

CHARTER SCHOOL CLOSURE PROTOCOL

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Overview of Charter School Closure Process

The DPS Portfolio Management Team in the Academic and Innovation Office created this packet to provide resources and guidance to charter schools engaged in the difficult process of closure. The goal of the Portfolio Management Team is to work collaboratively with charter boards and charter school leadership whenever possible to support schools, parents, and students in the closure process to ensure the best interests of students during the school's final year of operation and beyond. Toward that end, the Portfolio Management Team has created this school closure resource guide to provide an overview of the closure process. This packet includes a closure protocol document to aid in developing and implementing a closure plan and specific guidance on student records and financial matters. Please be advised that a variety of state and federal laws affect a school closure and the Portfolio Management Team recommends that schools consult with an attorney during this process.

If you have any questions or concerns regarding the closure process and expectations of your school and your board, please reach out to Maya Lagana, Portfolio Management Team in the Academic and Innovation Office.

Closure Memo

A. Parent/Legal Guardian Notification

Denver Public Schools is committed to ensuring timely and transparent communication with parents and guardians regarding closure decisions, timelines, and support for parents and students in identifying and transitioning to another school.

On **date**, DPS held meetings at **school** to share the charter renewal process, criteria, and timeline for decision-making and to share the District recommendations regarding **school**. The District also shared with parents and guardians multiple opportunities to engage with the DPS Board of Education regarding the process and recommendations including public comment and avenues for directly contacting board members.

Following the DPS Board vote on **XXX**, the Portfolio Management Team sent a notification to parents and guardians regarding the DPS Board's decision to close **school**. In the notification, we explained that they would be receiving follow-up communication with more details on next steps and the support that the District and the school would provide to assist their family and student during this time. The Portfolio Management Team would like to work with **school's** board to provide follow-up communication to parents and address the following:

- The DPS Board decision;
- **Charter school** board's decision to appeal (if applicable) and the timelines of appeal and possible outcomes;
- The supports that DPS will provide to assist parents and families in enrolling in another school;
- The date of the last day of regular instruction;
- Cancellation of any planned summer school;
- Notice to parents that enrollment of children in their district or residence or other school is mandatory under state law for students under 17;
- Instructions on how to obtain copies of their student's records.

Please provide DPS with copies of all additional communication **school** have had or plan to have with parents regarding the closure. Additionally, **the school** should designate a staff member to field requests and questions from parents and legal guardians regarding the closure. In the Portfolio Management Team, **Maya Lagana** will be the closure point person and you can direct parent/legal guardian questions to him.

B. Student Records

The school should direct all questions and correspondence regarding records to the Office of Student Records. Appendix A explains in detail what student records to compile and when these must be transferred to DPS. We are requesting that the school designate a staff member to be responsible for facilitating the transfer of all student records. This should be done within the mutually agreed upon timeframe listed in the Closure Protocol Checklist. Once the school has designated this staff member, please provide **Maya Lagana** his/her contact information.

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Within the mutually agreed upon timeframe listed in the Closure Protocol Checklist, the school must transfer all cumulative student records to the Office of Student Records. Student records include, but are not limited to:

- Transcripts
- IEPs and all records regarding special education;
- Student health/immunization records;
- End of school year grades and evaluations;
- All records pertaining to ELL instruction.

For more detailed information on compiling cumulative files, please review Appendix A, which specifically describes the student files that must be transferred.

We understand that end-of-year grades will not be available until the end of classes. When they become available, please provide the final grades and evaluations within the timeframe listed in the attached checklist. Additionally, all information that can be entered into Infinite Campus should be entered within the timeframe in the checklist.

For High Schools, please provide a copy of the approved course map that shows DPS course equivalents for all courses offered at the school and please designate a staff member to assist with the translation of individual student transcripts as needed. This course map should be provided to the Portfolio Management Team and the Office of Student Records within the mutually agreed upon timeframe in the checklist.

C. Personnel

In consultation with an attorney the school should develop a plan for maintaining, transferring, and archiving personnel records in accordance with state law. Please consider how the school will handle employee needs for employment verification or references. Options for addressing this may include: designating a staff member to act in this capacity or providing each employee with a letter of employment verification and/or reference prior to the closure.

