# School Closure Manual for DC Public Charter Schools

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INTRODUCTION

The DC Public Charter School Board (PCSB) recognizes the need to provide support and guidance to public charter school (PCS) leaders as they begin the process of school closure, i.e. terminating all aspects of the public charter school’s operations. While closure is a difficult process, the PCS must meet this responsibility in an orderly fashion to assure that the interests of parents and students are kept primary.

This School Closure Manual was developed by the PCSB to outline the procedures that PCSs must follow as part of the closure process and the various areas that the PCS must address. Several elements of charter school closure that fall under the authority of the Office of the State Superintendent of Education (OSSE) are also included in this manual and were developed with the assistance of OSSE. While ceasing operations as a PCS does not mean the corporation is dissolved, DC law requires that a PCS whose charter is revoked or relinquished must dissolve. Information about dissolution is therefore included in this manual. The PCSB anticipates it could be several months of taking care of the closure process – facilitating student enrollments, working out finances, closing out federal grants, etc. – before the nonprofit corporation is ready for dissolution.

Personnel from the PCSB and OSSE will work directly with the leadership of the closing PCS to provide technical assistance and monitor the closure process. The official notice of charter revocation or acknowledgement of charter relinquishment includes the name of a PCSB staff member or designee who will oversee the PCS’ implementation of the closure process (the PCSB Closure Liaison). The PCSB may also hire various consultants to assist in this effort.

DEFINITIONS

Following are definitions of some of the terms used in this manual:

- **Community Forum** – The event hosted by the PCSB following the Charter Revocation Notice/Announcement of Charter Relinquishment intended to share information with parents and the community about the PCSB’s decision, the process for placing students, and to answer any questions.
- **Decision Date** – Date that the DC Public Charter School Board decides to revoke a charter (or date that a PCS decides to voluntarily relinquish their charter).
- **Dissolution Date** – Date that the PCS as a nonprofit corporation is officially dissolved (probably several months after date of revocation/relinquishment).
- **Local Education Agency (LEA)** – A public board of education or other public authority legally constituted within a State for either administrative control of or direction of, or to perform service functions for, public elementary or secondary schools in the State.
- **Office of the State Superintendent of Education (OSSE)** – As the State Education Agency for DC, OSSE sets statewide policies, provides resources and support, and exercises accountability for all public education in DC.
- Public Charter School (PCS) – In the District of Columbia, a publicly funded school that is established pursuant to DC Code § 38-1802 and is not a part of the District of Columbia public schools.
- Relinquishment of Charter – Occurs when a charter school voluntarily chooses to cease operations as a charter school and surrender its charter.
- Revocation of Charter – Occurs when the PCSB closes a charter school due to violations of the School Reform Act.
- Revocation/Relinquishment Date – The actual date that the revocation or relinquishment of the charter becomes effective and the PCS ceases operations (usually around June 30th) after which the PCS is no longer permitted to provide student services.
- State Education Agency (SEA) – A formal governmental label for the state-level government agencies within each US State (OSSE in the District of Columbia) responsible for providing information, resources, and technical assistance on educational matters to schools and residents.
- Transfer Enrollment – The school in which the student or family enrolls for the following year.

A. OVERVIEW OF THE PCSB CLOSURE PROCESS & CLOSURE TEAM MEETINGS

Closure Plan
The PCSB school closure process is outlined in this manual, and schools report their progress in the closure activities using the Closure Plan Report Form (see Appendix 1). This manual is organized so that each of the sections below aligns with the corresponding section of the Closure Plan Report Form.

Closure Team Meetings
A plan for closing the PCS, winding up all affairs, and dissolving the corporation will be discussed at the Initial Closure Meeting to be held at the PCSB within seven (7) days of the official charter revocation decision or announcement of charter relinquishment. Upon announcing relinquishment of its charter or receiving the charter revocation notice, the PCSB Closure Liaison will immediately contact the PCS to schedule the Initial Closure Meeting. The meeting will include representatives of OSSE and the PCSB as well as other individuals who may assist the PCSB during the closure process.

