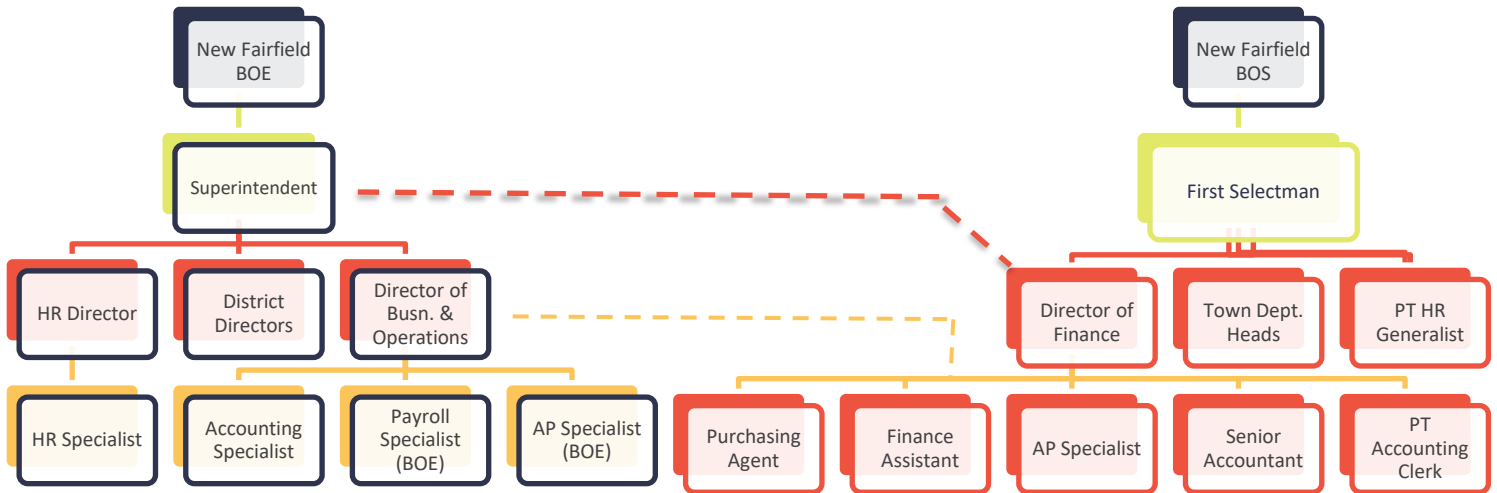
CLA has created two (2) similar versions of **Model 1** with minor changes related to direct reporting lines.

A sample organizational chart for proposed **Model 1A** is depicted below. It is intended to capture the finance positions and is not all-encompassing of all Town and District employees.



A sample organizational chart for proposed **Model 1B** is depicted below. It is intended to capture the finance positions and is not all-encompassing of all Town and District employees.

Model 1B is identical to the proposed **Model 1A** with the addition of a direct reporting line for the Payroll Specialist and AP Specialist (who focus on BOE work) to the Director of Business and Operations.



Variable cost estimates associated with Model 1A & 1B:

With **Model 1A & 1B**, CLA estimates the following associated Finance Office expenses to the Town and/or District. These costs do not include any fixed or non-changing costs currently incurred by the District.

