



## New York State Education Department

*Closing Procedures Guide and Checklist for New York State Charter Schools  
Authorized by the Board of Regents*

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The Regents of The University of the State of New York  
Charter School Office  
89 Washington Avenue  
Albany, New York 12234  
<http://www.p12.nysed.gov/psc/>

## Acknowledgements

Much of the information provided in this *Closing Procedures Guide and Checklist for New York State Charter Schools Authorized by the Board of Regents* was derived from the *Accountability in Action: A Comprehensive Guide to Charter School Closure* report created and published by the National Association of Charter School Authorizers (NACSA) in 2010. NACSA is nationally recognized for their *Principles & Standards for Quality Charter School Authorizing*, which support policies and procedures aimed at increasing the number of high quality charter schools throughout the United States. In addition to NACSA, the Board of Regents and the New York State Education Department wish to acknowledge and thank the following organizations for their contributions to creating this Guide.

### **National Association of Charter School Authorizers**

105 West Adams Street, Suite 3500  
Chicago, IL 60603-6253  
[www.qualitycharters.org](http://www.qualitycharters.org)

### **Volunteers of America**

Charter School Sponsorship Program  
924 19th Avenue South  
Minneapolis, MN 55404  
[www.voa.org](http://www.voa.org)

### **California Department of Education**

Charter Schools Division  
1430 N Street  
Sacramento, CA 95814  
<http://www.cde.ca.gov/sp/cs/>

### **Massachusetts Department of Elementary and Secondary Education**

Charter School Office  
75 Pleasant Street  
Malden, MA 02148  
<http://www.doe.mass.edu/charter/>

### **Charter Schools Institute**

The State University of New York  
41 State Street, Suite 700  
Albany, NY 12207  
[www.newyorkcharters.org](http://www.newyorkcharters.org)

## Overview

The closure of a charter school can be very difficult for school stakeholders, particularly students, families, and school staff. This process can also adversely impact the community in which the school is located. A charter school may close voluntarily, through non-renewal, or through revocation. The decision of the Board of Regents (Regents) to close a charter school is based on many factors, including a school's inability to meet renewal standards that are typically reflected within academic, organizational, and/or financial goals in a school's charter contract and Performance Framework. The Regents are extremely cautious when making such a determination and are committed to helping students identify high-quality educational alternatives.

The primary purpose of this Guide and Checklist is to provide guidance to both New York State Education Department (Department) Charter School Office staff and charter school leadership in order to ensure the orderly closure of a Regents-authorized charter school after a school closure has been determined by the Board of Regents,<sup>1</sup> as required by the school's charter agreement.<sup>2</sup> **Please note that closing charter schools are responsible for completing all actions in the Checklist in accordance with their charter contract.** The Appendices to the Guide and Checklist also includes template notification documents to support efficient protocols and processes. For schools, these include a Sample Parent Letter, Sample Staff Letter, and Sample Press Release.

The Department and the Regents will work to help closing charter schools protect the best interests of displaced families and staff with a focus on assisting successful transitions for all parties involved. School stakeholders must be notified immediately of an impending closure so that they are able to gain access to options aligned with their individual needs. Additionally, as independent nonprofit organizations, charter schools must manage varying aspects of dissolution of the organization in order to adequately prepare for, and adhere to, legal and statutory requirements. These and other important closure-related actions are outlined in this Guide and Checklist. Both the Department and the closing school must address the concerns of many different stakeholders throughout the closure process, including school employees, building landlords, creditors, and – most importantly – students and families. It is essential to focus on ensuring that every student is placed in an appropriate school, while also managing the operational aspects of school closure.

The Charter School Office will work closely with school leadership and Board members to leverage resources and coordinate both academic and operational transition tasks. This collaboration will help ensure that student records are handled appropriately, families are educated about educational choices, and partnerships are forged with the local education community to facilitate student transfers.

A number of the tasks listed throughout the Checklist represent actions that have proven successful during past charter school closings. Though some tasks are not required by statute, they are meant to provide support and technical guidance to charter schools as they embark on critical closure functions to help ensure effective transitioning for students and staff. **Other tasks are required by federal and state statute. Such tasks must be finalized by the date listed in the Completion Date column in the Checklist.**<sup>3</sup> These and other actions are monitored by Charter School Office staff and

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<sup>1</sup> Per SED's charter contract § 8.2. Grounds for Revocation, the Board of Regents can terminate or revoke a school's charter in accordance with §2855 of the Act or by mutual agreement between the school and the Board of Regents.

<sup>2</sup> The Appendix also includes template notification documents to support efficient protocols and processes. For schools, these include a Sample Parent Letter, Sample Staff Letter, and Sample Press Release. For SED staff, these include a Notification of Waiver/Watch/Probation and Notification of Revocation.

<sup>3</sup> Per SED's charter contract § 8.4. Dissolution, in the event of termination or revocation of a Board of Regents-authorized school, the school must follow procedures in its original charter Application and §2851(2)(t) of the Act. Procedures may include student transfer and record transfer to the school district in which the Charter School is located and for the disposition of the Charter School's assets to the school district in which the Charter School is located or to another charter school located within the school district. Closing schools must also adhere to

can include, but are not limited to:

- Maintenance of Location and Communication: NY Ed Law §220.5
- Transfer of Student Records: Act § 2851(t); SED contract §§2.4, 8.4; NY Ed Law §219.4
- Inventory: NY Ed Law §220.1
- Disposition of Property: NY Ed Law §220.1; 220.2; 220.3

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additional procedures required by SED to ensure an orderly dissolution process, including compliance with applicable requirements of Education Law §§ 219 and 220.

## Timing of Closure Activities

As noted above, many of the tasks included in the Checklist are considered urgent and must take place within days of the Regents' vote to close the charter school. Other actions will be ongoing until the school closure is complete. The Checklist maps the timing of activities which range from actions taken immediately following a closure vote by the Board of Regents through final closure activities. Several activities are ongoing, including the critical requirement that the board of trustees continue to communicate closely with the authorizer and provide advance copies of materials for board meetings (including agendas, financials, minutes, supporting documents, etc.). The key categories of tasks are summarized below, and fully detailed in the Checklist that follows.