The school should set an employee end date within the mutually agreed upon timeframe listed in the Closure Protocol Checklist. As soon as a date is set, please notify the school's employees, benefit providers, and the District. In the process of notifying employees, please inform them of their eligibility for Colorado Unemployment Insurance. During this process, the Portfolio Management Team recommends that the school consult legal counsel to address specific rules and regulations that may apply to the notification, the termination of benefits, and unemployment insurance.

When notifying benefit providers of employee end date, make sure to include notifications to:

- Medical, dental, vision plans;
- Life insurance
- Cafeteria plans
- 403(b), retirement plans;
- PERA.

D. Facilities

Closure Memo

If the school is not in a DPS facility, please ensure that the school will continue to have access to the facility through the end of classes. Please confirm this in writing to the Portfolio Management Team within the specified timeframe in the checklist. If the school is in a DPS facility, work with the Facilities' team to create a wind-down plan and a plan for vacating the property. Please provide a copy of the wind-down plan to the Portfolio Management Team within the mutually agreed upon timeframe in the checklist. Additionally, please include this in the closure plan. (See Section G).

E. Contractual Obligations¹

If the school is managed either by a Charter Management Organization (CMO) or an Education Management Organization (EMO), the school should begin the process of terminating the management agreement. During this process, the school should ask the EMO or CMO to provide the District a copy of the final invoice and accounting provided to the school. Additionally, the District expects the school to ensure that the management company will continue to provide any necessary educational services through the last day of instruction.

As soon as possible, please notify all contracted service providers of the impending closure. Consider cancelling all contracts that are not essential to the functioning of the school as soon as is feasible. Additionally, please provide the Portfolio Management Team a list of all services contracted with DPS (i.e. food services, transportation, etc.) and notify those departments of impending closure as well.

F. Finance

Please review the separate financial information in Appendix B that lays out in detail what is necessary in order to ensure the proper winding down of the school's finances including but not limited to the inventory and dispersal of assets. The presumption is that all assets of the school will revert to the district for distribution to other charter schools upon closure.

G. Legal/Dissolution of the Board²

Please refer to the Appendix B for detailed instructions regarding assets and inventory. Once a closure decision is final, the school should immediately work with the District to create a closure plan. The plan should include, but not be limited to, the following:

- End date for non-essential personnel and cancellation of non-essential services prior to end of classes;

¹ The Portfolio Management Team recommends consulting an attorney to ensure that you are disposing of your contractual obligations in accordance with local, state, and federal to law.

² The Legal/Dissolution of the board section is not exhaustive and there may be other requirements for dissolution of a nonprofit corporation. For that reason, the Portfolio Management Team recommends consulting with an attorney.

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- Payment of final federal, state and local tax payments (every employer, including the Charter School, which pays wages to employees is responsible for withholding, depositing, paying, and reporting federal, state and local income tax, social security taxes, and federal unemployment tax for such wage payments);
- Subject to DPS approval, assets must be liquidated in a reasonable manner and in accordance with the Charter Contract and all applicable laws related to the dissolution of the non-profit. If an asset is subject to a lien, encumbrance or security interest, the secured party must be contacted.
- Liquidation or closing of bank accounts according to a schedule that minimizes fees but leaves the Charter School enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up, including funds for a final audit;
- Cancellation of corporate credit cards and lines of credit;
- Change authorized signatures on accounts as needed to reflect changes in persons authorized to implement the winding down operations of the Charter School, and employment, contract and School Board status of those authorized to sign for the Charter School;
- A facility wind-down plan and a plan for vacating the property (if the school is located in DPS facilities);
- Status reports on the implementation of the Charter School Closure Plan to be submitted to the Portfolio Management Team through Interim Statements and a Final Statement.

Provide this plan to the Portfolio Management Team as soon as it is available.

In order to dissolve the charter school, your school's board must adopt a resolution to dissolve. Unless otherwise provided in the bylaws, the members or board votes on the resolution to dissolve. After the resolution to dissolve is authorized, your board must create articles of dissolution that should set forth:

1. The name of the non-profit corporation.
2. The address of the non-profit corporation's principal office.
3. The date dissolution was authorized.
4. If dissolution was authorized by the directors, a statement to that effect.
5. If dissolution was approved by the members, a statement of the number of votes cast for the proposal to dissolve.
6. Such additional information as the Secretary of State determines is necessary or appropriate.