A transition team must be appointed at the PCS to draft the Closure Plan prior to the Initial Closure Meeting using the PCSB Closure Plan Report Form. The transition team will include members of senior management that have oversight responsibility for each and every area of the PCS’ operations, representatives of the PCS’ Board of Directors, legal counsel, and external accountant or financial auditor. Development of the Closure Plan will also involve other key stakeholders who will vary from school to school, but may include representatives of parents or an organized parent group such as the PTA, representatives of significant organizational or
financial partners such as community organizations, investors, foundations, and/or major donors.

The purpose of the Initial Closure Meeting is to take the PCS’ draft Closure Plan and come to final agreement about logistics, responsible parties, and deadlines. PCS leadership must have thoroughly discussed the logistics involved in closure prior to this meeting and be prepared to discuss the various areas covered by the manual. The agenda will include:

- Discussion of closing procedures
- Discussion of school staff who will remain on payroll for duration of closure period which will be clearly outlined in MOU signed by the PCS and the PCSB (See Appendix 17)
- Introduction of any PCSB external vendors who will assist with the closure
- Review Closure Plan due dates/timeline and allow for questions from the PCS leadership and members of the Board of Trustees
- Review of Initial Closure Meeting deliverables due from the PCS
  - Draft Closure Plan (Appendix 1)
  - Student Database Roster Report(Appendix 4)
  - Copies of any correspondence with parents regarding closure
  - Initial financial reports (See Section J1, Page 29)
- Agree on target dates and identify persons responsible for each item in the Closure Plan

Following agreement on the Closure Plan by all concerned, submission of Closure Plan Status Reports to the PCSB Closure Liaison and a designated OSSE representative will be required every seven days throughout the closure process. Following receipt of the Closure Plan Status Report, a weekly meeting or conference call will be held to review and discuss the closure status.

**Closure Plan Timeline**

The following timeline must be reflected in the Closure Plan. Deviations from this schedule are only allowed with permission of the PCSB Closure Liaison.

*Immediately on receipt of Charter Revocation Notice or Announcement of Charter Relinquishment*

- Notify the PCSB of the process for informing staff, students and parents of the PCS’ impending closure
  
  See Section B1, Page 11 for more detailed requirements.

- Schedule the community forum with the PCSB Closure Liaison
  
  See Section B2, Page 11 for more detailed requirements.

*Immediately on Receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment, and continually thereafter until the non-profit corporation is dissolved*
☐ Implement whatever steps are necessary to assure the maintenance of all corporate records
See Section K1, Page 31 for more detailed requirements.

☐ Inform the PCSB regarding any litigation, complaints, and the like, and provide copies of all filings
See Section K2, Page 32 for more detailed requirements.

☐ Maintain Directors’ and Officers’ Liability Insurance through Dissolution
See Section K4, Page 32 for more detailed requirements.

☐ Secure all PCS property
See Section H1, Page 26 for more detailed requirements.

Within 7 days of Charter Revocation Notice or Announcement of Charter Relinquishment (i.e. prior to the Initial Closure Meeting):

☐ Review the Closure Plan Report Form in preparation for the Initial Closure Meeting
Closure Plan Report Form – Appendix 1

☐ Notify staff of the PCS’ impending closure
See Section B3, Page 11 for more detailed requirements.

☐ Notify parents of PCS’ impending closure.
See Section B4, Page 12 for more detailed requirements.
Sample Notice to Parents of charter revocation – Appendix 2A
Sample Notice to Parents of charter relinquishment – Appendix 2B

☐ Notify students of the PCS’ impending closure
See Section B5, Page 12 for more detailed requirements.

☐ Notify DC government agencies of PCS’ impending closure
See Section B6, Page 13 for more detailed requirements.
Sample Notice to DC agencies of charter revocation – Appendix 3A
Sample Notice to DC agencies of charter relinquishment – Appendix 3B

☐ Prepare Required Financial Reports for Review at the Initial Closure Meeting
See Section J1, Page 29 for more detailed requirements.