1. **Immediate Tasks** (Immediately and up to 1 week following the Closure Vote): A Transition Team dedicated to ensuring the smooth transition of students and staff and to close down the school's business, populated by SED staff and board and staff members of the closing charter school should be formed immediately to complete urgent tasks immediately following the closure vote of the Board of Regents. The Transition Team will prioritize notification of the public and school community, convening meetings with families and staff, and clarifying communication protocols and expectations through the completion of the closing process. Engaging key school stakeholders in this process will help increase trust within the school community. This collaboration will also help encourage families to take advantage of available transitional services.<sup>4</sup> Parents and faculty will receive a detailed transition letter. External state and local agencies will receive notifications, as will unions for schools with collective bargaining units.
2. **Ongoing Activities** (Through completion of the closure process): Some activities require ongoing maintenance of effort and attention by trustees and school staff. The Transition Team will ensure instruction continues through closure, provide support for families seeking placement options, and ensure appropriate use of dissolution funds.
3. **Pre-Closure Tasks** (Within three weeks to 45 days after the Closure Vote): These consist of significant priority tasks essential to high-quality and on-time dissolution. Actions items include notification of creditors, debtors, contractors, vendors, and management companies, if applicable.
4. **Post-Closure Tasks** (Within one week to 120 days after the last day of instruction) Dissolution tasks during this period after the end of instruction include extensive financial reporting (including a closeout audit), transfer of student records, notification of final report cards, and formal document records transfer. The closing school Board Chair is responsible for the disposition of records, including (but not limited to) financial documents, contracts, assets, and grants. The school leader is accountable for ensuring that student records are up-to-date and complete and that all records are transferred appropriately. Provisions for the closing school to maintain all school records, including financial and attendance records, should reflect the timelines outlined in the Checklist. The Charter School Office should notify the closing charter school of any outstanding liabilities owed to the state. These may include overpayment of apportionments and/or unpaid revolving fund loans or grants. If the Regents believe that the school received state funding for which it was not eligible, the Charter School Office may request an audit conducted by the New York State Comptroller.

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<sup>4</sup> Transitional services can include, but are not limited to, providing written materials in relevant home languages, hosting school choice fairs, offering meetings that accommodate working parents, providing access to a consistent point of contact to answer questions, oversight of operational and fiscal closure activities, and, ultimately, ensuring that every student is enrolled in an appropriate school.

**Immediate Tasks** (Immediately and up to 1 week following the Closure Vote)

Action Item		Responsibility for Action Item (Suggested)	Completion Date	Status
1	<p><b>Create “Charter School Closure: Frequently Asked Questions”</b> Document from SED answering questions about the closure of the school and providing key information to support the transition of students and staff, and contact information.</p>	SED Lead	Prior to SED vote to close the charter school	
2	<p><b>Establish Transition Team and Assign Roles</b> A team dedicated to ensuring the smooth transition of students and staff and to close down the school’s business populated by SED staff, in conjunction with Board members and staff of the closing charter school. Team to include:</p> <ul style="list-style-type: none"> <li>• Lead person from SED Staff;</li> <li>• Charter School Board chair;</li> <li>• Lead Administrator from the Charter School;</li> <li>• Lead Finance person from the Charter School;</li> <li>• Lead person from the Charter School Faculty; and,</li> <li>• Lead person from the Charter School Parent Organization</li> </ul> <p>The board chair should also consider soliciting the assistance of external partners to fulfill all responsibilities associated with dissolution. In the event of trustee resignations, disclosure obligations of the board will be borne by the remaining trustees.</p>	SED Lead and Charter School Board Chair	Within 24 hours of SED vote to close the charter school	
3	<p><b>Press Release</b> Create and distribute a press release that includes the following:</p> <ul style="list-style-type: none"> <li>• History of school;</li> <li>• SED closure policies;</li> <li>• Reason(s) for school closure;</li> <li>• Outline of support for students, parents and staff; and,</li> <li>• Contact information for the SED and School media liaison.</li> </ul> <p>Media liaisons for SED and the School will ensure that the release is comprehensive and comports with the approved closure plan agreed to by the board and the authorizer.</p>	SED Lead and Charter School Board Chair	Within 24 hours of SED vote to close the charter school	
4	<p><b>Assign Transition Team Action Item Responsibilities</b> Distribute contact information to all transition team members, set calendar for meetings and assign dates for completion of each charter school closure action item.</p> <ul style="list-style-type: none"> <li>• SED liaison will meet with the School’s Transition Team to establish common understandings and troubleshoot issues, which may arise through the completion of dissolution.</li> <li>• The Transition Team should move quickly to establish a Student Transition Plan (Plan) that focuses on enrolling students in a new, appropriate school. The Plan should establish clear deadlines for key activities and should not be considered complete until every student engaging in transitional services has been enrolled in a new school.</li> </ul>	SED Lead and Charter School Board Chair	Within 48 hours of SED vote to close the charter school	