A non-profit corporation is dissolved upon the effective date of its articles of dissolution. (See C.R.S. 7-134-103). To complete the dissolution, submit to the Secretary of State your board's adopted articles of dissolution. Once you have submitted the articles, notify known claimants within the timeframe listed in the checklist. Additionally, notify the IRS of dissolution of the education corporation and its 501(c)(3) status and provide a copy to the Portfolio Management Team. Finally, a dissolved non-profit corporation continues its corporate existence, but may not carry on any activities except as is appropriate to wind down its affairs.

Closure Memo

As a reminder, the school must comply with its reporting or notice obligations under the Charter School Contract and the Charter School Board bylaws or other appropriate documents through the final dissolution of the organization and pursuant to all deadlines included within this document.

H. Conclusion

This memo is meant to highlight the important steps the Portfolio Management Team recommends be taken to minimize the impact of closure on students, families and staff and to ensure that the school acts in accordance with applicable law and best practices. Please do not hesitate to contact **Maya Lagana** if you have any questions.

Charter School Closure Checklist

This School Closure Protocol checklist tool is intended to help the school develop and implement a closure plan. Shaded cells indicate that this particular activity is required, and clear cells indicate that this activity is a recommended best practice. As your school moves through the checklist, please cross-reference other documents included in this packet. If you have any questions please contact **Maya Lagana**. Additionally, if your school is appealing its closure decision, contact us to discuss how to proceed during the appeals process. Finally, this checklist is not exhaustive, the Portfolio Management Team recommends consulting with an attorney to ensure that the school is executing financial and legal obligations in accordance with local, state, and federal law.

