

## Charter School Closure Plan

| Item | Description of Necessary Actions  | Responsible Party | Approximate Completion Date | Status |
|------|---|-------------------|-----------------------------|--------|
| 1    | <b>Notifications</b>  |                   |                             |        |
| 1.1  | <p><b>Notification of Parents</b><br/>           Parents or legal guardians of any student should be notified <u>in writing</u> of the school's closing. This should be completed by <b>Friday, October 28, 2005</b>. The notice should include the closing school's plans to help students identify and transition into a new school. The notice must advise the recipient to contact the school where the student intends to enroll and to have the student's new school contact the closing school to have the student's educational records transferred to the new school. The notice must advise the recipient of the name and contact information of a staff person at the closing school who is prepared to assist students during the transition.</p> |                   |                             |        |
| 1.2  | <p><b>Student Records</b><br/>           The closing school must assign a staff person who is responsible for the transition of student records. The closing school must submit a list of all students whose records have not been transferred as of <b>Friday, November 18, 2005</b> to the Charter Schools Director on <b>Monday, November 21, 2005</b>.</p>  |                   |                             |        |
| 1.3  | <p><b>Notification of Local Public Schools</b><br/>           All Indianapolis school districts and charter schools that offer the same grades offered in the school must be notified in writing of the closing school's closing and the potential for transfer of students. This should be done by <b>Friday, October 28, 2005</b>.</p>  |                   |                             |        |
| 1.4  | <p><b>Follow-up Transfer</b><br/>           A follow up procedure must be established to determine where each student enrolled at the time of closing will continue his or her education. The closing school must submit a report with this information to the Charter Schools Director on <b>Monday, November 21, 2005</b>.</p>  |                   |                             |        |
| 2    | <b>Governance and Operations</b>  |                   |                             |        |
| 2.1  | <p><b>Resolution Appointing Liaison</b><br/>           The closing school's Board Of Directors should adopt a resolution appointing a liaison to coordinate the management of the dissolution and winding up of the closing school.</p>   |                   |                             |        |
| 2.2  | <p><b>Base of Operation</b><br/>           If necessary, a temporary base of operation should be established during the wind-up of the closing school's affairs. The closing school should publish notice of the location of the office and hours of operation and have operational telephone service with voice message stating hours of operation. This will assist in acting as custodian of and maintaining and dispensing student files and records, performing day-to-day wind-up duties, and maintaining custody of business records until all business and transactions are completed.</p>  |                   |                             |        |
| 2.3  | <p><b>Insurance Policy</b><br/>           The closing school must continue to have insurance coverage for a period following dissolution</p>  |                   |                             |        |

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|     | and winding up.   |  |  |  |
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| 3   | <b>Finances: Audits, Assets, Liabilities</b>  |  |  |  |
|     | <b>State board of Accounts Audit</b><br>Request an immediate and complete financial audit by the Indiana State Board of Accounts.   |  |  |  |
| 3.1 | <b>Financial Statements and Fixed Asset Schedule</b><br>Within thirty (30) days ( <b>Monday, November 21, 2005</b> ) after the effective date of revocation, the organization should have prepared a comprehensive fixed asset schedule and financial statements. The closing school should update this fixed asset schedule and financial statements quarterly thereafter until dissolution is complete.   |  |  |  |
| 3.2 | <b>Resolution of Dissolution and Plan of Distribution of Assets</b><br>The closing school's Board must adopt a resolution that the corporation be dissolved and that a plan of distribution of assets be implemented consistent with IC 20-5.5. Assets obtained with federal funds, including Department of Agriculture Commodities, and equipment obtained through the Special Education Cooperative should be distributed according to guidelines established by these entities. All assets should be distributed pursuant to the terms of the Charter Agreement, and in accordance with state and federal law.   |  |  |  |
| 3.3 | <b>Asset Inventory and Creditor Determination</b><br>The closing school's assets should be inventoried and determination of any secured creditors made.   |  |  |  |
| 3.4 | <b>Protection of Assets</b><br>The closing school's assets must be protected against theft, misappropriation and deterioration. This may mean moving the assets from the closing school to a safe storage facility. Insurance should be maintained on the assets until they are disposed of according to the plan of distribution.  |  |  |  |
| 3.5 | <b>Liquidation of Assets</b><br>Assets must be liquidated in a manner to ensure the highest possible price is obtained. This may be done by retaining an auctioneer. If an asset is subject to a security interest, the secured party should be contacted. (Note: no asset may be given away, except as authorized by law. Furthermore, Board members of the closing school and their relatives as well as employees and students of the closing school should not purchase any asset unless the purchase is disclosed to the closing school's Board and the disclosure is made a matter of record in the Board's official proceedings and approved by a majority of the non-interested directors.) |  |  |  |
| 3.6 | <b>Final Distribution of Assets</b><br>All liabilities and obligations of the school must be paid and discharged (or adequate provision must be made therefore) to the extent of the closing school's assets (IC 20-5.5). Any assets held subject to written conditions or limitations must be disposed of in accordance with those conditions or limitations. Remaining assets must be assigned to a not-for-profit entity with an educational mission pursuant to the terms of the Charter Agreement (IC 20-5.5).   |  |  |  |
| 3.7 | <b>Final Audit</b><br>Obtain a final audit of the closing school's financial affairs once close out and dissolution is complete.  |  |  |  |

