



## **Colorado Charter School Closure Procedures**

### **Indian Peaks Charter School**

## **Overview of Charter School Closure Procedures**

The following pages provide detailed steps for the appropriate closure of [SCHOOL] (the “School”), keeping in mind the best interests of students and families. The Charter School Institute (“CSI”) staff and Board recognize the extreme difficulty of this process for the students, families and staff at [SCHOOL] (the “School”). The purpose of this Closure Procedures document is to provide guidance for the proper implementation of school closure procedures with transparency, clarity and sensitivity to those affected. It is CSI’s goal to work collaboratively with the School’s Board and staff to support the closure process and to ensure the best interests of students are being met throughout the School’s final year of operation and beyond.

The work detailed herein is significant and will require devotion of significant time on the part of the School. CSI stands ready to clarify any required actions and provide support where feasible. That said, these procedures are meant to serve as a guide for the School and its Board of Directors and should not be considered exhaustive or tailored specifically to the School. CSI recommends that the School consult with an attorney during this process to ensure compliance with state and federal law.

## Relevant Law and Policy

### C.R.S. § 22-11-307(5)

(5) (a) If a local school board or the institute decides or is directed by the state board to close a public school because of low performance, the school district and the institute must develop and update as necessary a school closure plan that implements evidence-based best practices during the school closure process to ensure that students who are enrolled in the public school that is closed are fully supported in enrolling in the successor public school, if any, or in another public school. The local school board or the institute shall make the school closure plan and any updates available in writing to the staff of the public school, the local teachers association, if any, the parents of students enrolled in the public school, and the community surrounding the public school. At a minimum, the school closure plan must include:

- (I) A plan for communicating in writing with parents, school staff, the local teachers association, if any, and the community surrounding the public school as early as possible after the local school board or the institute decides to close the public school and at regular intervals throughout the closure process;
- (II) The procedures or mechanisms by which the local school board and the institute will solicit and consider input on the school closure process from the staff of the public school, the local teachers association, if any, the parents of the students enrolled in the public school, and the community surrounding the public school;
- (III) A timeline for closing the public school that includes or is updated to include all major steps and decision points in completing the school closure and starts no later than the decision to close and continues at least through the reassignment of students and the opening of a new public school, if applicable; and
- (IV) A plan for reassigning students to other public schools, which must, to the fullest extent practicable, take into account parents' choice concerning the public schools to which students are reassigned.

(b) Notwithstanding any provision of paragraph (a) of this subsection (5) to the contrary, a school closure plan that applies to the closure of an institute charter school must specify that:

- (I) The institute charter school will communicate directly with parents, school staff, and the surrounding community; and
- (II) The institute and the institute charter school will work with the school district in which the institute charter school is located to ensure that students and their parents have information concerning the school district's processes for reassigning students to public schools and the school choice options that are available to the students and their parents.

C.R.S. § 22-50.5-511(7)

(7) The institute shall adopt procedures for closing an institute charter school following revocation or nonrenewal of the institute charter school's charter contract. At a minimum, the procedures shall ensure that:

- (a) When practicable and in the best interest of the students of the institute charter school, the institute charter school continues to operate through the end of the school year. If the institute determines it is necessary to close the institute charter school prior to the end of the school year, the institute shall work with the institute charter school to determine an earlier closure date.
- (b) The institute works with the parents of the students who are enrolled in the institute charter school when the charter contract is revoked or not renewed to ensure that the students are enrolled in schools that meet their educational needs; and
- (c) The institute charter school meets its financial, legal, and reporting obligations during the period that the institute charter school is concluding operations.”

*See also*, 1 C.C.R. 302-1, Rule 12(8)

CSI Policy

1. The institute school shall designate a representative who will be responsible for the security of and access to all institute school records, including student records, to the CSI representative, as designated in writing and fully cooperate with CSI's designated representative, who shall have unrestricted and equal access to the institute school records, including student records during the school's closure process.

