



Closure Protocol

*For Charter Schools Authorized by
the Indiana Charter School Board*

Adopted September 2013

For more information, please visit the
Indiana Charter School Board website:

<http://www.in.gov/icsb>

The Indiana Charter School Board (“ICSB”) must develop a charter school protocol “to ensure timely notification to parents, orderly transition of students and student records to new schools, and proper disposition of school funds, property, and assets” (IC 20-24-9-4.5 (a)). Additionally, the ICSB must, if a charter school closes for any reason, “oversee and work with the closing charter school to ensure a smooth and orderly closure and transition for students and parents...” (IC 12-24-9-4.5(b)). This document is designed to both fulfill these statutory obligations and to provide transparency and information to ICSB-authorized schools.

The closure process has three major components: (1) notice; (2) presenting contrary evidence to closure; and (3) winding down of operations. These components are similar for both revocation and nonrenewal, though some components differ slightly. The legal difference between revocation and nonrenewal is a distinction in time. Revocation happens when an authorizer cancels the Charter for cause during the charter term (e.g., in year two). Nonrenewal takes place at the end of the charter term if an authorizer determines that another charter should not be issued.

Since nonrenewal is simply deciding to not renew a contract, there is no contractual interest at stake. Therefore, legally, due process is not required for instances of nonrenewal.¹ However, the ICSB, in the interest of fairness and transparency, provides an opportunity for a representative of the Organizer to present evidence contrary to staff’s recommendation for nonrenewal before the ICSB votes on the subject.

Revocation Process

The ICSB staff will provide a written recommendation to revoke the charter agreement to the ICSB. After hearing the recommendation, the ICSB will vote on whether to revoke the Charter. If the ICSB votes to revoke the Charter, the Organizer, via the Board Chairman, and Principal will be notified within 24 hours via phone or email with a certified letter to follow. Revocation notification will include (1) the grounds for revocation; (2) a revocation date; and (3) an explanation of the appeals process timeline.

If the Organizer wishes to appeal a revocation decision, the Organizer must indicate its intention in writing within fifteen (15) business days. If an appeal is received within fifteen (15) business days of the ICSB revocation decision, an informal hearing will be held by the ICSB within an informal hearing will be held by the ICSB within twenty-five (25) business days, but no sooner than five (5) business days, from the receipt of the petition to appeal the revocation. During the hearing, ICSB staff will present the reasons and evidence supporting revocation. The Organizer, in turn, may (1) present evidence; (2) have an attorney present; (3) present witnesses to testify in opposition of the reasons given for revocation; and/or (4) provide a proposed corrective action plan. ICSB staff will arrange for space and staffing, including the appointment of an independent hearing officer (“IHO”). The IHO will consider all evidence presented and then make a recommendation to the ICSB in a formal public meeting. The ICSB’s vote on the IHO’s recommendation is considered the “final decision” regarding the revocation.

¹ Charter Agreement, 15.3: Renewal. The Charter may be renewed or not renewed, solely at the discretion of the Indiana Charter Board. In considering any renewal, the Indiana Charter Board shall request the Executive Director to review the Organizer’s performance in operating the Charter School, including the progress of the Charter School in achieving the academic goals set forth in the Application and the Accountability Plan and comply with the process set forth in IC § 20-24-4-1 and IC § 20-24-4-3. In addition, the Organizer may choose not to renew the Charter and shall communicate its intent to not seek renewal of the Charter to the Executive Director in writing by September 1st of the final charter year.

Nonrenewal Process

The ICSB staff will provide a written recommendation to nonrenew the charter agreement to the ICSB. The Organizer and the Principal of the School will also receive the written recommendation via email at least five days prior to the ICSB meeting. After presented with the staff's recommendation, the Organizer's response to the recommendation to nonrenew (30 minutes), and relevant public testimony (30 minutes), the ICSB will vote on whether or not to nonrenew the Charter. The ICSB's decision to nonrenew is final. If the ICSB votes to nonrenew the Charter, the Organizer, via the Board Chairman, and Principal will be notified within 24 hours via phone or email with a certified letter to follow. Nonrenewal notification will include the projected last day of charter existence.

Winding Down of Operations

Please send Appendix A for the processes for the winding down of operations.²

² Charter Agreement, 15.7: Non-Renewal, Revocation, or Expiration. If the Charter is not renewed, is revoked, or expires:

- a. the Organizer shall be responsible for winding down the operations of the Charter School, including payment of any and all debts, loans, liabilities (contingent or otherwise) and obligations incurred at any time by the Organizer in connection with the operation of the Charter School. Under no circumstances shall the Indiana Charter Board, or its employees, agents, or representatives, or those acting on behalf of the Indiana Charter Board's employees, agents and representatives, be responsible for such obligations.
- b. the Organizer shall cooperate with the Executive Director to effect the orderly closing of the Charter School.

