

Sample Action Plan for Charter School Closure¹

IMMEDIATE ACTIONS

ACTION ITEM	RESPONSIBILITY FOR COMPLETING ACTION	COMPLETION DATE ²	STATUS
<p>1 Create "Charter School Closure: Frequently Asked Questions" Document General document from authorizer outlining Authorizing Board's policies, commitment to quality authorizing through supporting the transition of students and staff to new settings, overview of transition steps, general timelines, checklist for parents transitioning to a new school in the next school year and authorizer contact information.</p>	Authorizer Lead	Prior to the authorizing board's vote to close the charter school	
<p>2 Establish Transition Team and Assign Roles A team dedicated to ensuring the smooth transition of students, staff and close down of the school's business populated by authorizer staff in conjunction with board members and staff of the closing charter school.</p> <p>Team to include:</p> <ul style="list-style-type: none"> - Lead person from Authorizer Staff; - Charter School Board chair; - Lead Administrator from the Charter School; - Lead Finance person from the Charter School; - Lead person from the Charter School Faculty; and, - Lead person from the Charter School Parent Organization. 	Authorizer Lead and Charter School Board Chair	Within 24 hours of the authorizing board's vote to close the charter school	
<p>3 Assign Transition Team Action Item Responsibilities Distribute contact information to all transition team members, set calendar for meetings and assign dates for completion of each charter school closure action item.</p>	Authorizer Lead and Charter School Board Chair	Within 48 hours of the authorizing board's vote to close the charter school	
<p>4 Initial Closure Notification Letter: Parents & School Distribute letter to faculty, staff and parents outlining:</p> <ul style="list-style-type: none"> - Closure decision; - Timeline for transition; and - Help Line information. 	Authorizer Lead and Charter School Board Chair	Within 24 hours of the authorizing board's vote to close the charter school	
<p>5 Initial Closure Notification Letter: State & Local Agencies Letter to state education agency as well as local school districts (as necessary by statute or to inform local district for purposes of enrolling students from the closing school) to include:</p> <ul style="list-style-type: none"> - notification materials distributed to parents; - notification materials distributed to faculty and staff; and - authorizing board decision materials, resolution to close school, copy of any termination agreement (if applicable). <p>Copy local public school districts as required by quality practice, state statute and regulation.</p>	Authorizer Lead and Charter School Board Chair	Within 24 hours of the authorizing board's vote to close the charter school	
<p>6 Talking Points Create talking points for parents, faculty, community and press. Focus on communicating plans for orderly transition of students and staff. Distribute to transition team.</p>	Authorizer Lead and Charter School Board Chair	Within 24 hours of the authorizing board's vote to close the charter school	
<p>7 Press Release Create and distribute a press release that includes the following:</p> <ul style="list-style-type: none"> - history of school; - authorizing board closure policies; - reason(s) for school closure; - outline of support for students, parents and staff; and - a press point person for the authorizer and for the school. 	Authorizer Lead and Charter School Board Chair	Within 24 hours of the authorizing board's vote to close the charter school	

8	<p>Continue Current Instruction Continue instruction under current education program per charter contract until end of school calendar for regular school year.</p>	Charter School Administrator Lead	Continuous after the authorizing board's closure vote until end of classes as designated in authorizing board's closure resolution	
9	<p>Terminate Summer Instruction Program Take appropriate action to terminate any summer instruction, such as canceling teaching contracts.</p>	Charter School Board Chair and Administrator Lead	Within 48 hours of the authorizing board's vote to close the charter school	
10	<p>Secure Student Records Ensure all student records are organized, up to date and maintained in a secure location.</p>	Charter School Administrator Lead	Within 24 hours of the authorizing board's vote to close the charter school	
11	<p>Secure Financial Records Ensure all financial records are organized, up to date and maintained in a secure location.</p>	Charter School Financial Lead	Within 24 hours of the authorizing board's vote to close the charter school	
12	<p>Parent Contact Information Create Parent Contact List to include:</p> <ul style="list-style-type: none"> - student name; - address; - telephone; and - email, if possible. <p>Provide a copy of the parent contact information to the authorizer.</p>	Charter School Administrator Lead	Within 24 hours of the authorizing board's vote to close the charter school	
13	<p>Faculty Contact Information Create Faculty Contact List that includes:</p> <ul style="list-style-type: none"> - name; - position; - address; - telephone; and - email. <p>Provide a copy of the list to the authorizer.</p>	Charter School Faculty Lead	Within 24 hours of the authorizing board's vote to close the charter school	
14	<p>Convene Parent Closure Meeting Plan and convene a parent closure meeting.</p> <ul style="list-style-type: none"> - Make copies of "Closure FAQ" document available; - Provide overview of authorizer board closure policy and closure decision; - Provide calendar of important dates for parents; - Provide specific remaining school vacation days and date for end of classes; - Present timeline for transitioning students; - Present timeline for closing down of school operations; and - Provide contact and help line information. 	Authorizer Lead, Charter School Administrator and Charter School Parent Organization Leads	Within 72 hours of the authorizing board's vote to close the charter school	
15	<p>Convene Faculty/Staff Meeting Board Chair to communicate:</p> <ul style="list-style-type: none"> - commitment to continuing coherent school operations throughout closure transition; - plan to assist students and staff by making closing as smooth as possible; - reasons for closure; - timeline for transition details; - compensation and benefits timeline; and - contact information for ongoing questions. <p>Provide the authorizer copies of all materials distributed at the Faculty/Staff Meeting.</p>	Charter School Board Chair, Charter School Administrator Lead and Charter School Faculty Lead	Within 72 hours of the authorizing board's vote to close the charter school	
16	<p>Establish Use of Reserve Funds If school is required to maintain closure reserve funds, identify acceptable use of such funds to support the orderly closure of the school.</p>	Authorizer, Charter School Board Chair and Charter School Financial Lead	Within one week of the authorizing board's vote to close the charter school	