Within 7 Days after Charter Revocation Notice/Announcement of Charter Relinquishment (i.e. prior to the Initial Closure Meeting), and on 7-day intervals through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below
- Assess student records and prepare/update a summary report to the PCSB
  See Section C1, Page 15 for more detailed requirements.
  Student Roster Database – Appendix 4

*Within 7 Days after Charter Revocation Notice/Announcement of Charter Relinquishment (i.e. prior to the Initial Closure Meeting), and continually thereafter*

- Inform the PCSB of the remaining schedule of board meetings and submit board meeting minutes to the PCSB
  See Section K5, Page 32 for more detailed requirements.

*Within 14 Days of Charter Revocation Notice or Announcement of Charter Relinquishment*

- Notify all parents of Special Education students of their due process rights and responsibilities under the Individuals with Disabilities Education Act (IDEA)
  See Section D1, Page 17 for more detailed requirements.
  Sample Letter to SPED Parents – Appendix 10

- Provide the PCSB Closure Liaison with a Staffing Plan for the duration of the school year and until dissolution of the PCS Corporation
  See Section E1, Page 19 for more detailed requirements.
  Staffing Plan Report Form and MOU – Appendix 17

- Provide the PCSB with a timetable and plan for collecting debts and paying creditors
  See Section F3, Page 22 for more detailed requirements.

- Submit a report to the PCSB of all open and active federal grants received by the PCS
  See Section G1, Page 24 for more detailed requirements.
  Report Form – Appendix 7

*Within 14 Days after Charter Revocation Notice/Announcement of Charter Relinquishment, and on 7-day intervals through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below*

- Submit Closure Plan Status Report to the PCSB and OSSE
  See Page 10 for more detailed requirements.
  Closure Plan Report Form – Appendix 1

*Within 21 Days of Charter Revocation Notice/Announcement of Charter Relinquishment*

- Notify all funding sources/charitable partners of the PCS’ impending closure
  See Section F2, Page 22 for more detailed requirements.
  Sample Notice of Charter Revocation Appendix 9A
  Sample Notice of Charter Relinquishment Appendix 9B
☐ Notify all vendors/contractors regarding cessation of the PCS’ operations and negotiate termination of contracts
   See Section F3, Page 22 for more detailed requirements.
   Sample Notice to vendors/contractors needed for future services – Appendix 8A
   Sample Notice to past vendors/contractors owed money – Appendix 8B

Within 28 Days of Charter Revocation Notice/Announcement of Charter Relinquishment

☐ Provide to the PCSB the names of all employees hired since inception
   See Section E2, Page 20 for more detailed requirements.
   Report Format – Appendix 5

☐ Provide to the PCSB a list of all teachers who participated in the DC Teacher Retirement Fund
   See Section E3, Page 20 for more detailed requirements.

Within 28 Days after Charter Revocation Notice/Announcement of Charter Relinquishment, and then monthly through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below

☐ Submit Interim Monthly Financial Statements to the PCSB
   See Section J2, Page 29 for more detailed requirements.
   Report Format – Appendix 11

After an employee termination date is established, but in no event later than 60 days before the Revocation/Relinquishment Date

☐ Notify benefit providers of pending termination of all employees
   See Section E4, Page 20 for more detailed requirements.
   Sample Notices – Appendix 13

☐ Notify all employees of termination of employment and/or contracts
   See Section E5, Page 21 for more detailed requirements.
   Sample Notices – Appendix 12

At Least 30-Days prior to the Revocation/Relinquishment Date

☐ Contact all debtors and demand payment
   See Section F4, Page 23 for more detailed requirements.
   Sample Letter: Appendix 15
Prepare and submit to the PCSB and OSSE a log of all equipment and supplies purchased with federal grants to date
   See H2, Page 26 for more detailed requirements.
   OSSE Sample PCS Equipment/Inventory Log – Appendix 16

Report to the PCSB the plans for terminating all bank and credit card accounts
   See Section J3, Page 30 for more detailed requirements.

With assistance from the PCSB, reconcile all billings and payments with the Office of the Chief Financial Officer (OCFO), including special education payments or other “lagged” payments
   See Section J4, Page 30 for more detailed requirements.

**Within 7 Days after the Revocation/Relinquishment Date**

Distribute copies of final transcripts and test scores to current students and/or parents, along with an information notice
   See Section C2, Page 15 for more detailed requirements.
   Sample Notice – Appendix 14.

