

# **SCHOOL CLOSURE PLAN**

Church Hill Preparatory Academy

## **Introduction**

In the event of voluntary or involuntary closure, the charter school's leadership will facilitate an orderly closure process providing for continuity of instruction until the closure date, identifying new school options for students, and meeting the school's financial, legal, and operational obligations in the best interest of all parties. This checklist of tasks will assist with carrying out an efficient closure process.

The charter school board and principal will meet with the appropriate representative of the Richmond Public Schools system immediately after the initial closure decision to determine who will send letters to the school districts that are materially affected and to the school's parents notifying them of the decision. Ideally, all parties will agree on the content of the letters. Additional letters should be sent to parents and school districts updating them about the timing and outcome of any appeals.

To the extent practicable, the charter school will advocate for an end-of-year closure which is usually in students' best academic and social interests; in addition, it simplifies the financial issues associated with the closure.

Regardless of the specifics of the closure plan, there are three primary goals to be accomplished in the winding up of the school's affairs:

1. Providing educational services in accordance with the charter contract until the end of the school year, or the agreed upon date when instruction will stop.
2. Reassigning students to schools that meet their educational needs.
3. Addressing the school's financial, legal and reporting obligations.

These goals will be given the highest priority during the closure process.

Based on the circumstances surrounding the closure, not all tasks in this framework may apply. The School's leadership will meet with representatives of the local

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education authority prior to starting closure proceedings and agree which tasks will be necessary and how the authorizer wants to manage the closure. During this meeting, responsible parties and completion dates should be agreed upon to ensure a transparent and smooth closure.

The closure process has many tasks, which are illustrated in the chart below: 1) notification to affected school districts and families; 2) developing and monitoring the closure plan; 3) winding up the school's affairs in governance and operations, finance, and reporting; and 4) dissolution. The School management team will utilize the closure template below to facilitate the school closing process. The Principal will oversee the insertion of responsible parties and dates of completion.

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## Notification and Initial Steps

### Notify Parents / Guardians of Closure Decision

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

1. If applicable, an explanation of the process for an appeal to the Virginia Board of Education and possible litigation including the implications for families.
2. Assurance that instruction will continue through the end of the school year or the date when instruction will cease.
3. Assurance that after a final decision is reached, parents/students will be assisted in the reassignment process.
4. FAQ about the charter closure process.
5. Contact information for parents/guardians with questions.

### Notify School Districts Materially Impacted

Within two days of the authorizer's decision to close the charter school, notify districts materially impacted by the closure decision, including:

1. Possible appeals and timeline for final decision.
2. Copy of the letter sent to parents.
3. Closure FAQ.
4. Information about the plan being developed to ensure an orderly closure process.
5. Contact information for questions.

### Review Budget

1. Review budget to ensure that funds are sufficient to operate the school through the end of the school year, if applicable.
2. 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.

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3. Acknowledge that there are unique expenditures associated with closure for both the authorizer and school and that the parties will meet to identify these expenditures and funding sources.
4. Ensure that the school continues to collect revenues included in the school's budget, if applicable.

### Meet with Charter School Faculty and Staff

Principal and charter board chair meet with the faculty and staff to:

1. Discuss reasons for closure, the status of appeals/legal action and likely timeline for a final decision.
2. Emphasize importance of maintaining continuity of instruction through the end of the school year.
3. Discuss plans for helping students find new schools.
4. Identify date when last salary check will be issued, when benefits terminate, and last day of work.
5. Describe assistance, if any, which will be provided to faculty and staff to find new positions.

### Send Additional and Final Notifications

Notify parents and affected school districts in writing after key events (e.g., denial of an appeal) and when the closure decision is final. In the letter to parents after the closure decision is final, include:

1. The last day of instruction.
2. Any end-of-the-year activities that are planned to make the transition easier for parents and students.
3. Assistance that will be provided to families in identifying new schools. This may include a list of school options, choice fairs, individual meetings with families, and prospective school visitations.

## **Develop/Monitor Implementation of the Closure Plan**

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## **Establish Transition Team, Develop Closure Plan, and Assign Roles**

Transition team includes:

1. Lead person from authorizer staff.
2. Charter school board chair.
3. Lead administrator from the charter school.
4. Lead finance person from the charter school.
1. Develop plan, exchange contact information and assign roles.

## **Establish a Schedule for Meetings and Interim Status Reports**

Agree on a meeting schedule to review progress and interim, written status reports to include:

1. Reassignment of students.
2. Return or distribution of assets.
3. Transfer of student records.
4. Notification to entities doing business with the school.
5. The status of the school's finances.
6. Submission of all required reports and data to the authorizer and/or state.

## **Submit Final Report**

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

## **Develop/Monitor Implementation of the Closure Plan**

### **Maintain Identifiable Location**

Maintain the school's current location through the winding up of its affairs or relocate its business records and remaining assets to a location with operational telephone service that has voice message capability.

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

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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.

### Protect School Assets

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

1. Maintain existing insurance coverage on assets, including facility and vehicles, until the disposal of such assets in accordance with the closure plan.
2. Negotiate school facility insurance with entities that may take possession of school facility –lenders, mortgagors, bond holders, etc.
3. Obtain or maintain appropriate security services. Action may include moving assets to secure storage after closure or loss of facility.