**Immediate Tasks** (Immediately and up to 1 week following the Closure Vote)

	<b>Action Item</b>	<b>Responsibility for Action Item (Suggested)</b>	<b>Completion Date</b>	<b>Status</b>
	<ul style="list-style-type: none"> <li>A School Closure Coordinator should also be established so that families have access to a direct line of support that can provide guidance through the transition.</li> </ul>			
5	<p><b>Initial Closure Notification Letter: Parents &amp; School</b> Distribute letter to faculty, staff and parents outlining:</p> <ul style="list-style-type: none"> <li>Closure decision of the authorizer;</li> <li>Timeline for transition; and,</li> <li>Help Line and online information to address inquiries pertaining to records, enrollment, lottery procedures, names and locations of other charter schools, etc.</li> </ul>	SED Lead and Charter School Board Chair	Within 48 hours of SED vote to close the charter school	
6	<p><b>Terminate Summer Instruction Program</b> Take appropriate action to terminate any summer instruction, such as canceling teaching contracts. If the school had planned to operate a Summer Program, the School must provide SED with evidence that the appropriate parties have been officially notified; and, further, that the complete and proper financial management of the school is completed in a timely manner.</p>	Charter School Board Chair and Administrator Lead	Within 48 hours of SED vote to close the charter school	
7	<p><b>Initial Closure Notification Letter: State &amp; Local Agencies</b> Letter to SED as well as local school districts (as necessary to inform local district for purposes of enrolling students from the closing school) to include:</p> <ul style="list-style-type: none"> <li>Notification materials distributed to parents;</li> <li>Notification materials distributed to faculty and staff;</li> <li>SED decision materials, resolution to close school;</li> <li>Copy of any termination agreement(s) (if applicable); and,</li> <li>Copy local public school districts</li> </ul>	SED Lead and Charter School Board Chair	Within 72 hours of SED vote to close the charter school	
8	<p><b>Talking Points</b> Create talking points for parents, faculty, community, and press. Focus on communicating plans for orderly transition of students and staff. Distribute to transition team.</p>	SED Lead and Charter School Board Chair	Within 72 hours of SED vote to close the charter school	
9	<p><b>Secure Student Records</b> Ensure all student records are organized, up to date and maintained in a secure location.</p>	Charter School Administrator Lead	Within 72 hours of SED vote to close the charter school	
10	<p><b>Secure Financial Records</b> Ensure all financial records are organized, up to date and maintained in a secure location. A copy of the financial records should be provided to SED prior to school closure. Those records shall include all financial records of the school including, but not limited to:</p> <ul style="list-style-type: none"> <li>Original bank statements for no less than one year</li> <li>Vendor invoices and statements</li> </ul>	Charter School Financial Lead	Within 72 hours of SED vote to close the charter school	

**Immediate Tasks** (Immediately and up to 1 week following the Closure Vote)

Action Item		Responsibility for Action Item (Suggested)	Completion Date	Status
	<ul style="list-style-type: none"> <li>Records of payments to vendors</li> <li>Payroll documentation, including the method by which tax documents (W-2's) will be provided to employees subsequent to school closure.</li> </ul> <p>For an extended list of document submission requirements, please refer to item #45. NOTE: The School may be required to ship financial records to SED.</p>			
11	<p><b>Parent Contact Information</b> Create Parent Contact List to include:</p> <ul style="list-style-type: none"> <li>Student name; student address;</li> <li>Telephone; and,</li> <li>Email, if possible</li> </ul> <p><i>Provide a copy of the contact information to SED.</i></p>	Charter School Administrator Lead	Within 1 week of SED vote to close the charter school	
12	<p><b>Faculty Contact Information</b> Create Faculty Contact List that includes:</p> <ul style="list-style-type: none"> <li>Name;</li> <li>Position;</li> <li>Address;</li> <li>Telephone; and,</li> <li>Email</li> </ul> <p><i>Provide a copy of the list to SED.</i></p>	Charter School Faculty Lead	Within 1 week of SED vote to close the charter school	
13	<p><b>Convene Parent Closure Meeting</b> Plan and convene a parent closure meeting.</p> <ul style="list-style-type: none"> <li>Make copies of "Closure FAQ" document available;</li> <li>Provide overview of SED closure policy and closure decision;</li> <li>Provide calendar of important dates for parents;</li> <li>Provide specific remaining school vacation days and date for end of classes;</li> <li>Present timeline for transitioning students;</li> <li>Present timeline for closing down of school operations; and,</li> <li>Provide contact and help line information</li> </ul>	SED Lead, Charter School Administrator and Charter School Parent Organization Leads	Within 1 week of SED vote to close the charter school	
14	<p><b>Convene Faculty/Staff Meeting</b> School Board Chair to communicate:</p> <ul style="list-style-type: none"> <li>Commitment to continuing coherent school operations throughout closure transition;</li> <li>Plan to assist students and staff by making closing as smooth as possible;</li> <li>Reasons for closure;</li> <li>Timeline for transition details;</li> <li>Compensation and benefits timeline; and,</li> <li>Contact information for ongoing questions</li> </ul>	Charter School Board Chair, Charter School Administrator Lead, and Charter School Faculty Lead	Within 1 week of SED vote to close the charter school	

**Immediate Tasks** (Immediately and up to 1 week following the Closure Vote)

Action Item	Responsibility for Action Item (Suggested)	Completion Date	Status
<i>Provide SED copies of all materials distributed at Faculty/Staff Meeting.</i>			

**Ongoing Activities** (Through completion of the closure process)

Action Item		Responsibility for Action Item	Completion Date	Status
15	<p><b>Continue Current Instruction</b> Continue instruction under current education program per charter contract until end of school calendar for regular school year.</p>	Charter School Administrator Lead	Ongoing after SED closure vote until end of classes as designated in SED resolution	
16	<p><b>Board Communication</b> Provide advance copies of all meeting agendas, minutes, financials (monthly, or as required by SED), all supporting documentation for trustee minutes, and all documents as outlined throughout this Checklist.</p>	SED, Charter School Board Chair and Charter School Financial Lead	Ongoing after SED closure vote until completion of dissolution	
17	<p><b>Establish Use of Reserve Funds</b> If school is required to maintain closure reserve funds, identify acceptable use of such funds to support the orderly closure of the school.</p>	SED, Charter School Board Chair and Charter School Financial Lead	Ongoing after SED closure vote until completion of dissolution	
18	<p><b>Maintain Location and Communication</b><sup>5</sup> 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. <i>The school must immediately inform SED if any change in location or contact information occurs.</i></p>	Charter School Board Chair	Ongoing after SED closure vote until completion of dissolution	
19	<p><b>Maintain Insurance</b> The school's assets and any assets in the school that belong to others must be protected against theft, misappropriation and deterioration. The school should:</p> <ul style="list-style-type: none"> <li>• Maintain existing insurance coverage until the disposal of such assets under the school closure action plan;</li> <li>• Continue existing insurance for the facility, vehicles and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of vehicles and other assets are sold;</li> <li>• Negotiate facility insurance with entities that may take possession of school facility (lenders, mortgagors; bond holders, etc.);</li> </ul>	Charter School Board Chair and Charter School Financial Lead	Ongoing after SED closure vote until completion of dissolution	

<sup>5</sup> NY Ed Law §220(5).