Ensure that all IEPs are updated and that all information is entered into SEDS
   See Section D2, Page 18 for more detailed requirements.

**Within 14 Days after the Revocation/Relinquishment Date**

Transfer student records to the PCSB or the Records Management Company
   See Section C3, Page 16 for more detailed requirements.
   Nondisclosure Agreement – Appendix 20

Provide a copy of Special Education student’s file to his/her parent
   See Section D3, Page 18 for more detailed requirements.

Submit data report to OSSE
   See Section I1, Page 28 for more detailed requirements.
   OSSE Data Report Form can be obtained from OSSE

**Within 30 Days after the Revocation/Relinquishment Date**

Begin process of transferring property purchased with federal grants
   See Section H3, Page 27 for more detailed requirements.

Liquidate all other PCS Property
   See Section H4, Page 27 for more detailed requirements.
To be determined by the PCSB, anticipated to be no later than 90 days after last day of operations

☐ Make final federal, state, and local tax payments, and issue final personnel tax reports
   See Section E6, Page 21 for more detailed requirements.

☐ Make final payments to all vendors/contractors
   See Section F5, Page 23 for more detailed requirements.
   Sample Letter – Appendix 18

☐ Prepare to the full satisfaction of the PCSB a Final Statement of the status of all contracts and other obligations of the PCS Corporation, and all funds owed to the PCS, audited (or confirmed) by an independent accountant, with supporting evidence
   See Section J5, Page 30 for more detailed requirements.

November 1 or Sooner if Deemed Appropriate by the PCSB

☐ Submit an Annual Audit for the current fiscal year.
   See Section J6 Page 31 for more detailed requirements.

☐ Dissolve the PCS’ non-profit corporation
   See Section K7, Page 33 for more detailed requirements.

☐ Identify Custodian for all school records.
   Records Custodial Agreement Form – Appendix 22

Closure Plan Status Reports
A Closure Plan Status Report must be submitted to the PCSB Closure Liaison and to the designated OSSE representative every seven (7) days after submission of the Closure Plan, using the initial Closure Plan Report as the basis for the Status Report. The Closure Plan Status Report must address the mandated timeline outlined here and any other key dates in the closure process, and summarize how each of the items in the Closure Plan have been addressed, including any items identified at the Initial Closure Meeting or by the PCSB Closure Liaison, any issues still pending regarding these items, and the plan for addressing these issues. Once a substantial portion of the Closure Plan has been implemented, the schedule for submission of the Closure Plan Status Report may be adjusted at the option of the PCSB Closure Liaison.

Due Date – Within 14 Days after Charter Revocation Notice/Announcement of Charter Relinquishment, and on 7-day intervals through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below

Report Form – Appendix 1
B. NOTIFYING THE SCHOOL COMMUNITY OF THE PCS CLOSURE

While the PCSB is responsible for notifying various stakeholders and members of the school community, the closing school itself is also responsible for notifying specific parties of the impending closure. It is the responsibility of the school to ensure that all staff, students, parents, charitable partners, vendors, and all other relevant stakeholders are aware of the closure. Participation in a community forum is one of the main tools a school can use to ensure proper communication with parents.

**Critical Deliverables:** Notification letter to parents and DC Government agencies, meetings with staff and students.

1. **Notify the PCSB of the process for informing staff, students and parents of the PCS’ impending closure:** Tending to all constituents that will be affected by the PCS closure must be the PCS’ first priority, and it is a priority that is shared by the PCSB and OSSE. As soon as the timing and method for notification of these constituents is determined, the PCS must inform the PCSB Closure Liaison of how and when this notification will be made. Copies of all communications to the public regarding charter closure must be provided to the PCSB.