2. CSI may take the following actions upon giving notice of an institute school closure. (The following do not apply where the institute school closes on its own volition. In such cases, CSI will work with the board of directors of the institute school to ensure the following only at the written request of the board of directors of the institute school and formal approval of the CSI Board of Directors.):

- (a) Inform school staff and other personnel about the decision to close or suspend the school. This communication will occur within 5 business days of CSI's notice to the institute school of its decision to close the school, and will include the reason(s) for closure.
- (b) Inform parents/guardians of the decision to close or suspend the school. This communication will occur within 5 business days of CSI's notice to the institute school of its decision to close the school, and will include reasons for closure, the name of the party in possession of student records, and general information on student education choices in light of the closure of the institute school and the procedures for transferring such records.
  - i. This notification can be made directly to parents (where mailing lists and email addresses are available) and also through notification of the local media. Every effort will be made to inform parents/guardians of the closure on the same day the school staff and other personnel are informed.
- (c) Inform appropriate state agencies of the decision to close the school. This communication will inform the appropriate agencies within 5 business days of CSI's action to close the school. Agencies to be informed are specified in the CSI Closure Procedures and will be updated annually to ensure completeness of communication.

## Relevant Contract Provisions

**11.2 School-Initiated Termination.** Should the School choose to terminate this Contract before the end of the Contract term, it must do so in accordance with Institute rules, which require a 10-month notice period to the Institute.

**11.3 Dissolution.** In the event the School should cease operations for whatever reason, including the non-renewal or revocation of this Contract, the School agrees to continue to operate its education program until the end of the school year or another mutually agreed upon date. The Institute will supervise and have authority to conduct the winding up of the business and affairs for the School; provided, however, that in doing so, the Institute does not assume any liability incurred by the School beyond the funds allocated to it by the Institute under this Contract. School personnel and the School Board shall cooperate fully with the winding up of the affairs of the School, including convening meetings with parents at the Institute's request and counseling with students to facilitate appropriate reassignment. Upon dissolution of the School, assets of the School remaining after paying the School's debts and obligations incurred in connection with activities authorized by this Contract, and not requiring return or transfer to donors or grantors, will become the property of the Institute or another charter school within the Institute, as determined by the Institute and the School in advance of dissolution. The School will execute all necessary documents required to convey such items. At the time of donation, any property requiring return or transfer to the donor or grantor shall be clearly marked and properly inventoried. Upon dissolution, all such documentation shall be provided to the Institute.

**11.4 Return of Property.** In the event of termination or dissolution, all property owned by the School that was purchased in whole or in part with funding provided by the Institute including, but not limited to, real property, or which was purchased with federal grant funds through the Institute acting in its role as a fiscal agent, will be returned to and will remain the property of the Institute or will otherwise be distributed pursuant to federal law and grantor guidelines. Notwithstanding the above, the Institute will not have the right to retain property leased by the School, unless the Institute chooses to comply with the terms of that lease. All non-consumable grants, gifts and donations or assets purchased by the School from non-federal grant, gift, or donation funds will be considered the property of the School unless otherwise identified by the donor in writing. Assets purchased exclusively with tuition paid by parents for a preschool program operated by or in conjunction with the School will not be subject to this paragraph. Assets not purchased with public funding provided by the Institute may be donated to another mutually agreeable not for profit organization upon prior agreement by the Institute.

## CSI Closure Procedures and Task List

The following is a task list to be used by both parties to ensure collaboration and transparency in the school closure process. This task list should be shared and updated at regularly scheduled meetings between the parties. Failure to appropriately complete the tasks may lead to noncompliance in the closure process.

Additional information is contained in the attachments to this document. This document is not exhaustive and your school is urged to obtain legal guidance in order to successfully navigate the closure process and wind down of your school organization.