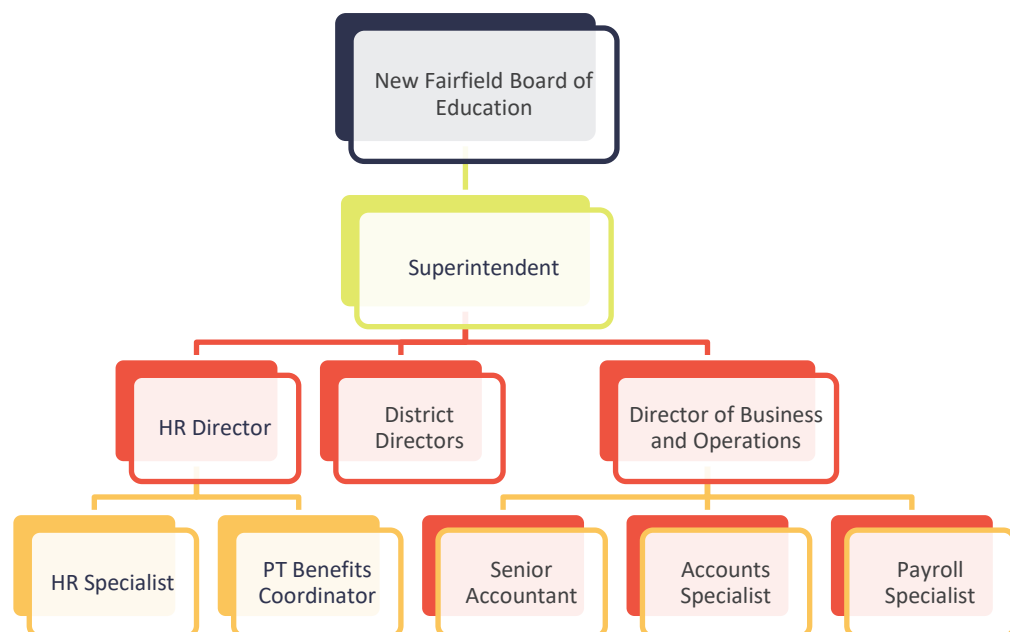
1. Assuming the District pays approximately 100% for the AP Specialist and Payroll Specialist with District focus, 50% for the Finance Assistant, 25% for the Purchasing Agent, 10% for the Senior Accountant, 10% for the Town AP Specialist, and 25% for the Finance Director, the District would pay roughly \$230K towards the shared Finance Office. *(These percentages were estimated based on CLA’s review of current employee job duties and tasks within the Finance Office).*
2. The District would continue to pay fully for the Director of Business and Operations position and the currently vacant position (CLA proposes it is used as an Accounting Specialist).

Model 2: Establish an Independent District Financial Office

In order to create an independent Finance Office exclusive to District functions, CLA recommends the following:

1. Establish a Senior Accountant position. Details of this position are outlined in the **Additional Findings and Recommendations** section and are also summarized below:
 - a. Serve as District Purchasing Agent
 - b. Budget support
 - c. Financial reporting and analysis
 - d. Grants management
 - e. Student activity funds
 - f. Food Services
 - g. Audit support
2. Hire an Accounts Specialist position to perform accounts payable, accounts receivable, and other general accounting functions.
3. Hire a Payroll Specialist. This person will be responsible for payroll primarily but will perform other financial duties for the District (e.g., backup to AP).
4. Hire a part-time Benefits Coordinator/Benefits Assistant position. Transition benefits management duties from the Town Finance Assistant to the District HR Department.
5. Transition of any remaining Town Finance Director District-centric accounting duties to the District Finance Office.

A sample organizational chart for proposed **Model 2** is depicted on the following page. It is intended to capture the District finance positions and in not all-encompassing of all District employees.



Variable cost estimates associated with Model 2:

With Model 2, CLA approximates the following expenses to the Town and/or District. These costs do not include any fixed or non-changing costs currently incurred by the District.

1. Assuming the District pays the approximate personnel costs associated with the current AP Specialist (BOE focus) (repurposed as the Accounts Specialist) and Payroll Specialist, in addition to \$85K for the Senior Accountant position, and \$30K for the part-time Benefits Coordinator, costs would be approximately \$245K.
2. The District would continue to pay fully for the Director of Business and Operations position.

Additional Findings and Recommendations

In addition to the control enhancements and process improvements noted in the **NFPS Operational Procedures and Controls** section, CLA identified a number of general findings and recommendations below.