| Item | Actions | School Contact | DPS Contact | Completion Date |
|-------------------------------------|---|----------------|-------------|-----------------|
| Parent/ Legal Guardian Notification | | | | |
| 1. | <p>Work with the Portfolio Management Team to provide parents/legal guardians with information in writing explaining the closure decision, any appeals and next steps. The notification should include:</p> <ul style="list-style-type: none"> • The DPS Board decision; • Your school board’s decision to appeal (if applicable) and the timelines of appeal and possible outcomes; • The supports that DPS will provide to assist parents and families in enrolling in another school; • The date of the last day of regular instruction; • Cancellation of any planned summer school; • Notice to parents that enrollment of children in their district or residence or other school is mandatory under state law for students under 17; • Instructions on how to obtain copies of their student’s records. | | | |
| 2. | <p>Work with DPS to host at least one parent meeting to get parent input into school closure process and create opportunities for District support personnel to meet one-on-one with parents and guardians to discuss alternate enrollment options and enrollment support prior to January 31st. In addition to this meeting, work with the Office of School Choice to determine what documents your school must provide parents/guardians and what additional support or communication is needed in order to easily facilitate enrollment at a new school.</p> | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|-----------------|--|----------------|---------------------------|-----------------|
| 3. | Assign a staff member at the school to address all parent concerns or questions. Please send this person's information to the Portfolio Management Team. | | | |
| Student Records | | | Office of Student Records | |
| 1. | Assign a staff member to be responsible for student records. Please provide the name, telephone number, business address, and email address for the staff person responsible for student records. This person will work directly with the Office of Student Records to facilitate the necessary transfer of records. | | | |
| 2. | For High Schools - provide a course map that shows DPS course equivalents for all courses offered at the school and assist with the translation of individual student transcripts as needed. This course map should be provided to the Portfolio Management Team and the Office of Student Records no later than 90 days before the last day of instruction. | | | |
| 3. | Send all relevant student records to the DPS Office of Student Records within 30 days after end of classes (EOC). See Appendix A. <ul style="list-style-type: none"> Student records include, but are not limited to: transcripts, IEPs and all records regarding special education and supplemental services; student health/immunization records; end of school year grades and evaluations. The school shall ensure that all IEP records are complete and up to date on Encore. | | | |
| 4. | Ensure that all student data is up to date on Infinite Campus within 30 days after EOC. This includes all information relating to grades, credits, and grade level. | | | |
| Personnel | | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|-------------------------|--|----------------|---------------------------|-----------------|
| 1. | Set a meeting in order to receive staff input into the school closure process. (per 22-11-307(5)(A)(II)) | | | |
| 2. | In consultation with your attorney, create a plan for maintaining, transferring, and archiving personnel records in accordance with state law. As a proactive step, DPS recommends that the school provide an employment verification letter for all employees prior to the closing of the school. | | | |
| 3. | Set an employee last date of employment at least 90 days prior to EOC. | | | |
| 4. | Notify all employees of the last date of employment at least 60 prior to EOC. Notification to employees should include notification of termination of benefits, process for transferring PERA, eligibility for COBRA, unemployment insurance, etc. | | | |
| 5. | Notify all benefit providers of the last date of employment at least 60 prior to EOC. | | | |
| 6. | Consult an attorney to ensure that the school has effectively dealt with PERA or Colorado unemployment insurance issues. | | | |
| Facilities | | | | |
| 1. | If not in DPS facilities, confirm to the Portfolio Management Team in writing within 30 days of the final closure decision that the school will continue to have access to the facilities through the EOC. | | Portfolio Management Team | |
| 2. | If in DPS facilities, work with facilities team to create wind-down plan and plan for vacating property. Provide a copy of the wind-down plan to the Portfolio Management Team within 90 days of the final closure decision. | | Facilities | |
| Contractual Obligations | | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|---------|--|----------------|-------------|-----------------|
| 1. | If applicable, notify the school's education management of termination of the charter with the District and of the last day of classes. The school should terminate the management agreement in accordance with the terms of the management contract. Please note that the management company is responsible for ensuring education services are provided through the closing date mutually identified by the district and school. | | | |
| 2. | Notify all contracted service providers of the closure within 60 days of the final closure decision and cancel all contracts not necessary for the operation of the school through the closure. | | | |
| 3. | Notify all District service providers of the termination of the contract and last day of operation within 30 days of the final closure decision. | | | |
| Finance | See Appendix B for more details on financial obligations associated with closure | | | |
| 1. | Abide by the Financial Transparency Act Reporting Requirements when compiling financial reports for the final year. | | | |
| 2. | If applicable, the school should ask the management company to provide a final invoice and accounting to the school and the Portfolio Management Team within 90 days of the last day of operation. | | | |
| 3. | The closing school should create and present a wind-down plan to the District within 60 days of finalized closure decision. This plan should include an interim statement of the status of all contracts and obligations of the school. | | | |
| 4. | Notify the following parties of the closure and final day of business: <ul style="list-style-type: none"> • Creditors; • Debtors; • And Partners. | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|--------------------------------|---|----------------|-------------|-----------------|
| | The school should not accept any further loans or incur further liability. | | | |
| 5. | Maintain all applicable insurance (D&O, facilities, liability, etc) through the final dissolution of the company. | | | |
| 6. | Submit monthly income and cash flow statements beginning the month following the closure decision. This should be done through the last month of the organization's operation. | | | |
| 7. | Submit a final financial audit in accordance with the Charter School Contract and the Charter Schools Act to the Portfolio Management Team no later than September 15 th of the calendar year in which the school ceases instruction. | | | |
| 8. | Close out all state, federal, and other grants. Properly inventory items and provide the Portfolio Management Team with an itemized inventory of all assets no later than 90 days before EOC. | | | |
| Legal/Dissolution of the Board | | | | |
| 1. | <p>Provide an acknowledgement in writing to DPS within 10 days of finalized closure decision addressing the termination of the education program and lack of future enrollment. The acknowledgement should address:</p> <ul style="list-style-type: none"> • The proposed final day of instruction; • Acknowledgement of the fact that no July payment need be made to the school; • Assurance that the school will reconcile its accounts with DPS after the EOC, to include any amounts owing to or from DPS; • Notice to DPS regarding arrangements to be made to pick up any district property (e.g., borrowed books, nursing equipment). | | | |
| 2. | Consult with attorney to devise procedures for dissolving board after the | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|---------------------------|---|----------------|-------------|-----------------|
| | closure of the school, while maintaining fiscal and legal responsibility for completion of necessary tasks associated to the dissolution of the corporation. | | | |
| 3. | During the course of the closure process, the school must comply with its reporting or notice obligations under the Charter School Contract and the school Board bylaws or other appropriate documents. | | | |
| 4. | Properly inventory items all of the school's assets and provide the Portfolio Management Team with an itemized inventory of all assets no later than 90 days before EOC. | | | |
| 5. | Cooperate with DPS in the dispersal of assets and in accordance with the Charter Contract and all applicable laws related to the dissolution of the charter school and non-profit. | | | |
| District Responsibilities | | | | |
| | Identify appropriate district and school contacts to facilitate closure plan and associated actions required of the Charter School and the District <ul style="list-style-type: none"> • Designate the Portfolio Management Team contact person(s) to send and receive communications from the Charter School; • Identify appropriate contact person from the school to act as liaison for the closure process • Meet and mutually identify timelines for the Charter School to wind up its School operations; and develop closure plan using closure protocol | | | |
| | Notify the school about the DPS board's closure decision, the school's right to appeal, responsibility for continuing educational services, payment schedule, and timelines for closure. | | | |