**Ongoing Activities** (Through completion of the closure process)

	<b>Action Item</b>	<b>Responsibility for Action Item</b>	<b>Completion Date</b>	<b>Status</b>
	<ul style="list-style-type: none"> <li>• Continue or obtain appropriate security services;</li> <li>• Notify the insurance company and law enforcement in the event of theft;</li> <li>• Plan to move assets to secure storage after closure of the school facility; and</li> <li>• Maintain existing directors and officers liability (D&amp;O) insurance, if any, until final dissolution of the school.</li> </ul>			
20	<p><b>Reporting of Financial Condition</b> The school must submit the following financial documents (and submit updates on a monthly basis as of the close of the following month until finalization of closure)</p> <ul style="list-style-type: none"> <li>• A current balance sheet as of the month just ended before the closure decision, including accompanying schedules for: (1) All assets and their value; (2) Accounts/loans payable or other liabilities that exceed \$1,000;</li> <li>• A current income statement as of the month just ended before the closure decision</li> <li>• A grants report indicated the anticipated use of all funds received through federal and state grants, including a plan to return funds as appropriate for grant projects/programs that will be terminated or not completed. The school cannot use these funds for costs related to closure</li> <li>• A comprehensive month-to-month cash flow statement to operate the school through the closure date which accounts for the full disposition of assets and specifically gives priority to and includes:               <ul style="list-style-type: none"> <li>○ Payment of instructional staff to ensure completion of the school’s instructional program (including an itemized schedule of current and projected payroll and payroll benefit payments, including payout of any accrued leave/vacation time);</li> <li>○ Total funds to satisfy all outstanding liabilities including but not limited to all contracts/leases and payoff of all debts;</li> <li>○ Payments to the New York State Teachers Retirement System on behalf of employees;</li> <li>○ Payment of any costs associated with transition of students and records;</li> <li>○ Costs for a complete, close-out financial audit; and</li> <li>○ All other costs associated with closure.</li> </ul> </li> </ul>	Charter School Financial Lead	Within 30 days of SED vote to close the charter school and ongoing by the close of each month.	

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

Action Item		Responsibility for Action Item	Completion Date	Status
21	<p><b>Parent/Guardian Closure Transition Letter</b> Distribute letter with detailed guidance regarding transition plan. Notification should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Date of the last day of regular instruction;</li> <li>• Cancellation of any planned summer school;</li> <li>• Notification of mandatory enrollment under New York State law;</li> <li>• Date(s) of any planned school choice fair(s);</li> <li>• Listing of the contact and enrollment information for charter, parochial, public and private schools in the area;</li> <li>• Information on obtaining student records pursuant to the New York State Freedom of Information Law before the end of classes; and,</li> <li>• Contact information for parent/guardian assistance/questions</li> </ul> <p><b><i>Provide SED with a copy of the letter.</i></b></p>	Charter School Board Chair and Charter School Administrator Lead	Within 10 days of SED vote to close the charter school	
22	<p><b>Staff/Faculty Closure Transition Letter</b> Outline transition plans and timelines for staff, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Commitment of school's board to transitioning staff;</li> <li>• Commitment to positive transition for children into new educational settings;</li> <li>• Any transition to new employment assistance board anticipates providing (such as job fairs);</li> <li>• *Timelines for compensation and benefits;</li> <li>• Timelines for outstanding professional development issues;</li> <li>• COBRA information;</li> <li>• Processing of year-end tax documents (W-2's, 1099's, etc.)</li> <li>• Pertinent licensure information;</li> <li>• Faculty lead contact information; and,</li> <li>• Transition team member contact information</li> </ul> <p><b><i>Provide SED with copies of the letter and any accompanying materials.</i></b> * Trustees must be clear about compensation that may be owed to teachers based on their negotiated agreements with the school. For example, if payment for services rendered through the end of the school year are annualized over a 12-month period, the school may be required to pay funds budgeted for the summer after school closure.</p>	Charter School Board Chair	Within 10 days of SED vote to close the charter school	
23	<p><b>Agencies/Organizational Partners</b> The school must satisfy SED's statutory and regulatory obligation to ensure a smooth transition for students. Agency notifications may include:</p> <ul style="list-style-type: none"> <li>• School finance;</li> <li>• Grants management;</li> </ul>	SED Lead and Charter School Board Chair	Within 10 days of SED vote to close the charter school	