17	<p><u>Maintenance of Location and Communication</u> Establish if the school will maintain the current facility as its locus of operation for the duration of closing out the school's business, regulatory and legal obligations. In the event the facility is sold or otherwise vacated before concluding the school's affairs, the school must relocate its business records and remaining assets to a location where a responsive and knowledgeable party is available to assist with closure operations. The school must maintain operational telephone service with voice message capability and maintain custody of business records until all business and transactions are completed and legal obligations are satisfied. The school must immediately inform the authorizer if any change in location or contact information occurs.</p>	Charter School Board Chair	Ongoing until closure complete	
18	<p><u>Insurance</u> The school's assets and any assets in the school that belong to others must be protected against theft, misappropriation and deterioration. The school should:</p> <ul style="list-style-type: none"> - maintain existing insurance coverage until the disposal of such assets under the school closure action plan; - continue existing insurance for the facility, vehicles and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of vehicles and other assets; - negotiate facility insurance with entities that may take possession of school facility (lenders, mortgagors, bond holders, etc.); - continue or obtain appropriate security services; and - plan to move assets to secure storage after closure of the school facility. <p>If applicable under state statute, the school should maintain existing directors and officers liability (D&O) insurance, if any, until final dissolution of the school.</p>	Charter School Board Chair and Charter School Financial Lead	Ongoing until all business related to closure is completed	

NOTIFICATIONS

ACTION ITEM	RESPONSIBILITY FOR COMPLETING ACTION	COMPLETION DATE ²	STATUS
<p>19 Parent/Guardian Closure Transition Letter Distribute letter with detailed guidance regarding transition plan. Notification should include, but not be limited to:</p> <ul style="list-style-type: none"> - date of the last day of regular instruction; - cancellation of any planned summer school; - notification of mandatory enrollment under state law; - date(s) of any planned school choice fair(s); - listing of the contact and enrollment information for charter, parochial, public and private schools in the area; - information on obtaining student records pursuant to the state Freedom of Information Law before the end of classes; and - contact information for parent/guardian assistance/questions. <p>Provide the authorizer with a copy of the letter.</p>	<p>Charter School Board Chair and Charter School Administrator Lead</p>	<p>Within 10 days of the authorizing board's vote to close the charter school</p>	
<p>20 Staff/Faculty Closure Transition Letter Outline transition plans and timelines for staff, including but not limited to:</p> <ul style="list-style-type: none"> - commitment of school's board to transitioning staff; - commitment to positive transition of children into new educational settings; - any transition to new employment assistance board anticipates providing (such as job fairs); - timelines for compensation and benefits; - timelines for outstanding professional development issues; - COBRA information; - pertinent licensure information; - faculty lead contact information; and - transition team member contact information. <p>Provide the authorizer with a copy of the letter and any accompanying materials.</p>	<p>Charter School Board Chair</p>	<p>Within 10 days of the authorizing board's vote to close the charter school</p>	
<p>21 Agency Notifications The school must satisfy statutory and regulatory obligations to ensure a smooth transition for students. Check requirements under state statute and regulation. Agency notifications may include:</p> <ul style="list-style-type: none"> - state charter school oversight department; - school finance; - grants management; - federal programs office; - state teacher retirement system; - non-instructional staff retirement system; - local school district superintendent(s); - state auditor/comptroller/budget office (depending on revenue flow); - assessment and testing; - data reporting (student information); - child nutrition; and - transportation. 	<p>Authorizer Lead and Charter School Board Chair</p>	<p>Within 10 days of the authorizing board's vote to close the charter school</p>	