Charter School Closure Checklist

| Item | Actions | School Contact | DPS Contact | Completion Date |
|------|--|----------------|-------------|-----------------|
| | Notify parents of DPS board’s closure decision, the Portfolio Management Team contact person and support services that will be offered to support enrollment transition. | | | |
| | Host at least one parent meeting to discuss enrollment transition support and provide follow-up enrollment support as needed to facilitate enrollment in other schools. | | | |

Appendix A – Student records

Preparing and Transferring the Cumulative Student Record Folder

Below is a list of documents to be included in the Cumulative Records Folder. Send the folder to the DPS Office of Student Records **ONLY** when **ALL** required/applicable documents are included.

- Copy of Person Summary Report from Infinite Campus
- Copy of birth verification (i.e. birth certificate, hospital record, passport, etc.)(Optional-If Available)
- Legal name change/adoption papers/power of attorney
- Health jacket (collect this from the Nurse's Office)
- Immunization information (collect this from the Nurse's Office)
- Literacy Plan (if applicable)
- 504 Plan (if applicable)
- Standardized test scores (CSAP)
- Copy of Standard Based Progress Report from Infinite Campus (if applicable)
- Copy of middle and/or high school transcripts (do not place original transcripts in the cumulative record folder)
 - Original transcripts must remain in the student's last DPS school of attendance permanently
- Copy of all elementary report cards – prior to Standard Based Progress Report, or record the information on page 2 of the cumulative record folder
 - Original report cards should be given to the student upon withdrawal
- All Gifted and Talented information including Challenge (if applicable)
- All written requests for release of information
- All retention/acceleration forms or documentation (if applicable)
- All custody information (if applicable)

☒ **Discard** from the Cumulative Record Folder **BEFORE** sending to Student Records

- Any colored construction paper (including colored construction paper folders)
- Any manila folder separate from the Cumulative Record Folder
- All duplicates of any document
- IOWA test sheets **IF** there is a test score label that is legible for that year
- Test protocols
- Test answer sheets and teacher made test materials
- All workbooks, school work sheets, and drawings
- **All Special Education IEPs should be sent to the Office of Special Education, please do not include the IEPs in the cumulative record folder.**
- Out of district records need to be given to the student/parent, forwarded to the new school.

☒ **Record** the following information on the Cumulative Record folder **BEFORE** sending it to the Office of Student Records. Cumulative Records Folders are legal documents. All information recorded must be typed or written in black ink unless otherwise indicated.

- Last Name, First Name and Middle Name of Student
- Student DPS ID Number
- Date and grade student registered at your school

Appendix A – Student records

- Date and grade student withdrew or transferred from your school
- Destination of student

PLEASE - DO NOT MIX WITHDRAWN STUDENT FOLDERS WITH ACTIVE STUDENT FOLDERS. ACTIVE FOLDERS ARE ALL STUDENTS WHO ARE PROJECTED TO ANOTHER DENVER PUBLIC SCHOOL. WITHDRAWN STUDENTS ARE ALL STUDENTS WHO HAVE LEFT DENVER PUBLIC SCHOOLS FOR ANOTHER EDUCATIONAL INSTITUTION – I.E. MOVED TO JEFFCO.

Preparing the Cumulative Record Folder to be sent to another Denver Public School

All cumulative record folders for students who are projected to another DPS school should be sent to the projected school by the closing school before staff leave.