   **Due Date** – Immediately on Receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment

2. **Participated in a community forum:** The community forum is hosted by the PCSB and is intended to share information with parents and the community about the PCSB’s decision, the process for placing students, and to answer any questions. The Enrollment Specialist retained to help students find a new school and facilitate enrollment will be introduced at the forum. The PCSB will secure the site, develop an advertising flier, mail a letter and flier to parents, post information on the PCSB website, and invite relevant stakeholders and other charter/DCPS schools to the forum. Attendance at this forum by staff of the closing PCS will help reassure parents that their children will be taken care of for the remainder of the school year, help the children to find good transfer schools, and provide an opportunity for the staff to say goodbye to students’ families. The forum is not intended to address concerns that staff may have, and this must be made clear to staff.

   **Due Date** – Immediately on Receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment

3. **Notify staff of the PCS’ impending closure.** Employees must be initially informed and continually updated on what is happening during the process of PCS closure. The challenge for the organization is to meet student needs and orchestrate an orderly termination of operations while supporting employee needs and managing staff
departures. Early and candid disclosure may encourage the staff to stick with the organization through the dissolution process; the absence of information may only push people to assume the worst and find other employment. The PCSB Closure Liaison can be available to assist in the notification of staff and share the reasons for the PCSB’s decision.

Beyond the initial announcement, staff input must be solicited to help plan the dissolution process and identify ways to tend to students and parents. Their participation in determining what level of services can be maintained may facilitate their buy-in to maintaining those services. Where possible, staff should be provided opportunities for resume development, career counseling, and job seeking during work time.

**Due Date – Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

4. **Notify parents of the PCS’ impending closure.** The PCS must make every effort to provide information directly to each and every parent so that the information they receive is first-hand. To this end, the PCS must consider every vehicle for contacting parents (email, postal mail, recorded voice mail, etc.) and use of multiple means for contacting. Notification must include details about how the PCS intends to inform its students and how students will be supported in dealing with this loss in their lives.

If the PCS provides specialized services or unique instructional content, the notice should include suggestions for where parents can find alternatives. The PCSB will provide an attachment to the notification to parents that will explain the process for enrolling students into other schools. Copies of the notifications to parents letters must be provided to the PCSB Closure Liaison.

**Due Date – Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

Sample Notice to Parents of charter revocation – Appendix 2A
Sample Notice to Parents of charter relinquishment – Appendix 2B

5. **Notify students of the PCS’ impending closure:** Students must be notified only after their parents have been notified. While their parents may inform them of the PCS’ impending closure, students will rightfully have questions about what school will be like up until closure and will need time to process their own sense of loss.

Guidance staff at the PCS must participate in the design of support structures that enable students to express their feelings of grief and anger. The goals of these structures should be to help children understand the five stages of grief (denial, anger, bargaining, depression, acceptance); enable them to work through the grieving process
and resolve any feelings of guilt, anger and depression; identify ways to handle stress and loss; grieve the loss within a supportive emotional environment; and resumption of regular activities and relationships with others. Teachers and staff will demonstrate to children that they care by being available to listen, remaining nonjudgmental, and above all, by being honest with them. Individual students who might be at particular risk must be identified and steps taken to minimize their risk.

Due Date – Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment

6. Notify DC government agencies: Provide written notification of the PCS’ impending closure to OSSE and other essential DC government stakeholders that the PCS has had regular or substantial contact with. These may include the Deputy Mayor of Education; the City Council Chair; the Ward Representative to the City Council; agencies such as the Department of Health; the Department of Mental Health; the Department of Transportation; the Metropolitan Police Department; the Office of the Chief Financial Officer; the Statewide Commission on Children, Youth and their Families; the DC Commission on the Arts and Humanities; and others. Copies of these letters must be provided to the PCSB Closure Liaison.
   o If the PCS is a District Charter (DCPS LEA) for special education purposes, then the PCS should notify DCPS of the impending closure along with other DC government agencies.