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

	<b>Action Item</b>	<b>Responsibility for Action Item</b>	<b>Completion Date</b>	<b>Status</b>
	<ul style="list-style-type: none"> <li>• General programs office;</li> <li>• New York State teacher retirement system;</li> <li>• Non-instructional staff retirement system;</li> <li>• Local school district superintendent(s);</li> <li>• New York State auditor/comptroller/budget office (depending on revenue flow);</li> <li>• Assessment and testing;</li> <li>• Data reporting (student information);</li> <li>• Child nutrition;</li> <li>• Transportation; and,</li> <li>• Organizations and/or institutions with which the school has partnered</li> </ul>			
24	<p><b>Union Notification Pursuant to any Collective Bargaining Agreement</b>            If applicable, the school should work with legal counsel to notify any unions of termination of collective bargaining agreements (CBAs) and the pending cessation of instruction, pursuant to the notice requirements set forth in any existing CBA or notice requirements of applicable federal, New York State and local law.</p> <p>The school should:</p> <ul style="list-style-type: none"> <li>• Consult with legal counsel with respect to notice requirements for terminating the CBA and the legal implications with respect to termination of CBAs and the termination of employees connected to the CBAs;</li> <li>• Provide a copy of the latest CBA to SED;</li> <li>• Provide a copy of the notice to SED; and, keep SED informed of the implications, penalties and damages in connection with any termination of a CBA as well as ongoing discussions and negotiations with the union in connection with termination</li> </ul>	Charter School Board Chair	Within 10 days of SED vote to close the charter school	
25	<p><b>List of Creditors and Debtors</b>            Formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor. The list should include:</p> <ul style="list-style-type: none"> <li>• Contractors to whom the school owes payment;</li> <li>• Lenders;</li> <li>• Mortgage holders;</li> <li>• Bond holders;</li> <li>• Equipment suppliers;</li> <li>• Secured and unsecured creditors;</li> <li>• Persons or organizations who owe the school fees or credits;</li> <li>• Lessees or sub-lessees of the school; and</li> <li>• Any person or organization holding property of the school</li> </ul> <p><b><i>Provide a copy of the list to SED with the amount owed to each creditor thereon and</i></b></p>	Charter School Financial Lead	Within three weeks of SED vote to close the charter school	

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

	<b>Action Item</b>	<b>Responsibility for Action Item</b>	<b>Completion Date</b>	<b>Status</b>
	<i>the amount owed by each debtor.</i>			
26	<p><b>Management Organization Notification and Termination of Contract</b>                      The school must:</p> <ul style="list-style-type: none"> <li>• Notify management company/organization of termination of education program by the school’s board, providing the last day of classes and absence of summer;</li> <li>• Provide notice of non-renewal in accordance with management contract;</li> <li>• Request final invoice and accounting to include accounting of retained school funds and grant fund status;</li> <li>• Provide notice that the management company/organization should remove any property lent to the school after the end of classes; and,</li> <li>• Request a receipt of such property</li> </ul> <p><b>Provide a copy of this notification to SED.</b>                      The trustees <u>should</u> convene a meeting to ensure that areas open to dispute and litigation (eg., intellectual property, disposition of assets, fees, claims, etc.) are discussed and addressed by counsel to the School and counsel to the management company.</p>	<p align="center">Charter School Board Chair and Charter School Financial Lead</p>	<p align="center">Within three weeks of SED vote to close the charter school</p>	
27	<p><b>Contractors</b>                      The school must formulate a list of all contractors with contracts in effect and:</p> <ul style="list-style-type: none"> <li>• Notify them regarding school closure and cessation of operations;</li> <li>• Instruct contractors to make arrangements to remove any contractor property from the school by a date certain (copying machines, water coolers, other rented property);</li> <li>• Retain records of past contracts as proof of full payment; and,</li> <li>• Maintain telephone, gas, electric, water, insurance, Directors and Officers liability insurance long enough to cover the time period required for all necessary closure procedures to be complete</li> </ul> <p><b>Provide SED with written notice of all such notifications.</b></p>	<p align="center">Charter School Finance Lead</p>	<p align="center">Within three weeks of SED vote to close the charter school</p>	
28	<p><b>Audit Engagement</b>                      The school shall engage, by a vote of the board, an <b>independent</b> auditor subject to CSO approval, to conduct a final close-out audit of the school. Submit a signed and dated copy of the engagement letter and an estimated timeline for the start and completion of the audit.</p>	<p align="center">Charter School Board of Trustees and Charter School Financial Lead</p>	<p align="center">Within 30 days of SED vote to close the charter school</p>	
29	<p><b>IRS Status</b>                      If the school has 501(c)(3) status, it must take steps to maintain that status including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Notification to IRS regarding any address change of the school corporation; and,</li> <li>• Filing of required tax returns or reports (e.g., IRS form 990 and Schedule A)</li> </ul> <p><b>If the school corporation proceeds to dissolution, notify the IRS of dissolution of the</b></p>	<p align="center">Charter School Board Chair and Charter School Financial Lead</p>	<p align="center">Within 30 days of SED vote to close the charter school</p>	

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

Action Item		Responsibility for Action Item	Completion Date	Status
	<b>education corporation and its 501(c)(3) status and provide a copy to SED.</b>			
30	<p><b>Creditors</b> 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 the debt and reconcile. Where possible, negotiate a settlement of debts consummated by a settlement agreement reflecting satisfaction and release of the existing obligations. <b>Provide SED with a written summary of this completed activity.</b></p>	Charter School Finance Lead	Within one month of SED vote to close the charter school	
31	<p><b>Debtors</b> Contact all debtors and demand payment. If collection efforts are unsuccessful, consider turning the debt over to a commercial debt collection agency. All records regarding such collection or disputes by debtors regarding amounts owed must be retained. <b>Provide SED with a written summary of this completed activity.</b></p>	Charter School Finance Lead	Within one month of SED vote to close the charter school	
32	<p><b>UCC Search</b> The school should perform a Uniform Commercial Code (UCC) search to determine if there are any perfected security interests and to what assets security interests are attached. <b>Provide a copy of the search to SED.</b></p>	Charter School Financial Lead	Within 30 days of SED vote to close the charter school	
33	<p><b>Employees and Benefit Providers</b> The school should establish an employee termination date and:</p> <ul style="list-style-type: none"> <li>• Notify all employees of termination of employment and/or contracts;</li> <li>• Notify benefit providers of pending termination of all employees;</li> <li>• Notify payroll processor of pending closure of the school;</li> <li>• Notify employees and providers of termination of all benefit programs; and</li> <li>• Terminate all programs as of the last date of service in accordance with applicable law and regulations (e.g., COBRA), including: <ul style="list-style-type: none"> <li>○ health care/health insurance;</li> <li>○ life insurance;</li> <li>○ dental plans;</li> <li>○ eyeglass plans;</li> <li>○ cafeteria plans;</li> <li>○ 401(k), retirement plans; and</li> <li>○ pension plans</li> </ul> </li> </ul> <p>Specific rules and regulations may apply to such programs, especially teacher retirement plans. Therefore, legal counsel should be consulted. <b>Provide SED with copies of all materials.</b></p>	Charter School Board Chair and Charter School Financial Lead	Within 45 days of SED vote to close the charter school	
34	<b>Vendors</b>	Charter School Financial Lead	Within 45 days of	