- ✓ your building:
 - pulls the cumulative record folder from the files
 - collects health jacket including immunization information from the nursing office
 - collects any special education IEP's from the special education staff
 - collects any gifted and talented information
 - collects any 504 or Literacy information
 - collects any other academic information for the student
 - updates grades / transcript
 - behavior folder

All the collected information/documents are put into the cumulative record folder.

☒ **Record** the following information on the Cumulative Record folder **BEFORE** sending it to the requesting DPS School. Cumulative Records Folders are legal documents. All information recorded must be typed or written in black ink unless otherwise indicated.

☒

- Last Name, First Name and Middle Name of Student
- Student DPS ID Number
- Date and grade student registered at your school
- Date and grade student withdrew or transferred from your school
- Destination of student (in pencil)
- Principal signature verifying birth date of student

After all necessary information has been collected and put into the cumulative record folder; the sending school logs the folder out from their building to the receiving DPS School. Records secretaries need to keep a log of ALL cumulative record folders and where they have been sent. The log information should include but is not limited to: name of requesting school, date cumulative record folders was sent to DPS School. For closing schools this log needs to be sent to the Office of Student Records when everything is complete.

Below is a list of ALL the documents that should be included in the cumulative record folder **before** it is transferred to another DPS school.

Appendix A – Student records

- Copy of birth verification (i.e. birth certificate, hospital record, passport, etc.)(Optional-If Available)
- Legal name change/adoption papers/power of attorney
- Health jacket (collect from Nurse Office)
- Immunization information (collect from Nurse Office)
- Copy of all special education IEP's (collect from Special Ed staff)
- Literacy Plan (if applicable)
- 504 Plan (if applicable)
- Standardized test scores (CSAP)
- Copy of Standard Based Progress Report (if applicable)
- Copy of all elementary report cards – prior to Standard Based Progress Reports , or record the information on page 2 of the cumulative record folder
 - Original report cards should be given to the student upon withdrawal
- Copy of middle and/or high school transcripts (do not place original transcripts in the cumulative record folder) **IF** the student is transitioning between levels (i.e. place a copy of the middle school transcript in the folder if the student is moving from middle to high school)
 - Original transcripts must remain at the student's last school of attendance
- All Gifted and Talented information including Challenge
- All written requests for release of information
- All custody information (if applicable)

The cumulative record folders of students whose projected school has not been verified before staff leave, i.e. school of choice, special Ed, etc. must be:

- ❖ **boxed in alpha order by last name**
- ❖ **sealed**
- ❖ **sent to Office of Student Records**
 - **Labeled:**
 - **To :Office of Student Records**
 - **Ad Bldg Room 208**
 - **From: (Name of School)**
 - **Cumulative Record Folders of active students**
- ❖ **These folders are prepared in the same manner as listed above**

Appendix A – Student records

ORIGINAL TRANSCRIPTS:

Once a school has closed ALL the original transcripts must be sent to the Office of Student Records. Your building should have transcripts from the day it opened until the day it closed.

- Transcripts need to be in alpha order by last name (not by school year)
- Boxed and sealed
- Labeled – To: Office of Student Records
 - Administration Bldg – Room 208

DO NOT PUT ORIGINAL TRANSCRIPTS IN THE CUMULATIVE RECORD FOLDER – A COPY must be put into the cumulative record folder.

Appendix A – Student records

Records Control Schedule

Permanent Records

Transcripts –

❖ **Original transcripts must be:**

- put in box in alpha order by last name
- sealed
- labeled i.e. **(Name of School)**

Transcripts – from 19?? To 2011

Non-Permanent Records

Permission to Release Information Form:

- ❖ place in the cumulative record folder before sending to Office of Student Records

Registration or Verification card/form:

- ❖ Put in packets according to school year – alpha by last name
 - Label each packet:
 - Registration/Verification Forms–
 - School Year 2007 – 2008
 - School Year 2008 – 2009
 - School Year 2009 – 2010
 - School Year 2010 – 2011
 - School Year 2011 – 2012

Anything Prior to School Year 2006-2007 can be shredded by the building. Do Not Send old Registration/Verification forms to Student Records.