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| 4   | <b>Taxes, Withholdings and Other Payments</b>   |  |  |  |
| 4.1 | <b>Final Tax Payments</b><br>Determine taxes due and make final federal and state tax payments (every employer, including the school, which pays wages to employees is responsible for withholding, depositing, paying, and reporting federal income tax, social security taxes, and federal unemployment tax for such wage payments).  |  |  |  |
| 4.2 | <b>Withholding Tax Return</b><br>File the final withholding tax return. (Treasury Form 165).  |  |  |  |
| 4.3 | <b>Final IRS Return</b><br>File the final return with the IRS. (Form 990 and Schedule A).   |  |  |  |
| 4.4 | <b>PERF and TERF</b><br>Make final payments into employees' retirement funds.   |  |  |  |
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| 5   | <b>Contracts and Creditors</b>  |  |  |  |
| 5.1 | <b>Termination of Agreement</b><br>To the extent possible, all present leases, service agreements, and other contracts not necessary for the wind-up of the closing school should be terminated.  |  |  |  |
| 5.2 | <b>Notification of Creditors</b><br>Provide the closing school's known creditors with an "informal" notice of dissolution and request the creditors to file all claims with the closing school.   |  |  |  |
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| 6   | <b>State and Federal Reporting</b>  |  |  |  |
| 6.1 | <b>Dissolution Form and Reporting</b><br>The closing school should prepare to complete the Secretary of State's dissolution form, which can be found at <a href="http://www.sos.in.gov">www.sos.in.gov</a> . When completing the form, the closing school's Board must be prepared to bring all business reporting up to date with the Secretary of State's Office.   |  |  |  |
| 6.2 | <b>Coordination with Indiana Department of Education</b><br>The closing school should coordinate with the Indiana Department of Education's Charter School Liaison regarding procedural issues as well as satisfaction of financial issues related to state and federal funding. The full plan for winding-up and dissolution of the school should be shared with the Department by <b>Friday, November 4, 2005</b> |  |  |  |
| 6.3 | <b>Closeout State and Federal Grants</b><br>A complete listing of state and federal grants received should be complied with State Board of Accounts audit. State grants must be closed out, including filing all final expenditure and performance reports.   |  |  |  |
| 6.4 | <b>Dept. of Education Filings</b><br>File Federal form 269 or 269a if the school was receiving funds directly from the United States Department of Education. 34 CFR 80.41.   |  |  |  |
| 6.5 | <b>Notice of Discontinuance</b><br>File the Federal Notice of Discontinuance with the Department of Treasury (Treasury Form 63).  |  |  |  |

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| 6.6 | <p><b>Food and Nutrition Program</b><br/> Conduct a final inventory of all United States Department of Agriculture commodities. Arrange, through the Indiana Department of Education, Food and Nutrition Program, to transfer these commodities to another school on the program.</p>   |  |  |  |
| 6.7 | <p><b>Special Education</b><br/> Contact the Virtual Special Education Co-op director regarding accounting for, and close out of, state and federal special education funds. Return equipment and materials obtained from the co-op, including computer and scanner.</p>  |  |  |  |
| 6.8 | <p><b>Deposit of Records</b><br/> Negotiate with appropriate legal entities to determine what body will be the final repository of the closing school's records. Such entities might include the traditional public school district in which the charter school is located. Note, the closing school's records must be deposited with the repository as follows:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> All the school's business records and records relating to federal grants must be kept in accordance with 34 CFR 8042.</li> <li><input type="checkbox"/> The final repository for all the closing school's student records (that are not transferred to a student's new school) must retain those records in accordance with the Indiana Department of Education's guidelines.</li> <li><input type="checkbox"/> In the event that student records have not been requested by another school, the student, or the student's family by August 15, a notice should be sent to the last known address of the student as soon as possible advising them where the record is located.</li> <li><input type="checkbox"/> The final repository of all teacher records must retain a record of the teacher's dates of employment with the school and what course he or she taught while employed by the school.</li> <li><input type="checkbox"/> The final repository of all the closing school's business records should maintain the records in accordance with Indiana Department of Education and Indiana Secretary of State (confirming requirements).</li> </ul> |  |  |  |