Develop/Monitor Implementation of the Closure Plan

Completion Date	Description of Required Actions	Responsible Party	Status
w/in 48 hours of ICSB's vote to close the charter school	Establish Transition Team, Develop Closure Plan, and Assign Roles Transition team may include: <ol style="list-style-type: none"> 1. Lead person from ICSB staff. 2. Charter school board chair or designee. 3. Lead administrator from the charter school. 4. Lead finance person from the charter school. 5. Lead person from the charter school faculty. 6. Lead person from the charter school parent organization. 	School Lead ICSB Lead	
w/in 5 business days of ICSB's vote to close the charter school	Assign Transition Team Action Item Responsibilities Develop plan, exchange contact information and assign roles. Agree on a meeting schedule to review progress and interim, written status reports to include: <ol style="list-style-type: none"> 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 ICSB and/or state. 	School Lead ICSB Lead	
w/in 60 days of the end of the fiscal year	Submit Final Report Submit a final report to the ICSB detailing completion of the closure plan.	School Lead	

Notification and Initial Steps

Completion Date	Description of Required Actions	Responsible Party	Status
Parent Notification and Information Dissemination			
w/in 48 hours of ICSB's vote to close the charter school	Parent Contact Information Create a Parent Contact List to include: <ol style="list-style-type: none"> 1. Student name 2. Parent name 3. Address 4. Telephone 5. Email Provide a copy of the parent contact information to the ICSB.	School Lead	
w/in 48 hours of ICSB's final vote to close the charter school	Notify Parents / Guardians of Closure Decision Within one day of the ICSB's vote to close the charter school, ICSB staff and charter staff/board collaborate to ensure that parents / guardians are notified regarding the closure decision. Such notification includes: <ol style="list-style-type: none"> 1. Notification of the closure decision. 2. Timeline for transition. 3. Assurance that instruction will continue through the end of the school year or the date when instruction will cease. 4. Assurance that parents/students will be assisted in the reassignment process. 5. FAQ about the charter closure process. 	ICSB Lead School Lead	

	6. ICSB and School contact information for parents/guardians with questions.		
w/in 10 business days of ICSB's final vote to close the charter school	Convene Parent Closure Meeting Plan and convene a parent closure meeting <ol style="list-style-type: none"> 1. Make copies of "Closure FAQ" document available. 2. Provide overview of ICSB board closure policy and closure decision. 3. Provide calendar of important dates for parents. 4. Provide specific remaining school vacation days and date for end of classes. 5. Present timeline for transitioning students. 6. Present timeline for closing down of school operations. 7. Provide contact information. 	ICSB Lead	
Staff Notification and Information Dissemination			
w/in 48 hours of ICSB's vote to close the charter school	Faculty Contact Information Create Faculty Contact List that includes: <ol style="list-style-type: none"> 1. Name 2. Position 3. Address 4. Telephone 5. Email Provide a copy of the list to the ICSB.	School Lead	
w/in 10 business days of ICSB's final vote to close the charter school	Meet with Charter School Faculty and Staff Principal, charter board chair, and ICSB staff meet with the faculty and staff to: <ol style="list-style-type: none"> 1. Discuss reasons for closure. 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, that will be provided to faculty and staff to find new positions. 	ICSB Lead	
Partner Notification and Information Dissemination			
w/in 24 hours ICSB's vote to close the charter school and ten business days of ICSB's final vote to close the charter school	Notify the Indiana Department of Education Within one day of the ICSB's vote to close the charter school, notify the Indiana Department of Education Office of Charter Schools. Within ten days of the ICSB's final vote to close the charter school, notify the following departments and agencies: <ol style="list-style-type: none"> 1. School finance 2. Grants management 3. Federal programs 4. PERF 5. Assessment 6. Data reporting 7. Child nutrition 	ICSB Lead	