### Maintain Corporate Records

Maintain all corporate records related to:

1. Loans, bonds, mortgages and other financing.
2. Contracts.
3. Leases.
4. Assets and asset distribution.
5. Grants -- records relating to federal grants must be kept in accordance with 34 CFR 80.42.
1. Governance (minutes, bylaws, policies).
2. Employees (background checks, personnel files).
3. Accounting/audit, taxes and tax status, etc.
4. Personnel.
5. Employee benefit programs and benefits.
6. Any other items listed in the closure plan.
7. Determine where records will be stored after dissolution.

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## **Finalize School Affairs: Governance and Operations**

### **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 Virginia Unemployment Insurance pursuant to any regulations of the Commonwealth's Department of Labor. Notify benefit providers of pending termination of all employees, to include:

1. Medical, dental, vision plans.
2. Life insurance.
3. Cafeteria plans.
4. 403(b), retirement plans.
5. PERA.

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

### **Notify Contractors and Terminate Contracts**

1. Notify all contractors of school closure.
2. Retain records of past contracts and payments.
3. Terminate contracts for goods and services as of the last date such goods or services will be needed.

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

Send student records, including final grades and evaluations, to the authorizer, including:

1. Individual Education Programs (IEPs) and all records regarding special education and supplemental services.
2. Student health / immunization records.
3. Attendance record.
4. Any testing materials required to be maintained by the school.
5. Student transcripts and report cards.
6. All other student records.

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### Document the transfer of records to include:

1. The number of general and special education records transferred.
2. Date of transfer.
3. Signature and printed name of the charter school representative releasing the records.
4. Signature and printed name of the authorizer's representative who receives the records.

### Inventory assets

1. Inventory school assets, and identify items:
  - ✓ Loaned from other entities.
  - ✓ Encumbered by the terms of a contingent gift, grant or donation, or a security interest.
  - ✓ Belonging to the EMO/CMO, if applicable, or other contractors.
  - ✓ Purchased with federal grants (dispose of such assets in accordance with federal regulations).
  - ✓ Purchased with public startup funds (transfer assets to another charter school within the district or state).
2. Return assets not belonging to school where appropriate documentation exists. Keep records of assets returned.

### Notify Food and Transportation Services and Cancel Contracts

Cancel school district or private food and/or transportation services for summer school and the next school year.

### Finalize School Affairs: Finance

#### Review and Revise School Budget

1. Review the school's budget and overall financial condition.
2. Make revisions that take into account closure and associated expenses while prioritizing continuity of instruction.
3. Identify acceptable use of reserve funds.



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## Maintain IRS 501(c)(3) Status

Maintain IRS 501(c)(3) status, including:

1. Notify IRS regarding any address change.
2. File required tax returns and reports.

## Notify Funding Sources / Charitable Partners

Notify all funding sources, including charitable partners of school closure. Notify state and federal agencies overseeing the school's grants that the school will be closing.

## 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.

1. This list is not the same as the contractor list, above, but may include contractors.
2. Creditors include lenders, mortgage holders, bond holders, equipment suppliers, service providers and secured and unsecured creditors. A UCC search should be performed to identify secured creditors.
3. 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.

## Notify Creditors

Notify all creditors of the school's closure and request a final bill.

## Notify Debtors

Contact all debtors and request payment.

## Determine Employee Retirement Program Obligations

Contact employee retirement program to determine remaining liabilities.

## Itemize Financials

Review, prepare and make available the following:

1. Fiscal year-end financial statements.
2. Cash analysis.

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3. Bank statements for the year, investments, payables, unused checks, petty cash, bank accounts, and payroll reports including taxes. Collect and void all unused checks and destroy all credit and debit cards. Close accounts after transactions have cleared.

### Close Out All State and Federal Grants

Close out state, federal, and other grants. This includes filing any required expenditure reports or receipts and any required program reports, including disposition of grant assets.

### 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:

1. All assets and the value and location thereof.
2. Each remaining creditor and amounts owed.
3. Statement that all debts have been collected or that good faith efforts have been made to collect same.
4. Each remaining debtor and the amounts owed.

### Complete Final Financial Audit

Complete a financial audit of the school in accordance with charter school law by a date to be determined by Richmond Public Schools.

### Reconcile with Authorizer

Reconcile authorizer billings and payments, including special education payments or other "lagged" payments. If the school owes the authorizer money, it should list the authorizer as a creditor and treat it accordingly.

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## **Finalize School Affairs: Reporting**

### [Prepare End-of-Year Reports](#)

Prepare and submit all required end-of-year reports to the authorizer.

### [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.

## **Dissolution**

### [Dissolve the Charter School](#)

1. The charter school board adopts a resolution to dissolve that indicates to whom the assets of the non-profit corporation will be distributed after all creditors have been paid.
2. 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).

### [Notify the State Corporation Commission](#)

After the resolution to dissolve is authorized, dissolve the corporation by delivering to the State Corporation Commission articles of dissolution setting 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 State Corporation Commission determines is necessary or appropriate.

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## Notify Known Claimants

Give written notice of the dissolution to known claimants within 90 days after the effective date of the dissolution.

## 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:

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

## Notify IRS

Notify the IRS of dissolution of the education corporation and its 501(c)(3) status and furnish a copy to the authorizer.