Required Actions
<b>Implementation Plan for Closure Process</b>
<b>1. Convene initial Closure project meeting</b> Persons to include: <ul style="list-style-type: none"><li>a) CSI Executive Director;</li><li>b) CSI Director of Legal and Policy Initiatives;</li><li>c) CSI Director of Finance;</li><li>d) CSI Lead Closure Contact</li><li>e) Charter school board chair;</li><li>f) Lead administrator from the charter school; and</li><li>g) Lead finance person from the charter school.</li></ul> Meeting purpose: Initial meeting should be held for the purpose of reviewing the Closure Procedures document, establishing roles and confirming the distribution of the parent notice letter. Ideally this meeting occurs before the parent letter is distributed but if logistics prevent this, the letter will need to go out first to ensure it is distributed to parents within 5 business days of the CSI board vote to non-renew the school's charter contract. A copy of the Closure procedure is provided to ensure the responsibilities of each party and timelines are clear. Schedule of communication is established beyond the procedures.
<b>2. Post Closure Procedures on CSI Website</b> CRS 22-11-307 requires that the closure plan and any updates be made available in writing to the staff of the school, parents of students, and the community.
<b>3. Establish a Schedule for Meetings and Interim Status Reports</b> Agree on a meeting schedule to review progress and interim, written status reports to include: <ul style="list-style-type: none"><li>a) Student choice/enrollment status updates;</li><li>b) Return or distribution of assets;</li><li>c) Transfer of student records and storage/retrieval plan;</li><li>d) Notification to entities doing business with the school;</li><li>e) The status of the school's finances;</li><li>f) Submission of all required reports and data to CSI and/or state; and</li></ul>

- g) Other information/reports as needed.

#### **Initial Notification and Communication**

##### **4. Parents / Guardians Notice of Closure Decision – Initial letter**

Within one day of the CSI Board determination to close the charter school, CSI staff and charter staff/board collaborate to ensure that parents / guardians are notified regarding the closure decision. Such notification includes:

- a) The reasons for the closure;
- b) Assurance that instruction will continue through the end of the school year;
- c) Assurance that parents/students will receive guidance in the school choice process for the subsequent school year from the School, CSI and the regional school district;
- d) Contact information for regional CSI schools who serve similar grade levels, where possible;
- e) FAQ about the charter closure process;
- f) Contact person and phone number at the school for closure specific questions;
- g) CSI contact information for parents/guardians with questions;
- h) If applicable, an explanation of the process for an appeal to the Colorado State Board of Education and possible litigation including the implications for families; and
- i) Provide link to Closure Procedure document, if posted, or information about where to find closure procedures.

Please see attached sample letter that will be used.

##### **5. Notify School Districts Materially Impacted *and* CDE and any EMO/EMP**

Within five business days of the Institute's decision to close the charter school, notify stakeholders materially impacted by the closure decision and include the following information:

- a) Possible appeals and timeline for final decision;
- b) Copy of the letter sent to parents;
- c) Closure FAQ;
- d) Information about the plan being developed, or where to access the Closure Plan if developed, to ensure an orderly closure process; and
- e) CSI contact information for questions.

##### **Specific CDE departments to notify include:**

- a) State Board of Education office
- b) Commissioner/Asst. commissioner
- c) Finance Unit
- d) Data Submission Unit
- e) Federal Programs
- f) School of Choice Unit
- g) Office of Grant Management
- h) Assessment Unit

##### **6. Meet with Charter School Faculty and Staff**

School Leader and School Board Chair meet with the faculty and staff to:

- a) Discuss reasons for closure, the status of appeals/legal action and likely timeline for a final decision;

- b) Emphasize importance of maintaining continuity of instruction through the end of the school year;
- c) Discuss plans for helping students find new schools;
- d) Identify date when last salary check will be issued, when benefits terminate, and last day of work;
- e) Describe assistance, if any, that School will provide to faculty and staff to find new positions;

Inform faculty and staff where the Closure Plan can be found.