w/in 24 hours of ICSB's vote to close the charter school	Notify School Districts Materially Impacted Within one day of the ICSB's vote 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. Copies of letters sent to other stakeholders (e.g., faculty). 4. FAQ about the charter closure process. 5. Information about the plan being developed to ensure an orderly closure process. 6. Authorizing board decision materials (e.g., a resolution to close school, copy of a termination agreement), if available. 7. Contact information for questions.	ICSB Lead	
w/in 10 business days of a key event	Send Additional and Final Notifications Notify parents, staff, the IDOE, and affected school districts in writing after key events.	ICSB Lead	
Media			
w/in 24 hours of ICSB's initial vote to close the charter school	Talking Points Create talking points directed towards parents, faculty, community and press. Focus on communicating plans for orderly transition of students and staff. Distribute to the transition team.	ICSB Lead	
w/in 24 hours of ICSB's vote to close the charter school	Press Release Create and distribute a press release that includes the following: 1. History of the school; 2. Authorizing board closure policies; 3. Reason(s) for school closure; 4. Outline of support for students, parents, and staff; and 5. A press point person for the ICSB and for the school.	ICSB Lead	
Budget			
w/in 5 business days of ICSB's final vote to close the charter school	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. 3. Make revisions that take into account closure and associated expenses while prioritizing continuity of instruction. 4. Identify acceptable use of reserve funds.	School Lead	
Finalize School Affairs: Governance and Operations			
Completion Date	Description of Required Actions	Responsible Party	Status
Summer School			
TBD	Terminate Summer Instruction Program Take appropriate action to terminate any summer instruction, such as canceling teaching contracts.	School Lead	
Student Records			
TBD	Secure Student Records Ensure all student records are organized, up to date, and maintained in a secure location.	School Lead	
TBD	Transfer Student Records and Testing Material Identify an appropriate entity to hold student records. Send student records, including:	School lead	

	<ol style="list-style-type: none"> 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. <p>The school must contact the relevant districts of residence for students and notify districts of how (and when) records will be transferred. In addition, the school must create a master list of all records to be transferred and state their destination.</p> <p>Document the transfer of records to include:</p> <ol style="list-style-type: none"> 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 organization who receives the records. 		
Assets and Location			
TBD	<p>Maintain Identifiable Location</p> <p>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. In the event the facility is sold or otherwise vacated before concluding the school's affairs, the school must relocated 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 ICSB if any change in location or contact information occurs.</p>	School Lead	
ongoing	<p>Protect School Assets</p> <p>Protect the school's assets and any assets in the school that belong to others against theft, misappropriation and deterioration.</p> <ol style="list-style-type: none"> 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. 	School Lead	
TBD	<p>Inventory assets</p> <p>Inventory school assets, and identify items:</p> <ol style="list-style-type: none"> 1. Loaned from other entities. 2. Encumbered by the terms of a contingent gift, grant or donation, or a security interest. 3. Belonging to the EMO/CMO, if applicable, or other contractors. 4. Purchased with federal grants (dispose of such assets in accordance with federal regulations). 	School Lead	

	Return assets not belonging to school where appropriate documentation exists. Keep records of assets returned.		
Contracts			
Within 10 business days of ICSB's final vote to close the charter school	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.	School Lead	
TBD	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.	School Lead	
Within 10 business days of ICSB's final vote to close the charter school	Notify Educational Service Provider (ESP) and Termination of Contract (if applicable) Review the management agreement and take steps needed to terminate the agreement at the end of the school year or when the charter contract expires. <ol style="list-style-type: none"> 1. Notify the ESP of termination of education program by the school's board, providing the last day of classes. 2. Provide notice of non-renewal/revocation in accordance with the ESP contract. 3. The management company should be asked for a final invoice and accounting, including an accounting of any retained school funds and the status of grant funds. 4. The school and the management company should agree upon how the company will continue to provide educational services until the last day of instruction. 5. The school and the management company agree when other services including business services will end. 6. Provide notice that the ESP should remove any property lent to the school after the end of classes; and 7. Request a receipt of such property. Provide a copy of this notification to the ICSB.	School Lead	
TBD	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 Indiana Unemployment Insurance pursuant to any regulations of the Indiana Department of Labor. Notify benefit providers of pending termination of all employees, to include: <ol style="list-style-type: none"> 1. Medical, dental, vision plans. 2. Life insurance. 3. Cafeteria plans. 4. 403(b), retirement plans. 5. PERF Consult legal counsel as specific rules and regulations may apply to such programs.	School Lead	
TBD	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. <ol style="list-style-type: none"> 1. This list is not the same as the contractor list, below, but may include contractors. 	School Lead	