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

Action Item		Responsibility for Action Item	Completion Date	Status
	<p>The school must:</p> <ul style="list-style-type: none"> <li>• Create vendor list; and,</li> <li>• Notify vendors of closure and cancel or non-renew agreements as appropriate.</li> </ul> <p><b>Provide SED with a copy of all documents.</b></p>		SED vote to close the charter school	
35	<p><b>Inventory<sup>6</sup></b> The school must:</p> <ul style="list-style-type: none"> <li>• Create a fixed asset list segregating New York State and federal dollars;</li> <li>• Note source codes for funds and price for each purchase; and,</li> <li>• Establish fair market value, initial and amortized for all fixed assets</li> </ul> <p><b>Provide SED with a copy of all documents.</b></p>	Charter School Financial Lead	Within 45 days of SED vote to close the charter school	
36	<p><b>Disposition of Assets Plan<sup>7</sup></b> The School must develop a plan for the disposition of all assets, property, and inventory, including assets purchased with federal funds. In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations. See 34 CFR. Part 80, subparts C and D.</p> <p>The school's Board is required to petition the supreme court in the judicial district where the principal office of the corporation is located, directing the disposition of all property belonging to the school. This includes:</p> <ul style="list-style-type: none"> <li>• Statement of assets;</li> <li>• Location of assets;</li> <li>• Estimated value of assets; and,</li> <li>• Statement of school debts</li> </ul> <p>This petition must be published in the local newspaper for at least four successive weeks.</p> <p>If an auction is held to dispose of the assets. The school must:</p> <ul style="list-style-type: none"> <li>• Ensure public notice of the auction is made widely;</li> <li>• Price items at fair market value, as determined from inventory and fixed assets policy; and,</li> <li>• Determine with SED/court how to return funds if any remain</li> </ul> <p><b>This petition must be sent to SED and the New York State Attorney General at least ten</b></p>	SED and Charter School Financial Lead	Within 45 days of SED vote to close the charter school	

<sup>6</sup> NY Ed Law §220.1.

<sup>7</sup> NY Ed Law §§ 220.1; 220.2; 220.3.

**Pre-Closure Tasks (Within three weeks to 45 days after the Closure Vote)**

Action Item		Responsibility for Action Item	Completion Date	Status
	<i>days prior to its submission. Provide SED with a copy of all documents.</i>			
37	<p><b>Disposition of Real Property Plan (e.g., facilities)</b>                      Adhere to New York State requirements for real property acquired from a public school district to determine right of first offer and other applicable requirements for disposition.</p>	Charter School Financial Lead	Within 45 days of SED vote to close the charter school	
38	<p><b>Payment of Funds</b>                      The school should work with SED to prioritize a payment strategy considering New York State and local requirements. Using available revenue and any funds from auction proceeds pay the following entities:</p> <ul style="list-style-type: none"> <li>• Retirement systems;</li> <li>• Teachers and staff;</li> <li>• Employment taxes and federal taxes;</li> <li>• Audit preparation;</li> <li>• Private creditors; and,</li> <li>• Overpayments from New York State/district</li> </ul> <p><i>Provide SED with a copy of all materials associated with this action.</i></p>	SED and Charter School Financial Lead Plan complete	Within 45 days of SED vote to close the charter school and ongoing activity until completed	

**Post-Closure Tasks** (Within one week to 120 days after the last day of instruction)

Action Item		Responsibility for Action Item	Completion Date	Status
39	<p><b>Final Report Cards and Student Records Notice</b> The school must ensure that:</p> <ul style="list-style-type: none"> <li>• All student records and report cards are complete and up to date;</li> <li>• Parents/guardians are provided with copies of final report cards and notice of where student records will be sent with specific contact information); and,</li> <li>• Parents/ guardians receive a reminder letter or post card reminding them of the opportunity to access student records under Freedom of Information law</li> </ul> <p><b><i>Provide SED with a copy of the notice.</i></b></p>	Charter School Administrative and Faculty Lead	One week after the last day of instruction	
40	<p><b>Transfer of Testing Materials</b> The school must follow New York State regulations regarding disposition of New York State assessment materials stored at the school and return as required.</p> <p><b><i>Provide SED with letter outlining transference of testing materials.</i></b></p>	Charter School Administrative Lead	One week after the last day of instruction	
41	<p><b>U.S. Dept. 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.</p>	Charter School Financial Lead	One week after the last day of instruction	
42	<p><b>Itemized Financials</b> Review, prepare and make available:</p> <ul style="list-style-type: none"> <li>• Fiscal year-end financial statements;</li> <li>• Cash analysis;</li> <li>• List of compiled bank statements for the year;</li> <li>• List of investments;</li> <li>• List of payables (and determinations of when a check used to pay the liability will clear the bank);</li> <li>• List of all unused checks;</li> <li>• List of petty cash;</li> <li>• List of bank accounts; and,</li> <li>• List of all payroll reports including taxes, retirement or adjustments on employee contracts</li> </ul> <p>Additionally, collect and void all unused checks as well as close accounts once transactions have cleared.</p>	Charter School Financial Lead	Within 30 days of the last day of instruction	
43	<p><b>Payroll and Employment Verification Reports</b> The school must generate a list of all payroll reports including taxes, retirement or adjustments on employee contracts as well as employment verification report to each employee.</p>	Charter School Administrative and Financial Lead	Within 30 days of the last day of instruction	