#### **7. Notify Commercial Lenders / Bond Holders**

Within 10 days after the final decision on the charter school closure and after all appeals have been exhausted, notify banks, bond holders, etc., of the school's closure and a likely date as to when an event of default will occur as well as the projected date of the last payment by the school toward its debt.

### **Student Transitions and Enrollment Support**

#### **8. Parents / Guardians Notice**

Notify parents of enrollment processes and options for subsequent school year and include the following information:

- a) Provide update on any SBE appeal process;
- b) Describe the choice process for local district and include reference to regional schools, especially CSI school options, choice fairs, and any other specific options being established (school visits, 1:1 parent meetings) for this school's families;
- c) Advise families to consider applying for other schools in addition to current school. Families may be able to maintain placement at current school (in case it wins the appeal) and pursue placement at other options;
- d) Confirm the last day of instruction;
- e) Any end-of-the-year activities that are planned to make the transition easier for parents and students;
- f) Cancellation of any planned summer school;
- g) Notice to parents that enrollment of children in their district of residence or other school is mandatory under state law for students under 17; and
- h) Instructions on how to obtain copies of their student's records.

#### **9. Parent / Guardian Enrollment Choice meeting**

Convene parents/guardians to describe the school enrollment process for the regional district, where possible, including CSI-specific options. Representatives from the School, CSI, the regional district's choice office, where possible, and any regional schools should be present to answer questions primarily about the school choice/enrollment process for the next year. Coordination with the regional district is essential where possible.

#### **10. Parent/Guardian Enrollment/Choice support services**

CSI will attempt to provide contract staff to assist individual families in making school choice/enrollment decisions for the subsequent school year.

#### **11. Prepare Final Report Cards and Student Records Notice**

Provide parents / guardians with copies of final report cards and notice of where student records will be sent along with contact information.

#### **12. Transfer Student Records and Testing Material**

Send student records, including final grades and evaluations, to CSI, an agreed upon secure imaging company, or geographic district (contact CSI for final school specific confirmation) within 30 days after end of classes, including:

- a) Individual Education Programs (IEPs) and all records regarding special education and supplemental services;
- b) Student health / immunization records;
- c) Attendance record;



- d) Any testing materials required to be maintained by the school;
- e) Student transcripts and report cards;
- f) Auditing documentation: attendance, schedules and enrollment for each outstanding audit year;
- g) Advanced Learning Plans and all records and testing results;
- h) 504 Plans and identifying information including all related records;
- i) Health care plans; and
- j) All other student records.

Document the transfer of records to include:

- a) The number of general and special education records transferred;
- b) Date of transfer;
- c) Signature and printed name of the charter school representative releasing the records;
- d) Signature and printed name of the Institute's representative who receives the records; and
- e) Ensure continued login accessibility to Alpine and PowerSchool.

**Finalize Affairs: Human Resources**

**13. Staff/Faculty Closure Transition Letter**

Outline transition plans and timelines for staff. Consult with School's legal counsel for appropriate content. Content may include the following items:

- a) Commitment of school's board to transitioning staff;
- b) Commitment to positive transition for children into new educational settings;
- c) Discuss reasons for closure, the status of appeals/legal action and likely timeline for a final decision;
- d) Any transition to new employment assistance board anticipates providing (such as job fairs);
- e) Timelines for compensation and benefits;
- f) Timelines for outstanding professional development issues;
- g) COBRA information;
- h) Pertinent licensure information;
- i) Faculty lead contact information; and

Transition team member contact information.

**14. Notify Employees and Benefit Providers**

Formally notify all employees of termination of employment at least 60 days before closure to include date of termination of all benefits in accordance with applicable law and regulations (i.e. COBRA) and eligibility for Colorado Unemployment Insurance pursuant to any regulations of the Colorado Department of Labor. Notify benefit providers of pending termination of all employees, to include:

- a) Medical, dental, vision plans;
- b) Life insurance;
- c) Cafeteria plans;
- d) 403(b), retirement plans; and
- e) PERA.