22	<p>Union Notification Pursuant to any Collective Bargaining Agreement If applicable, the school should contact legal counsel and work with them to notify any unions of termination of collective bargaining agreements (CBAs) and the pending cessation of instruction, pursuant to the notice requirements set forth in any existing CBA or notice requirements of applicable federal, state and local law. The school should:</p> <ul style="list-style-type: none"> - consult with legal counsel with respect to notice requirements for terminating the CBA and the legal implications with respect to termination of CBAs and the termination of employees connected to the CBAs; - provide a copy of the latest CBA to the authorizer; - provide a copy of the notice to the authorizer; and - keep the authorizer informed of the implications, penalties and damages in connection with any termination of a CBA and ongoing discussions and negotiations with the union in connection with termination. 	Charter School Board Chair	Within one week of the authorizing board's vote to close the charter school	
23	<p>Notification of Employees and Benefit Providers The school should establish an employee termination date and:</p> <ul style="list-style-type: none"> - notify all employees of termination of employment and/or contracts; - notify benefit providers of pending termination of all employees; - notify employees and providers of termination of all benefit programs; - terminate all programs as of the last date of service in accordance with applicable law and regulations (i.e., COBRA), including: <ul style="list-style-type: none"> - health care/health insurance; - life insurance; - dental plans; - eyeglass plans; - cafeteria plans; - 401(k) retirement plans; and - pension plans. <p>Specific rules and regulations may apply to such programs, especially teachers' retirement plans, so legal counsel should be consulted.</p> <p>Provide the authorizer copies of all materials.</p>	Charter School Board Chair and Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	
24	<p>Notification of Management Company/Organization and Termination of Contract The school must:</p> <ul style="list-style-type: none"> - notify management company/organization of termination of education program by the school's board, providing the last day of classes and absence of summer programs; - provide notice of non-renewal in accordance with management contract; - request final invoice and accounting to include accounting of retained school funds and grant fund status; and - provide notice that the management company/organization should remove any property lent to the school after the end of classes and request a receipt of such property. <p>Provide a copy of this notification to the authorizer.</p>	Charter School Board Chair	Within three weeks of the authorizing board's vote to close the charter school	
25	<p>Notification of Contractors Agreement The school must formulate a list of all contractors with contracts in effect and:</p> <ul style="list-style-type: none"> - notify them regarding school closure and cessation of operations; - instruct contractors to make arrangements to remove any contractor property from the school by a certain date (copying machines, water coolers, other rented property); - retain records of past contracts as proof of full payment; and - maintain telephone, gas, electric, water and insurance (including Directors and Officers liability insurance) long enough to cover the time period required for all necessary closure procedures to be complete. <p>Provide the authorizer written notice of such notification.</p>	Charter School Financial Lead	Within three weeks of the authorizing board's vote to close the charter school	

26	<p>Notification to Creditors Solicit from each creditor a final accounting of the school's accrued and unpaid debt. Compare the figures provided with the school's calculation of the debt and reconcile.</p> <p>Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations.</p> <p>Provide the authorizer a written summary of this activity.</p>	Charter School Financial Lead	Within one month of the authorizing board's vote to close the charter school	
27	<p>Notification to Debtors Contact all debtors and demand payment. If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.</p> <p>Provide the authorizer a written summary of this activity.</p>	Charter School Financial Lead	Within one month of the authorizing board's vote to close the charter school	