	<ol style="list-style-type: none"> 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. 		
TBD	<p>Notification to Creditors Solicit from each creditor a final accounting of the school's accrued and unpaid debt. Compare the figures provided with the school's calculation of debt and reconcile.</p> <p>Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations.</p> <p>Provide the ICSB a written summary of this activity.</p>	School Lead	
TBD	<p>Reconcile with ICSB Reconcile ICSB billings and payments. If the school owes the ICSB money, it should list the ICSB as a creditor and treat it accordingly.</p>	School Lead	
TBD	<p>Notify Contractors and Terminate Contracts The school must formulate a list of all contractors with contracts in effect and:</p> <ol style="list-style-type: none"> 1. Notify them regarding school closure and cessation of operations; 2. Instruct contractors to make arrangements to remove any contractor property from the school by a date certain (copying machines, water coolers, other rented property); 3. Retain records of past contracts as proof of full payment; 4. Maintain telephone, gas, electric, water, insurance; and 5. Terminate contracts for goods and services as of the last date such goods or services will be needed. <p>Provide the ICSB written notice of such notification.</p>	School Lead	
TBD	<p>Vendors The school must:</p> <ol style="list-style-type: none"> 1. Create a vendor list, including food and transportation vendors; and 2. Notify vendors of closure and cancel or non-renew agreements as appropriate. <p>Provide ICSB with a copy of all documents.</p>	School Lead	
Maintain Corporate Records			
TBD	<p>Maintain Corporate Records Maintain all corporate records related to:</p> <ol style="list-style-type: none"> 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. 6. Governance (minutes, bylaws, policies). 7. Employees (background checks, personnel files). 8. Accounting/audit, taxes and tax status, etc. 9. Personnel. 10. Employee benefit programs and benefits. 	School Lead	

	11. Any other items listed in the closure plan. Determine where records will be stored after dissolution.		
Finalize School Affairs: Finance			
Completion Date	Description of Required Actions	Responsible Party	Status
Tax Status			
Throughout closure process	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.	School Lead	
Disposition			
TBD	Disposition of Property Check with Indiana Department of Education regarding proper procedures for disposition of property purchased with federal funds.	School Lead	
TBD	Disposition of Inventory Establish a disposition plan (e.g., auction), and establish a payment process (e.g., cash, checks, credit cards) for any remaining items. Provide the ICSB with a copy of all documents.	School Lead	
TBD	Disposition of Real Property (e.g., facility) (if applicable) Determine the steps for disposing of real property.	School Lead	
Determine PERF Obligations			
TBD	Determine PERF Obligations Contact PERF to determine remaining liabilities for employee retirement program.	School Lead	
Federal Grants			
Within 60 days of the end of classes	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.	School Lead	
Final Steps			
TBD	Itemize Financials Review, prepare and make available the following: 1. Fiscal year-end financial statements. 2. Cash analysis. 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.	School Lead	
w/in 120 days of the end of classes	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. Provide a copy of the final statement to the ICSB.	School Lead	
TBD	Complete Final Financial Audit	School Lead	

	Complete a financial audit of the school by a date to be determined by the ICSB.	
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Finalize School Affairs: Reporting

Completion Date	Description of Required Actions	Responsible Party	Status
TBD	Prepare End-of-Year Reports Prepare and submit all required end-of-year reports to the ICSB and the Indiana Department of Education.	School Lead	
One week after the end of classes	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 as well as contact information.	School Lead	

Dissolution (if applicable)

Completion Date	Description of Required Actions	Responsible Party	Status
TBD	Dissolve the Charter School <ol style="list-style-type: none"> 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. 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. 	School Lead	
TBD	Notify the Secretary of State After the resolution to dissolve is authorized, dissolve the corporation by delivering to the Secretary of State for filing articles of dissolution setting forth: <ol style="list-style-type: none"> The name of the non-profit corporation. The address of the non-profit corporation's principal office. The date dissolution was authorized. If dissolution was authorized by the directors, a statement to that effect. If dissolution was approved by the members, a statement of the number of votes cast for the proposal to dissolve. Such additional information as the Secretary of State determines is necessary or appropriate. 	School Lead	
TBD	Notify Known Claimants Give written notice of the dissolution to known claimants within 90 days after the effective date of the dissolution.	School Lead	
TBD	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: <ol style="list-style-type: none"> Collecting its assets. Transferring, subject to any contractual or legal requirements, its assets as provided in or authorized by its articles of incorporation or bylaws. Discharging or making provision for discharging its liabilities. Doing every other act necessary to wind up and liquidate its assets and affairs. 	School Lead	
TBD	Notify IRS Notify the IRS of dissolution of the education corporation and its 501(c)(3) status and furnish a copy to the ICSB.	School Lead	