Consult legal counsel as specific rules and regulations may apply to such programs.

**15. Notify Contractors and Terminate Contracts**

The school must formulate a list of all contractors with contracts in effect and:

- a) Notify all contractors of school closure and cessation of operations;
- b) Retain records of past contracts and payments with proof that they were paid in full;
- c) Terminate contracts for goods and services as of the last date such goods or services will be needed;
- d) Instruct contractors to make arrangements to remove any contractor property from the school by a date certain (eg: copying machines, water coolers, other rented property); and
- e) Maintain telephone, gas, electric, water, insurance, and Directors and Officers liability insurance long enough to cover the time period required for all necessary closure procedures to be complete.

#### **Finalize Affairs: Finance and Operations**

##### **16. Review Budget**

- a) Review budget and current year expenditures to date to ensure that funds are sufficient to operate the school through the end of the school year, if applicable;
- b) Emphasize the legal requirement to limit expenditures to only those in the approved budget, while delaying approved expenditures that might no longer be necessary until a revised budget is approved;
- c) Acknowledge that there are unique expenditures associated with closure for both CSI and school and that the parties will meet to identify these expenditures and funding sources;
- d) Ensure that the school continues to collect revenues included in the school's budget, if applicable;
- e) Make revisions that take into account closure and associated expenses while prioritizing continuity of instruction; and
- f) Identify acceptable use of TABOR 3% fund.

##### **17. Ensure funding availability for final closure costs**

Within one month of the CSI Board closure vote, school funds must be escrowed to cover the following costs as well as other unanticipated costs:

- a) Final financial audit;
- b) Year-end financial close out activities;
- c) Any final year pupil count funding negative adjustments; and
- d) Student records processing, storage and future access costs.

TABOR funds may be eligible for use in covering these activities. Please consult with CSI staff to explore this possibility and reach a determination with the Attorney General's office.

##### **18. Determine all Colorado Public Employees Retirement Association (PERA) Obligations**

Contact PERA to determine remaining liabilities for employee retirement program.

##### **19. Notify Funding Sources / Charitable Partners**

Notify all funding sources, including charitable partners of school closure.

See grant close out section below

##### **20. List all Creditors and Debtors**

Formulate a list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor.

- a) This list is not the same as the contractor list, above, but may include contractors;
- b) Creditors include lenders, mortgage holders, bond holders, equipment suppliers, service providers and secured and unsecured creditors;
- c) A UCC (Uniform Commercial Code) search should be performed to identify secured creditors;

- d) Debtors include persons who owe the school fees or credits, any lessees or sub-lessees of the school, and any person holding property of the school.

#### **21. Notify Creditors**

- a) Compile a listing of all creditors. That list may include, but not be limited to, the following categories:
  - i. contractors to whom the school owes payment;
  - ii. lenders;
  - iii. mortgage holders;
  - iv. bond holders;
  - v. equipment suppliers;
  - vi. secured and unsecured creditors;
  - vii. persons or organizations who owe the school fees or credits;
  - viii. lessees or sub-lessees of the school; or
  - ix. any person or organization holding property of the school;
- b) Solicit from each creditor a final accounting of the school's accrued and unpaid debt;
- c) Compare the figures provided with the school's calculation of the debt and reconcile; and
- d) Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations.

#### **22. Notify Debtors**

- a) Compile a listing of all debtors. That list may include, but not be limited to, the categories listed above under Creditors;
- b) Contact all debtors and request payment;
- c) If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency; and
- d) All records regarding such collection or disputes by debtors regarding amounts owed must be retained.

#### **23. Close Out All State and Federal Grants**

Notify all state, federal, and other grant providers of the school's closure.

- a) This includes filing any required expenditure reports or receipts and any required program reports, including disposition of grant assets;
- b) Contact the state department of education regarding procedures for the disposition of property purchased with federal grants (CDE School of Choice Unit should be consulted initially); and
- c) Check the terms of all grants to ensure that the school is compliant with all requirements as the school closes.