Attendance / Grade Register:

- ❖ Put in packets according to school year – by grade level
 - Label each packet:
 - Attendance / Grade Register –
 - School Year 2007 – 2008 – gr _____
 - School Year 2008 – 2009 – gr _____
 - School Year 2009 – 2010 – gr _____
 - School Year 2010 – 2011 – gr _____
 - School Year 2011 – 2012 – gr _____

Anything prior to School Year 2006 - 2007 can be destroyed by the building. Do Not Send old Attendance/Grade Registers to Student Records

Appendix B – Financial Closure Memo

This financial memo will address the following areas: maintenance of services and records, IRS status of your school, contractual obligations, creditor and debtor notification, closing out state and federal grants, interim statements and final financial statement, and disposal of assets. Due to the complicated nature of charter finance, the Portfolio Management Team recommends the school consult an attorney to ensure that it is meeting all financial requirements associated to closure and dissolution of the organization in accordance with local, state, and federal law.

A. Maintenance of Services and Records

During the closure process, the school should ensure that telephone, gas, electric, and water will remain operative through the end of classes. The school must also maintain all applicable insurance (D&O, facilities, liability, etc.) through the final dissolution of the company. Additionally, the school must immediately notify DPS of any lawsuit the school may be a party to, and provide copies of all legal papers received.

Additionally, during the closure process, the school and its board must ensure that it is meeting all requirements related to corporate record keeping. The board must maintain all corporate records related to:

- Loans, bonds, mortgages and other financing;
- Contracts;
- Leases;
- Assets and asset sales;
- 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, etc;
- Personnel;
- Employee benefit programs and benefits; and
- Any items listed in your closure plan.

B. IRS Status

The school board must continue to take all steps necessary to maintain the school's I.R.C. 501(c)(3) status. These steps include notifying to the IRS regarding address change, and filing required tax returns or reports (e.g., IRS form 990 and Schedule A). Please consult with the school's attorney regarding any other required steps or reporting.

Your school must send a notification to the IRS of the dissolution of the organization and its 501(c)(3) status. (See Closure Overview, Section G). When doing this please provide a copy to [name].

C. Contracts

The school should compile a list of all active contracts and service agreements. The school must notify these contractors of the impending closure within the mutually agreed upon timeframe listed in the Closure Protocol Checklist. If applicable, instruct contractors to make arrangements to remove any property from the School Facility by a particular date. The school must retain records of past contracts with proof that they were fully paid (*see* Section A). Additionally, the school should begin terminating the agreements as soon as is feasibly possible.

When terminating contracts, be sure to maintain contracts and services necessary for the educational program and/or closure of the school, and ensure that they remain active until the end of classes and/or school operations. Make sure the school cancels district or private food and/or transportation services for summer school within timeframe listed on the checklist.

D. Creditor and Debtor Notification

The school should notify all investment partners in writing of the impending closure within the timeframe specified in the checklist. The school should not accept further loans from any entities. However, the school may continue to accept gifts from charitable partners as long as the charity is aware of the school's closure.

The school should compile a list of its creditors and debtors. The list should include any amounts accrued and unpaid. Creditors include lenders, mortgage holders, bond holders, equipment suppliers, service providers and secured and unsecured creditors. Debtors include persons who owe the school fees or credits, lessees or sub-lessees of the school, and any person holding property of the school. The school should perform a Uniform Commercial Code (UCC) search to determine if there are any secured creditors and any assets attached to secured interests.

The closing school must also notify all creditors and debtors within the timeframe specified in the checklist. When contacting debtors, the school should demand payment. To the extent collection efforts are unsuccessful the school may turn the debt over to commercial debt collection agencies. All records regarding collection or disputes by debtors must be retained and copies provided to DPS [contact person]. The school should solicit from each creditor a final accounting of the accrued and unpaid debt owed. To the extent possible, the school should also begin to negotiate a settlement of debts. The school must provide all copies of the documents related to the settlement to DPS [contact person].

E. State and Federal Grants

When closing out grants please contact Federal Programs. For any grant that your school has received, notify the entity of the impending closure. Additionally, file any required expenditure reports or receipts and any required program reports. Make sure to check the terms of your school's grant(s) to ensure that you are compliant with the grant's requirements as you close your school.