**Post-Closure Tasks** (Within one week to 120 days after the last day of instruction)

	<b>Action Item</b>	<b>Responsibility for Action Item</b>	<b>Completion Date</b>	<b>Status</b>
	<ul style="list-style-type: none"> <li>The school must provide evidence of having made payment and arrangements for the timely and complete processing of all payroll documentation (W-2's, 1099's, etc.). Evidence of such will consist of a signed and dated assurance from the provider.</li> <li>The school must provide an employment verification report to each employee at the end of their employment which includes the dates that the individual worked at the school, the position(s) held (including grade and subject taught if a teacher), and salary history, signed by the School Leader.</li> </ul> <p><b>Provide SED with copies of all materials.</b></p>			
44	<p><b>Transfer of Student Records<sup>8</sup></b>            As required by New York State statute, the school must transfer all student records to students' new school and/or school district within which the charter is located. Student records include:</p> <ul style="list-style-type: none"> <li>Grades and any evaluation;</li> <li>All materials associated with Individual Education Plans;</li> <li>Immunization records; and,</li> <li>Parent/guardian information</li> </ul> <p>The school must contact the relevant districts of residence for students and notify districts of how (and when) records — including special education records — will be transferred. In addition, the school must create a master list of all records to be transferred and state their destination(s).</p>	<p align="center">Charter School            Administrative            Lead, Charter            School Faculty            Lead, and Charter            School Parent            Organization Lead</p>	<p align="center">Within one month            of the last day of            instruction</p>	
45	<p><b>Documenting Transfer of Student Records<sup>9</sup></b>            Written documentation of the transfer of records must accompany the transfer of all student materials. The written verification must include:</p> <ul style="list-style-type: none"> <li>The number of general education records transferred;</li> <li>The number of special education records transferred;</li> <li>The date of transfer;</li> <li>The signature and printed name of the charter school representative releasing the records; and,</li> <li>The signature and printed name of the district (or other entity) recipient(s) of the records</li> </ul> <p><b>Provide copies of all materials documenting the transfer of student records to SED.</b></p>	<p align="center">Charter School            Board Chair and            Charter School            Administrative Lead</p>	<p align="center">Within one month            of the last day of            instruction</p>	

<sup>8</sup> Act §2851(t); Charter §2.4, §8.4; NY Ed Law §219.4.

<sup>9</sup> NY Ed Law §219.4.

**Post-Closure Tasks** (Within one week to 120 days after the last day of instruction)

Action Item		Responsibility for Action Item	Completion Date	Status
46	<p><b>Expenditure Reporting</b></p> <p>Ensure that Federal Expenditure Reports (FER) and the Annual Performance Report (APR) are completed.</p> <p><i>Provide SED a copy of all materials.</i></p>	Charter School Financial Lead	Within 45 days of the last day of instruction	
47	<p><b>Final Distribution of Assets</b></p> <p>Final distribution of assets may be directed by the Court as described in #36 above. In general, all liabilities and obligations of the School must be paid and discharged to the extent of the School's assets. Any assets held subject to a lien, encumbrance, security interest or other written conditions or limitations must be disposed of in accordance with and subject to those conditions or limitations.</p> <p>Assets received and held by the School subject to limitations permitting their use only for charitable, benevolent, educational, or similar purposes, but not held upon condition requiring return or with specific disposition instructions, shall be held until dissolution and transferred or conveyed to one or more charter schools in the school district or to the school district.</p> <p>An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient. (In case of later question, audit or review by federal bankruptcy or state supreme court, or other governmental body.)</p> <p>In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations. See 34 CFR. Part 80, subparts C and D.</p>	Charter School Financial Lead	Within 60 days of the last day of instruction	
48	<p><b>Documenting the Disposition of and Transfer of Corporate Records</b></p> <p>The school's Board should follow its records retention policy, or follow guidance provided by SED.</p> <p>In all cases, the school board shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> <li>• Employees (background checks, personnel files);</li> <li>• Loans, bonds, mortgages and other financing;</li> <li>• Contracts;</li> <li>• Leases;</li> <li>• Assets and asset sales;</li> <li>• Grants (records relating to federal grants must be kept in accordance with 34 CFR 8042.) Governance (minutes, by-laws, policies);</li> <li>• Accounting/audit, taxes and tax status;</li> <li>• Employee benefit programs and benefits; and,</li> <li>• Any items provided for in the closure action plan</li> </ul>	Charter School Board Chair and Charter School Financial Lead	Within 60 days of the last day of instruction and ongoing	

**Post-Closure Tasks** (Within one week to 120 days after the last day of instruction)

Action Item		Responsibility for Action Item	Completion Date	Status
49	<p><b>Audit</b>                      The school must submit a final closeout audit (by an independent CPA firm or New York State auditor, as determined by statute), which documents disposition of all liabilities.  <i>Provide a copy of the final audit to SED.</i></p>	Charter School Board Chair and Charter School Financial Lead	Within 120 days of the last day of instruction	

**APPENDIX A: Sample Notification Letter - Families**

CHARTER SCHOOL NAME AND ADDRESS

DATE

Dear Families of CHARTER SCHOOL NAME,

I want to thank you for entrusting your child’s education to the staff and leadership of the CHARTER SCHOOL NAME and for believing in the mission of our school: [INSERT MISSION]. On behalf of the Board, leadership, and staff of the school, it has been our honor to serve the students of the CHARTER SCHOOL NAME for the past XX years. We have worked hard over the life of the charter to provide our students with the educational vision contained in our original charter application. As you may be aware, the Board of Regents of the New York State Education Department, which is charged by the state to oversee our school, voted to close CHARTER SCHOOL NAME at its DATE meeting. The Board of Regents determined that the school was unable to meet its goals and has decided that the last day of operation will be DATE.