RECORDS

ACTION ITEM	RESPONSIBILITY FOR COMPLETING ACTION	COMPLETION DATE ²	STATUS
<p>28</p> <p><u>Disposition of Records</u> If the school's board has a records retention policy, or if records retention in charters is governed by state law, follow the appropriate policy and/or law.</p> <p>In all cases, the school board shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> - loans, bonds, mortgages and other financing; - contracts; - leases; - assets and asset sales; - grants (records relating to federal grants must be kept in accordance with 34 CFR 8042.) - governance (minutes, by-laws, policies); - employees (background checks, personnel files); - accounting/audit, taxes and tax status; - employee benefit programs and benefits; and - any items provided for in the closure action plan. <p>If the school does not have a records retention policy, and no state law governs records retention in charter schools, or if the school's board abdicates responsibility for records, authorizers that seek to take possession of personnel, non-student and non-personnel records should consult legal counsel about liabilities.</p>	<p>Charter School Board Chair</p>	<p>Within two months of the end of classes and ongoing</p>	
<p>29</p> <p><u>Final Report Cards and Student Records Notice</u> The school must ensure that:</p> <ul style="list-style-type: none"> - all student records and report cards are complete and up to date; - parents/guardians are provided with copies of final report cards and notice of where student records will be sent (with specific contact information); and - parents/ guardians receive a reminder letter or post card reminding them of the opportunity to access student records under Freedom of Information law. <p>Provide the authorizer with a copy of the notice.</p>	<p>Charter School Administrative and Faculty Lead</p>	<p>One week after the end of classes</p>	
<p>30</p> <p><u>Transfer of Student Records</u> As required by state statute, the school must transfer all student records to students' new schools, a state agency or another entity. Student records to include:</p> <ul style="list-style-type: none"> - grades and any evaluation; - all materials associated with Individual Education Plans; - immunization records; and - parent/guardian information. <p>The school must contact the relevant districts of residence for students and notify districts of how (and when) records—including special education records—will be transferred. In addition, the school must create a master list of all records to be transferred and state their destination(s).</p>	<p>Charter School Administrative Lead, Charter School Faculty Lead and Charter School Parent Organization Lead</p>	<p>Within one month after the end of classes</p>	
<p>31</p> <p><u>Documenting Transfer of Records</u> Written documentation of the transfer of records must accompany the transfer of all student materials. The written verification must include:</p> <ul style="list-style-type: none"> - the number of general education records transferred; - the number of special education records transferred; - the date of transfer; - the signature and printed name of the charter school representative releasing the records; and - the signature and printed name of the district (or other entity) recipient(s) of the records. <p>Provide copies of all materials documenting the transfer of student records to the authorizer.</p>	<p>Charter School Board Chair and Charter School Administrative Lead</p>	<p>Within one month of the end of classes</p>	

32	<p><u>Transfer of Testing Materials</u> The school must determine state requirements regarding disposition of state assessment materials stored at the school and return as required. Provide authorizer with letter outlining transference of testing materials.</p>	Charter School Administrative Lead	One week after the end of classes	
----	---	------------------------------------	-----------------------------------	--

FINANCIAL

ACTION ITEM	RESPONSIBILITY FOR COMPLETING ACTION	COMPLETION DATE ²	STATUS
<p>33 U.S. Dept. of Education Filings File Federal form 269 or 269a if the school was receiving funds directly from the United States Department of Education. See 34 CFR 80.41.</p>	Charter School Financial Lead	One week after the end of classes	
<p>34 IRS Status If the school has 501(c)(3) status, it must take steps to maintain that status including, but not limited to, the following: – notification to IRS regarding any address change of the School Corporation; and – filing of required tax returns or reports (e.g., IRS form 990 and Schedule A). If the school corporation proceeds to dissolution, notify the IRS of dissolution of the education corporation and its 501(c)(3) status, and provide a copy to the authorizer.</p>	Charter School Board Chair and Charter School Financial Lead	Date to be determined depending on 501(c)(3) status	
<p>35 UCC Search If required under state statute, the school should perform a Uniform Commercial Code (UCC) search to determine if there are any perfected security interests and to what assets security interests are attached. Provide a copy of the search to the authorizer.</p>	Financial Lead	Within 30 days of the authorizing board's vote to close the charter school	
<p>36 Audit The school must establish a date by which to complete a final close out audit by an independent firm or state auditor as determined by statute. Provide a copy of the final audit to the authorizer.</p>	Charter School Board Chair and Charter School Financial Lead	Within 120 days of the end of classes	
<p>37 Vendors The school must: – create vendor list; and – notify vendors of closure and cancel or non-renew agreements as appropriate. Provide the authorizer with a copy of all documents.</p>	Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	
<p>38 Inventory The school must: – create a fixed asset list segregating state and federal dollars; – note source codes for funds and price for each purchase; and, – establish fair market value, initial and amortized for all fixed assets. Provide the authorizer with a copy of all documents.</p>	Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	
<p>39 Disposition of Property Check with the state department of education regarding proper procedures for the disposition of property purchased with federal funds.</p>	Authorizer and Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	
<p>40 Disposition of Inventory Establish a disposition plan (e.g., auction), and establish a payment process (e.g., cash, checks, credit cards) for any remaining items. Provide the authorizer with a copy of all documents.</p>	Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	