The school may continue to accept grant funds to which it is entitled under previously awarded grants, provided that the school fully discloses its current situation with respect to closure.

However, the school should not seek or accept grant funds for future school years. Grant status should be noted on financial statements.

Finally, when dealing with assets acquired through grants, please ensure that you are inventorying these items properly. (See Section G).

F. Interim Financial Statements and Final Financial Audit

The school should be prepared to submit to the District interim financial statements that detail monthly income and cash flow beginning the month following the closure decision. This should be done through the last month of the organization's operation. The school should submit these statements to the District through September, when the final audit is due.

If applicable, the school should ask its EMO or CMO to provide a final invoice and accounting to the school and the Portfolio Management Team within the mutually agreed upon timeframe listed in the checklist.

In addition to the interim financial statements, the school should prepare a statement on the status of all contracts and other obligations of the school, and all funds owed to the school with supporting evidence showing:

- All assets and the value and location thereof, whether such asset has been distributed to creditors in satisfaction or payment of any existing debt obligation;
- Each remaining creditor and any and all amounts owed to each creditor, including principal and accrued interest through the date of such statement;
- Statement that (a) all debts have been collected, or (b) that good faith efforts have been made to collect same;
- Each remaining debtor of the Charter School and the amounts owed by each debtor, including principal and accrued interest.

This statement is in addition to the interim financial statements and the final Financial Audit.

The school must conduct a final financial audit in accordance with the Charter School Contract and the Charter Schools Act. This audit should be completed and submitted to DPS no later than September 15th of the calendar year in which your school ceases instruction.

G. Assets

All of the school's assets will be assumed to have been purchased with public funds and would therefore revert to the District for distribution to other schools in accordance with applicable laws and guidelines, unless the school provides documentation demonstrating that the asset was purchased with private funds and/or that a third party (e.g. sponsoring foundation, vendor, bondholder) has legal claim to that asset. All of the school's assets must be inventoried and dispersed in accordance with the guidelines outlined herein.

a. Inventory

All of the school's assets must be inventoried and the inventory updated within the mutually agreed upon timeframe specified in the checklist. The inventory should include all assets, not just assets over a certain dollar value. Additionally, the school must identify the following: assets belonging to other entities (DPS, sponsoring foundations, vendors, PTA, etc.) including those borrowed or loaned; and assets encumbered by the terms of a contingent gift, grant or donation, or a security interest. Finally, the school must return assets not belonging to it. Please document all of these items and provide the list to the Portfolio Management Team [name].

For assets acquired through grant funds, please create two separate inventories: 1.) an inventory detailing the assets bought through CDE start-up grant funds (if applicable); and 2.) an inventory detailing the assets bought with federal funds (e.g. Title 1).

b. Liquidation of Assets

The liquidation of all assets is subject to DPS approval. Assets must be liquidated in a reasonable manner and in accordance with the Charter Contract and all applicable laws related to the dissolution of the non-profit. If an asset is subject to a lien, encumbrance or security interest, the secured party must be contacted.

No asset may be given away, except as authorized by law. In cases where the cost of disposing of an asset will exceed the cost to be received at sale or auction, it is permissible to give away or discard the asset. Before discarding or giving away the asset, contact the largest or sole creditor for permission.

School Board members and their relatives, school employees, and students should not purchase any asset unless the purchase is disclosed to the DPS Board. The disclosure must be made a matter of record in the school Board's minutes and approved by a majority of the non-interested members of the board. As always, this and other methods of liquidation are subject to the approval of DPS.

c. Final Distribution of Assets

All of the school's liabilities and obligations must be paid and discharged. Any assets held subject to a lien, encumbrance, security interest or other written conditions or limitations must be disposed of in accordance with those conditions or limitations. School assets subject to limitations permitting their use only for charitable, benevolent, educational, or similar purposes, and do not require return, shall be held until dissolution and transferred or conveyed to the School District. An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient.

The school must notify charities that any property on the premises must be removed as soon as possible or after end of classes.

All assets purchased with public dollars shall revert to the district for distribution to other schools in accordance with applicable laws, regulations, and/or grant guidelines. Property owned by the federal government or property acquired under a federal grant must be

distributed in accordance with federal regulations. Items purchased with Startup Grants and Title I funds must be offered to other district schools in accordance with the grant's guidelines.