The CHARTER SCHOOL NAME Board is committed to seeing this school year through successfully. We expect our students to engage in our academic program through the last day of our school’s operation. We will also be hosting a series of family meetings to assist students and families with the transition to their new school. These meetings will be attended by representatives from area schools; families will have the opportunity to learn more about educational options available to their children. Enrollment information and materials will also be available. The meetings will be held at the following dates and times:

- DAY, DATE, TIME, LOCATION 1
- DAY, DATE, TIME, LOCATION 2
- DAY, DATE, TIME, LOCATION 3

We, in partnership with the New York State Education Department’s Charter School Office and the MANAGEMENT COMPANY, IF ANY, are also committed to helping the teaching staff successfully complete the remainder of the school year. We will be providing assistance to the teachers to help them find new positions for the next school year.

Please note that NAME is the point person for any questions that you might have, and s/he would be happy to meet with you to discuss this process. I again thank you for your faith in the CHARTER SCHOOL NAME, its leadership, teachers, and mission. Let’s make the most of the next XX weeks that we have together, stay positive, and focus on giving our students all that we can to prepare them for long-term academic success.

Respectfully,

CHAIRPERSON’S NAME , TITLE  
CHARTER SCHOOL NAME

**APPENDIX B: Sample Notification Letter - Staff**

CHARTER SCHOOL NAME AND ADDRESS

DATE

Dear Staff of CHARTER SCHOOL NAME,

I want to thank you for your hard work and dedication this year on behalf of the children at the CHARTER SCHOOL NAME. Your professionalism is admirable and truly appreciated. We have worked hard over the past XX years to establish the school envisioned in our original charter application. Much of what we have accomplished is a credit to our teaching staff's dedication to the students we serve. As you may know, the Board of Regents voted on DATE to close our school. As such, our school will continue to serve our students through DATE.

The CHARTER SCHOOL NAME Board is committed to seeing this school year through successfully. We expect our students to continue to receive a quality education through the very last day of school. We, in partnership with the Charter School Office at the New York State Education Department and the MANAGEMENT COMPANY, IF ANY, are committed to helping the teaching staff fulfill their duties until the last day of school operation. [Please also note that the school is financially solvent, and that all employees – in accordance with their employment agreements – will continue to be paid through the end of the school year.]

Please also be aware that our students and families are a top concern for CHARTER SCHOOL NAME. Therefore, we will be hosting a series of family meetings to assist students and families with the transition to new schools next year. These meetings will be held at the school at the following dates and times; all teaching staff are welcome to attend:

- DAY, DATE, TIME 1
- DAY, DATE, TIME 2

NAME will be the point person for all staff questions related to the closure, and NAME will be the point person for all families and family issues related to the closure. While the day-to-day operations of the school won't change between now and the last day of school, NAME will forward a timeline to the staff within the next XX days that contains information related to important dates, and the completion of operations following the last day of classes on DATE. I again thank you for your commitment and dedication to the children and community that we serve. Let's make the most of the next XX weeks that we have together, stay positive and focus on giving our students all that we can to prepare them for academic success after this year.

Respectfully,

CHAIRPERSON'S NAME , TITLE  
CHARTER SCHOOL NAME

## APPENDIX C: Sample Press Release

For Immediate Release: RELEASE DATE

Contact: NAME OF INFORMATION OFFICER, (XXX) XXX-XXXX

**Accountability Continues at the Board of Regents DATE Meeting  
The Regents Vote Not to Renew CHARTER SCHOOL NAME.  
CHARTER SCHOOL NAME to Close DATE.**

**Albany, New York.** During the Board of Regents' DATE meeting, upon the recommendation of the New York State Education Department's (SED) Charter School Office and confirmation by the [CHARTER SCHOOL RENEWAL COMMITTEE], the Board of Regents voted unanimously today to deny the application for charter renewal submitted by the CHARTER SCHOOL NAME. This decision means that the CHARTER SCHOOL NAME will close DATE at the end of the current school year. The Charter School Office, SED's [CHARTER RENEWAL COMMITTEE], and the full Board of Regents were unable to find that the school had posted evidence of success necessary to earn renewal under SED's charter contract with CHARTER SCHOOL NAME. Prior to the Board's "final and irrevocable" vote, the school was afforded all avenues of appeal available in statute and [BOARD OF REGENTS POLICY NAME].

Based on the review of evidence gathered over the XX-year term of the charter, during the renewal site visit, the school's application for charter renewal, and through appeals, the Board of Regents was not able to identify findings required under New York State Statute to renew CHARTER SCHOOL NAME's charter contract. Statute requires the Board of Regents to make an explicit finding that the school was likely to improve student achievement and be operated in an educationally sound manner. Based upon the renewal report submitted by SED's Charter School Office, the Board of Regents, instead, found [INSERT FINDINGS HERE, e.g., that the educational program, leadership, and governance at the school did not post sufficient academic results, or qualitative evidence to indicate the school would meet, or come close to meeting, the Performance Framework goals included in its charter contract. The school did (NOT) operate in a fiscally, legally, and regulatory sound manner]. Therefore, SED's [CHARTER RENEWAL COMMITTEE] voted on DATE to recommend the full Board of Regents deny the school's application for renewal.

The Charter School Office recommendation to the Board of Regents, Regents' policies, and other pertinent information is available online at WEBSITE URL. The Charter School Office will hold an information meeting for CHARTER SCHOOL NAME families on DATE. Charter School Office staff will provide families information on other public school choice options available to students and explain the transition of student records and other pertinent information at that time. The Charter School Office's Family Advocate, FIRST & LAST NAME, will be available to families at the school beginning DATE and can be reached at (XXX) XXX-XXXX.

Charter schools are tuition-free public schools. In exchange for certain freedoms – the ability to develop their own curriculum, choose staff, set educational goals, offer a longer school day and school year, and establish their own standards for student behavior – charter schools must continually apply for, and demonstrate, that they have earned the right to continue the high privilege of educating the children of New York. The Board of Regents currently oversees XX public charter schools on XX campuses, serving more than XXXX students across the state of New York. XX new Regents-authorized charter schools from the fall DATE application cycle are scheduled to open in fall DATE.

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