

FINANCIAL SERVICES MEMORANDUM OF UNDERSTANDING

THIS FINANCIAL SERVICES MEMORANDUM OF UNDERSTANDING is entered into between **WEST GOSHEN TOWNSHIP**, a political subdivision of the Commonwealth of Pennsylvania, with offices located at 1025 Paoli Pike, West Chester, PA 19380 (the "Township") and the **WEST GOSHEN SEWER AUTHORITY**, an Authority of the Commonwealth of Pennsylvania with offices located at 828 South Concord Road, West Chester, PA 19382 (the "Authority"). (The Township and the Authority may be referred to collectively as the "Parties" or individually as a "Party").

BACKGROUND:

The West Goshen Sewer Authority is a lease-back Authority with operational responsibilities under the jurisdiction of West Goshen Township to operate and maintain the West Goshen Sewer Treatment Plant, sewage collection system and sewage pump stations. As a lease-back Authority, the Authority has no paid employees. Per the Pennsylvania Authorities Act (Title 53), the Authority Board appoints a Treasurer from its members, responsible for all accounting, budgeting and auditing functions for Authority finances. The Authority hereby seeks assistance from the Township for accounting, budgeting and auditing functions of the Authority's finances.

Now therefore, in consideration of the mutual promises, agreements, covenants and undertaking contained herein and other valuable consideration, the Parties hereto mutually agree to be bound by the terms and conditions as set forth in this Agreement.

1. **Incorporation of Recitals.** The recital paragraphs shall be incorporated herein by reference.

2. **FINANCIAL SERVICES.** The Parties agree that West Goshen Township shall assist the Authority with the following finance-related responsibilities for a monthly service charge of \$2,500, payable to the Township from the Authority:

- A. Monthly reconciliation of all Authority bank accounts, escrow accounts and any other accounts that may be part of the Authority's financial activities.
- B. Assistance with preparation of annual Capital Improvements Plan Budget.
- C. Assistance with preparation of annual financial audit in conjunction with Authority's 3rd party appointed Auditor.
- D. Assistance with purchasing process for Authority capital expenses from purchase order through issuance of vendor payables checks and reconciliation of those payments via existing Township financial software.
- E. Assistance with creation of monthly "Treasurer's Report" for review and approval by Authority Board.
- F. Assistance with management of Authority Fixed Assets ledger to ensure all capital expenses are captured, recorded and depreciated.
- G. Provide guidance on any future capital expenses lending such as a bond offering, etc.
- H. Assistance with transfer of funds to, from and among Authority accounts.

I. Assistance with any and all additional financial services that arise from time to time.

6. **Miscellaneous.**

A. This Agreement contains all the terms and conditions agreed to by the Parties hereto regarding financial services assistance.

B. This Agreement may be amended at any time by mutual written agreement signed by all Parties.

C. None of the Parties assume any liabilities to each other, except as otherwise specified herein. As to liability to each other or death to persons, or damages to property, the Parties do not waive any defenses as a result of entering into this Agreement.

D. Whenever the term "notice" is used, such notices to be effective shall be in writing and shall be so delivered or mailed.

E. The relationship of the Parties to this Agreement to each other shall not be construed to constitute a partnership, joint venture or any other relationship, other than that of independent contractors.

F. This Memorandum of Understanding may be terminated with a written sixty (60) day notice from either Party.

IN WITNESS WHEREOF, the parties have executed this Agreement on the below date .

Date: _____

Attest:

Theodore J. Murphy, Chair
West Goshen Sewer Authority

Attest:

Shaun Walsh, Chair
West Goshen Board of Supervisors