1. Finding – There is a general lack of clarity for Finance Office employee roles and responsibilities

- a. Based on our interviews with financial employees and leadership, there is a general lack of clarity around ownership of duties, defined backups, and precise employee roles within the Finance Office. This, coupled with a lack of comprehensive job descriptions, contributes to tasks being neglected, limited accountability throughout the office, and an overall lack of organization in the office.
 - i. In recent years, a number of key financial duties have been either missed or improperly executed by the existing Finance Office, including errors on employee W-2s, benefits handling and employee contributions, and revenue collections. While these items have all been addressed, their occurrence has impacted District employees.

1. Recommendation – Define Finance Office duties among employees and train accordingly

- a. CLA recommends that all employees in the Finance Office (both Town and District) have clearly defined financial roles that are articulated in updated job descriptions. Socialization and communication of the roles and responsibilities should be conducted to confirm understanding throughout the Town departments, District departments, and Finance Office.
 - i. As part of the establishment of clear roles, defined reporting lines should be confirmed (and documented within the updated job descriptions).
- b. Procedural backups for key areas including purchasing, AP, payroll, AR, etc. should be defined and documented. Training should occur (where necessary).
- c. For certain detailed processes or those that happen only a few times per year (e.g., payroll, benefits handling, etc.) the Finance Office may consider implementing checklists to confirm that all necessary steps and compliance actions have been taken/completed.

2. Finding – Job descriptions and documentation need updating, consistency, and standardization

- a. The job descriptions reviewed were inconsistent in format, content, and style for the Finance Office employees. Some were on formal letterhead (two different formal templates were noted); others were informally typed notes or lists, and many were missing dates, making it difficult to decipher which document was more accurate in the instances where duplicates were noted. In some instances, the documented job duties were compiled by the individual employee as a summarization of their current tasks, which may or may not be different than the exact role for which they were hired.
 - i. Some included essential job description components like required knowledge, skills, and abilities, minimum qualifications, reporting lines, and work schedules, while others do not.
 - ii. A few of the documented job titles do not align with the current titles (e.g., Clerk vs. Specialist)
 - iii. CLA observed some descriptions that included tasks/responsibilities that had been crossed out.
- b. As a result, it becomes increasingly difficult to hold employees accountable for various duties and responsibilities without formal documentation to support these expectations or where two different job descriptions/documents exist.

2. Recommendation – Update and formalize job descriptions for all Finance Office employees

- a. CLA recommends the job descriptions all be updated to a single NFPS letterhead template that includes salary range, any direct reports/supervisory duties, as well as to whom the employee reports. Required skills, education, and background experience/qualifications should be included. The creation date and last update/review date should be documented on all.
 - i. References to legacy systems and positions (outdated titles) should be updated or removed.
 - ii. Job duties should be documented in an easy-to-read bulleted format.
- b. Employees should receive a copy of the new job description and sign off on an acknowledgement of the new/updated job description. Old, duplicate job description documents should be archived or destroyed; employees should only reference a single document when seeking their job description. (Coordination with relevant unions may be necessary as this recommendation is implemented).
- c. All employees should receive annual performance evaluations that adhere to union contract requirements. This requirement for each position to undergo an annual evaluation should be documented within the job description.

3. Finding – There is a vacant administrative assistant position within the District

- a. Currently, the direct administrative assistant position reporting to the Director of Business and Operations is vacant. The former employee in this position performed mainly clerical/administrative duties for the Director of Business and Operations.

- b. With this position currently vacant, (in addition to the vacancy that existed in the Town Finance Director position) the Director of Business and Operations is experiencing increased demand and an unsustainable workload.