41	<p>Property Purchased with Public Charter School Program (PCSP) Funds Establish under state or individual school agreements required disposition of property purchased with PCSP funds. Generally, property purchased with PCSP funds must first be offered to other charter schools within the same region in which the closing school is located, with requisite board resolutions consistent with the purpose of the PCSP. If no schools want the property, an auction must be held to dispose of the PCSP assets. The school must:</p> <ul style="list-style-type: none"> – ensure public notice of the auction is made widely; – price items at fair market value, as determined from inventory and fixed assets policy; and – determine with the state education department how to return funds if any remain. Provide the authorizer board resolutions and minutes of any transfer of assets with a dollar value of zero (0) to another school.	Charter School Financial Lead	Within 60 days of the end of classes	
42	<p>Disposition of Real Property (i.e., Facilities) Determine state requirements for real property acquired from a public school district to determine right of first offer and other applicable requirements for disposition.</p>	Charter School Financial Lead	Within 45 days of the authorizing board's vote to close the charter school	
43	<p>Payment of Funds The school should work with the authorizer to prioritize payment strategy considering state and local requirements. Using available revenue and any funds from auction proceeds, pay the following entities:</p> <ul style="list-style-type: none"> – retirement systems; – teachers and staff; – employment taxes and federal taxes; – audit preparation; – private creditors; – overpayments from state/district; and – other as identified by authorizer. Provide the authorizer with a copy of all materials associated with this action.	Authorizer and Charter School Financial Lead	Plan complete within 45 days of the authorizing board's vote to close the charter school and ongoing activity until completed	
44	<p>Expenditure Reporting Ensure that Federal Expenditure Reports (FER) and the Annual Performance Report (APR) are completed. Provide the authorizer a copy of all materials.</p>	Charter School Financial Lead	Within 45 days of the end of classes	
45	<p>Itemized Financials Review, prepare and make available:</p> <ul style="list-style-type: none"> – fiscal year-end financial statements; – cash analysis; – list of compiled bank statements for the year; – list of investments; – list of payables (and determinations of when a check used to pay the liability will clear the bank); – list of all unused checks; – list of petty cash; and – list of bank accounts. Additionally, collect and void all unused checks as well as close accounts once transactions have cleared.	Charter School Financial Lead	Within 30 days of the end of classes	
46	<p>Payroll Reports The school must generate a list of all payroll reports including taxes, retirement or adjustments on employee contracts. Provide the authorizer with copies of all materials.</p>	Charter School Financial Lead	Within 30 days of the end of classes	

47	<p><u>List of Creditors and Debtors</u> Formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor. The list should include:</p> <ul style="list-style-type: none"> - contractors to whom the school owes payment; - lenders; - mortgage holders; - bond holders; - equipment suppliers; - secured and unsecured creditors; - persons or organizations who owe the school fees or credits; - lessees or sub-lessees of the school; and - any person or organization holding property of the school. 	Charter School Financial Lead	Within three weeks of the authorizing board's vote to close the charter school	
----	--	-------------------------------	--	--

ENDNOTES

1 NACSA thanks the State University of New York's Charter Schools Institute and the Thomas B. Fordham Foundation for contributing to the development of this model Action Plan for Charter School Closure. For more information on charter school closure, refer to *Accountability in Action: A Comprehensive Guide to Charter School Closure* available at http://www.qualitycharters.org/images/stories/publications/2010_NACSA_Closure_Guide.pdf.

2 Suggested completion timeframes are based on lessons shared from authorizers experienced with school closure. Authorizers consulting this document are encouraged to modify timeframes based on statute, regulation, and local considerations.



© 2012 National Association of Charter School Authorizers (NACSA)

This document carries a Creative Commons license, which permits noncommercial re-use of content when proper attribution is provided. This means you are free to copy, display and distribute this work, or include content from the application in derivative works, under the following conditions:

Attribution You must clearly attribute the work to the National Association of Charter School Authorizers, and provide a link back to the publication at <http://>

Noncommercial You may not use this work for commercial purposes, including but not limited to any type of work for hire, without explicit prior permission from NACSA

Share Alike If you alter, transform, or build upon this work, you may distribute the resulting work only under a license identical to this one.

For the full legal code of this Creative Commons license, please visit www.creativecommons.org. If you have any questions about citing or reusing NACSA content, please contact us

[/www.qualitycharters.org](http://www.qualitycharters.org)