#### **24. Inventory assets**

Inventory school assets, and identify items:

- a) Loaned from other entities;
- b) Encumbered by the terms of a contingent gift, grant or donation, or a security interest;
- c) Belonging to the EMO/CMO, if applicable, or other contractors;
- d) Purchased with federal grants (see grant close out item elsewhere in this document);
- e) Purchased using SPED or GT funds;
- f) Purchased with Public Charter School Program startup funds (transfer assets to another charter school within the district or state);
- g) Return assets not belonging to school where appropriate documentation exists; and

h) Keep records of all assets returned.
<b>25. Information Technology</b> a) Maintain use of and access to all student information systems including but not limited to CSI supported systems (PowerSchool, Alpine); b) Maintain use of and access to any financial systems supported by CSI (Alio); and c) Work with CSI staff at year's end to ensure that appropriate electronic records are available going forward.
<b>26. Notify Contractors and Terminate Contracts</b> The school must formulate a list of all contractors with contracts in effect and: f) Notify all contractors of school closure and cessation of operations; g) Retain records of past contracts and payments with proof that they were paid in full; h) Terminate contracts for goods and services as of the last date such goods or services will be needed; i) Instruct contractors to make arrangements to remove any contractor property from the school by a date certain (eg: copying machines, water coolers, other rented property); and j) Maintain telephone, gas, electric, water, insurance, and Directors and Officers liability insurance long enough to cover the time period required for all necessary closure procedures to be complete.
<b>27. Notify Food and Transportation Services and Cancel Contracts</b> Cancel school district or private food and/or transportation services for summer school and the next school year.
<b>28. Reconcile with CSI</b> Reconcile CSI billings and payments, including special education payments or other "lagged" payments. If the school owes CSI money, it should list CSI as a creditor and treat it accordingly.
<b>29. Itemize Financials</b> Review, prepare and make available the following: a) Fiscal year-end financial statements; b) Cash analysis; c) Bank statements for the year, investments, payables (and determinations of when a check used to pay the liability will clear bank), unused checks, petty cash, bank accounts, and payroll reports including taxes, retirement or adjustments on employee contracts; d) A statement on the status of all contracts and other obligations of the school, and all funds owed to the school with supporting evidence; and e) Collect and void all unused checks and destroy all credit and debit cards. Close accounts after transactions have cleared.
<b>30. US Department of Education filings</b> 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.
<b>31. Prepare End-of-Year Reports</b> a) Prepare and submit all required end-of-year reports to CSI and CDE, including End of Year (beyond July 1), Safety and Discipline and READ Act; b) Compile all October count related documentation for current year (or beyond if needed) to prepare for any future audits. Contact CSI Submissions director for more information; c) Gifted/Talented EOY report due September 30 for previous year. Contact ES director for more information; d) SPED EOY: Due in August for previous year. Contact ES director for more information; e) SPED Discipline: Due in August for previous year. Contact ES director for more information; and f) Civil Rights Data Collection (CRDC) due in September for the previous year. Contact Office Administrator for more information.

**32. Submit Final Report**

Submit a final report to CSI detailing completion of the closure plan tasks.

**33. Prepare Final Financial Statement**

Retain an independent accountant to prepare a final statement of the status of all contracts and other obligations of the school, and all funds owed to the school, showing:

- a) All assets and the value and location thereof;
- b) Each remaining creditor and amounts owed;
- c) Statement that all debts have been collected or that good faith efforts have been made to collect same; AND
- d) Each remaining debtor and the amounts owed.

**Abide by the Financial Transparency Act Reporting Requirements [C.R.S. 22-44-304] when compiling financial report for the final year.**

**34. Complete Final Financial Audit**

- a) Complete a financial audit of the school in accordance with the Charter Schools Act by a date to be determined by CSI; and
- b) Ensure funding and payment procedure is in place to provide for the audit procedures, records access, etc. Much of the work will be conducted after termination of the charter contract.