3. Recommendation – Transition to vacancy from secretarial to a more experienced accounting-based professional

- a. Regardless of which organizational model the District pursues, CLA recommends that the vacant position be transitioned to a more accounting/finance-based District role such as “Accounting Specialist” in the current shared model or “Senior Accountant” in a District-only Finance Office. Elevating this position should lessen the demands on the Director of Business and Operations. Essential duties/responsibilities of this more experienced position may include:
 - i. Support with budget preparation and management including assisting Department Heads with budget monitoring
 - ii. Financial reporting and analysis – including reports for the Board of Education
 - iii. Grants management – helping the District maintain grant compliance and identify relevant grant opportunities
 - iv. Student activity funds – while these are currently managed by each school, a centralized position can be beneficial to oversee the funds and maintain proper controls (eliminating the segregation of duties challenges currently with secretaries currently performing both bank deposit and reconciliation)
 - v. Food services – overseeing free and reduced lunch counts and compliance with state and federal food service programs and funding
 - vi. Audit support – assists with the coordination of the external audit

4. Finding – Training protocols are not formalized for the financial employees

- a. NFPS does not currently have a formally documented or required training protocol in place for employees with financial duties and responsibilities to the District. As these employees reside within the Town’s financial office reporting structure, it is likely difficult for NFPS to enforce any regular training.
- b. There are limited regularly occurring trainings in place on District financial policies and procedures to ensure employees understand and can effectively implement. The Director of Business and Operations works to assist Specialists individually to help them perform processes in the most efficient manner, but the adoption of more streamlined procedures does not appear to be currently enforced.
 - i. Many interviewees have significant tenure with the Town and District and their processes have not changed/optimized over time.
- c. There is no ongoing monitoring of employees training, and no specific training program established for each role within the Finance Office to help enhance personnel productivity and/or performance.

4. Recommendation - Establish and document formal training requirements/protocols for employees with financial duties

- a. The District (in coordination with the Town for shared positions) should determine what training is suitable and appropriate for each functional area (e.g., purchasing, accounts payable, budgeting, billing, payroll, etc.) for employees (e.g., annual training and compliance requirements). This should include technology and necessary software (e.g., eFinancePlus, Excel, Google, etc.) training.
- b. Training compliance (per employee) should be monitored by the Town and District management and reported to HR annually.
- c. Training should be mandatory for any new employees (possibly financial training as part of orientation) as well as ongoing education for existing employees (e.g., annual refresh).

5. Finding – Documentation supporting for financial processes are limited

- a. A “Purchases and Disbursements” policy and procedure document from 2023 is in place to document the handling of non-payroll cash disbursements. This includes vendor management, bidding procedures, purchase orders, receiving, invoice processing, check payments, and associated monthly procedures for both the Town and District.
- b. Documented procedures for payroll, billing (AR), and other tasks performed by the Finance Assistant for the District are not currently in place. These employees have their own informal notes. This can make it difficult for a second individual to complete the payroll process or billing, collection, and other duties in their absence.
- c. There is no annual, regular review and updating of policies and procedures. Maintaining accurate and thorough financial policies and procedures is crucial for ensuring financial integrity, compliance, and operational efficiency.

5. Recommendation –Update and Standardize Policies/Procedures and Enforce

- a. Critical financial areas should have both a policy and a procedure. Policies set the direction and expectations while procedures provide the steps needed to achieve those expectations. Additional differences between the two are highlighted in the table below:

	Policy	Procedure
Purpose	<ul style="list-style-type: none"> • Sets the direction and expectations 	<ul style="list-style-type: none"> • Provides the means to achieve compliance with policies and perform tasks consistently
Scope	<ul style="list-style-type: none"> • Broad and general, providing overall guidance 	<ul style="list-style-type: none"> • Specific and detailed, providing step-by-step instructions/processes
Focus	<ul style="list-style-type: none"> • Focuses on the “what” and “why” 	<ul style="list-style-type: none"> • Focuses on the “how”

Level of Detail	<ul style="list-style-type: none"> High-level principles and rules 	<ul style="list-style-type: none"> Detailed steps and instructions
Approval and Development	<ul style="list-style-type: none"> Approved by senior management (Superintendent, Director of Business and Operations, Board of Education, Town) 	<ul style="list-style-type: none"> Approved by management (Finance Office in partnership with relevant subject matter experts/Directors)

- b. Financial policies and procedures should follow a standard District format for consistency and ease of understanding. All documents should be incorporated into a comprehensive financial manual for the District that is electronically accessible to all (e.g., intranet, School website).
 - i. Conduct regular reviews of financial policies and procedures, at least annually, to ensure they remain current and relevant. Update policies to comply with new laws, regulations, and industry best practices as they are known. Employees should sign off on the financial manual following receipt and any subsequent updates or training.
 - ii. The District should incorporate feedback from audits, employees, and stakeholders to improve policies.
 - iii. The procedures should include defined control points (e.g., approvers, thresholds, reviews, reconciliations, etc.) within defined processes.
- c. Management should enforce policies and develop consequences for violations.
 - i. The District should consider routine internal audits as a means of validating/confirming that internal processes are adhered to.
 - ii. The District may also consider engaging external auditors periodically to provide an independent review of financial practices (similar to this assessment).

6. Finding - Systems are not configured and utilized optimally

- a. The Town and District are currently on the same financial application, PowerSchool eFinancePlus. However, they are on two (2) separate databases, or instances of the software.
 - i. Therefore, if a shared finance employee is supporting workflows for either the Town or District, they must log into two (2) separate applications. Additionally, reporting between the systems is not integrated electronically.
- b. Several existing processes include manual rekeying of data (payroll, AP, etc.). In some processes, paper sheets are used to capture initial data and information from departments (e.g., timesheets, hard-coded AP invoices) which is then keyed into eFinancePlus by a Finance Office employee. This can be automated/decentralized within the system.

6. Recommendation – Obtain additional training in eFinancePlus to optimize system capabilities

- a. Both the Town and District should seek system training for eFinancePlus.



- b. If a shared model is continued, the Town and School District should plan to consolidate into a single database, including one (1) chart of accounts and vendor file.
- c. Additional user access may be needed at the various Town and District departments to help initiate processes and initial data entry.
- d. Processes noted above, in particular payroll and accounts payable should be automated via the system with built-in approval workflows.
- e. Documents should be retained within eFinancePlus (e.g., invoices).

7. Finding – There is no clear “owner” of the eFinancePlus financial system

- a. Based on our interviews with the financial employees, there is no single “point-person” to lead user training, answer questions, adjust configurations, and overall assist with the financial management system for both the Town and School District.
- b. There are likely integrations and system features that are not currently optimized. Without a designated administrator on the application, there is no clear plan or timeline for how these items will be explored and implemented.

7. Recommendation – Designate an internal application administrator for eFinancePlus

- a. CLA recommends that NFPS and the Town identify an individual to be the internal lead for the financial system. While this may be an individual within the technology department, it may be beneficial to have a user in Finance take on this role to help support users with training and system optimization. This should not be an additional hire, rather, additional duties to a capable individual within the organization. Duties would generally include:
 - i. User support – assisting users with questions
 - ii. Troubleshooting – working with PowerSchool (the vendor) to handle any performance issues
 - iii. Documentation – creating and maintaining documentation for the application processes and procedures (e.g., payroll, purchasing and accounts payable)
 - iv. Training – providing basic training to users for how to effectively use the system (sharing tips, tricks, settings, etc.)

Appendix

A. Interview List

CLA interviewed the following individuals as part of this assessment.

New Fairfield Town and District Interviewees	
Alyssa Choquette – Finance Assistant	Ken Crow – Superintendent
Michelle Delcourt – Building and Grounds Administrative Assistant	Carrie DePuy – Director of Business and Operations
Sandy Dorr – Payroll Specialist	Terry Friedman – Town Treasurer
Greg Kahn – AP Specialist	Melissa Lindsey – First Selectman
Rebecca Lloyd – Human Resources Director	Sue Mancuso – Senior Accountant
Wes March – Board of Finance Chair	Olga Melnikov – Former Director of Finance
Patty Mota – Purchasing Agent	Thora Perkins – Board of Finance Member