**Dissolution****35. Dissolve the Charter School**

- a) The charter board adopts a resolution to dissolve that indicates to whom the school assets purchased with non-public funds will be distributed after all creditors have been paid;
- b) Unless otherwise provided in the bylaws, the members (if any) or board votes on the resolution to dissolve. A non-profit corporation is dissolved upon the effective date of its articles of dissolution. (C.R.S. 7-134-103);
- c) Consult with School's attorney for further details.

**36. Notify the Colorado Secretary of State's office**

After the resolution to dissolve is authorized, dissolve the corporation by delivering to the Secretary of State for filing articles of dissolution setting forth:

- a) The name of the non-profit corporation;
- b) The address of the non-profit corporation's principal office;
- c) The date dissolution was authorized;
- d) If dissolution was authorized by the directors, a statement to that effect;
- e) If dissolution was approved by the members, a statement of the number of votes cast for the proposal to dissolve; and
- f) Such additional information as the Secretary of State determines is necessary or appropriate.

**37. Notify Known Claimants**

Give written notice of the dissolution to known claimants within 90 days of the CSI Board closure vote.

**38. End Corporate Existence**

A dissolved non-profit corporation continues its corporate existence, but may not carry on any activities except as is appropriate to wind up and liquidate its affairs, including:

- a) Collecting its assets;

- b) Transferring, subject to any contractual or legal requirements, its assets as provided in or authorized by its articles of incorporation or bylaws;
- c) Discharging or making provision for discharging its liabilities; and
- d) Doing every other act necessary to wind up and liquidate its assets and affairs.  
(C.R.S. 7-134-105).

### **39. Notify IRS**

Notify the IRS of dissolution of the education corporation and its 501(c)(3) status and furnish a copy to CSI. Determine with the School's counsel which tax returns and reports are required to be filed.

#### **1. Monthly Financial Submission**

Submit monthly income and cash flow statements beginning the month following the closure decision to CSI CFO.

#### **2. Maintain Identifiable Location**

For the duration of closing out the school's business, regulatory and legal obligations, establish if the school will maintain the current facility as its locus of operation. If so, access to the facility should be maintained. 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.

#### **3. Maintain Corporate Records**

Maintain all corporate records related to:

- a) Loans, bonds, mortgages and other financing;
- b) Contracts;
- c) Leases;
- d) Assets and asset distribution;
- e) Grants -- records relating to federal grants must be kept in accordance with 34 CFR 80.42;
- f) Governance (minutes, bylaws, policies);
- g) Employees (background checks, personnel files);
- h) Accounting/audit, taxes and tax status, etc.;
- i) Personnel records (In consultation with the School's attorney, create a plan for maintaining, transferring, and archiving personnel records in accordance with state law. As a proactive step, CSI recommends that the school provide an employment verification letter for all employees prior to the closing of the school;
- j) Employee benefit programs and benefits;
- k) Any other items listed in the closure plan; and
- l) Determine where records will be stored after dissolution. Consult with School attorney and CSI.

#### **4. Protect School Assets**

Protect the school's assets and any assets in the school that belong to others against theft, misappropriation and deterioration.

- a) Maintain existing insurance coverage on assets, including facility and vehicles, until the disposal of such assets in accordance with the closure plan;
- b) Negotiate school facility insurance with entities that may take possession of school facility – lenders, mortgagors, bond holders, etc.;

- c)** Obtain or maintain appropriate security services. Action may include moving assets to secure storage after closure or loss of facility;
- d)** Plan to move assets to secure storage as needed after the closure of the school facility;
- e)** Create an asset/property disposition plan, not in conflict with applicable laws, to address any remaining assets at year's end. School's counsel should advise on relevant statute's covering disposition of assets; and
- f)** 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.