Due Date – Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment
Sample Notice to DC agencies of charter revocation – Appendix 3A
Sample Notice to DC agencies of charter relinquishment – Appendix 3B
Government Agency Contact Information – Appendix 3C

7. Notify Landlord: If the school facility is owned by DCPS or another government agency, the PCSB will notify the proper agency. However, if the facility is on lease from a private entity, the school must give notice of the impending closure.
   Due Date—Immediately after Notice of Charter Revocation is given/Announcement of Charter Relinquishment

8. Notify vendors and charitable partners: See section I: Funding Sources, Vendors, and Debtors

C. STUDENT RECORDS AND TRANSFER ENROLLMENT

The closing school is primarily responsible for the completion and transfer of all student records. Although the PCSB and Records Management Company will assist the school in this process, the school still shoulders the responsibilities outlined below. In doing so, it is important to keep in mind the privacy of the student records as required by federal laws and regulations such as the Family Educational Rights and Privacy Act (FERPA).
Beyond the transfer of student records, the closing school is also responsible for supporting parents in the transfer enrollment of their child. In particular, the school’s special education coordinator should work with parents of students with an IEP to find appropriate transfer enrollment.

While it is impossible to provide an exhaustive list of all the items that should be included in a student record, the following list serves as general guidance of what is typically expected to be included in a student record:

- A student’s cumulative record folder;
- Any data collected or intended for use within the public charter school or intended for distribution outside the public charter school;
- Identifying data or information;
- Academic work completed;
- Grades and scores and results from achievement tests, criterion referenced tests, standardized tests, norm referenced tests, aptitude tests, and other tests given to students;
- Health data and accident reports;
- Observations and ratings by teachers, counselors, and other public charter school personnel; and
- Reports of behavior or discipline problems or incidents.

All student records must be transferred to the PCSB for permanent storage following closure of the PCS. DC Code § 38-1802.13e states that:

(e) The chartering authority, in consultation with the Board of Trustees, shall arrange for the transfer and storage of necessary student records in the possession of the charter school.

(f) The chartering authority may utilize assets of the charter school to provide for:
   (1) The transfer and storage of student records pursuant to subsection (e) of this section; and
   (2) Any other actual expenses incurred by the authorizing entity as a result of the dissolution of the nonprofit organization operating the charter school.

To ensure secure and timely transfer of student records, the PCSB may retain a records management company, in which case the PCSB Closure Liaison will inform the PCS of the name of the firm and of its role in the closure process. The records management company will be required to sign a nondisclosure agreement that assures it protects the privacy of student education records as required by federal laws and regulations. Costs of hiring the firm will be charged to the PCS. If the PCS transfers student records prior to the end of the school year and prior to the involvement of any Records Management Company, then the PCS must provide proof to the PCSB of these transfers.
The following procedures and timelines must be followed scrupulously by the closing PCS to assure students’ future educational needs are met:

1. **Generate list of students needing placement in summer school and/or credit recovery:**
   The school closure will affect these students immediately, as they will need to be placed in another summer program. The closing school’s Special Education Coordinator should compile this list as soon as possible.
   
   **Due Date**—As soon as the closure decision is made.

2. **Meet with Records Management Company, assess student records and provide a summary report to the PCSB:** Review the current status of records and make a timeline for how the records will be managed and transferred. The following information must be available in hard copy and digital format at the Initial Closure Meeting, using the Student Database Roster Report Form (Appendix 4), and updated every seven days and provided to the PCSB Closure Liaison and OSSE:
   
   - General Student Information
   - High School-specific Information
   - Student Enrollment Information
   - Records Transfer Information

   **Due Date**—Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment (i.e. Prior to the Initial Closure Meeting), and on 7-day intervals through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below.

   Student Roster Report Form – Appendix 4:

3. **Complete student records:** All student records must be updated. School personnel should ensure that all IEPs and any other special education records are in student files. Additionally, school personnel should ensure that all student health and immunization records, attendance records, and any other student records are placed in the appropriate student files. All test scores that come into existence after the last day of school should be digitized and added to cumulative student files. Each student should have one file clearly labeled by student name.

   **Due Date**—Within 1 week of the last day of school (June 30th at the latest)

4. **Notify Parents and Distribute copies of final transcripts and test scores to current students and/or parents, along with an information notice:** Original records are not to be given to parents or students but should be included in the permanent student file. Mailed report cards must use the PCSB’s address as the return address in the event that report cards are returned by the Post Office. Report cards must include an information notice that includes the following, with a copy of the notice provided to the PCSB Closure Liaison.
Inform families that they may receive complete copies of student records upon request.

Alert families that after June 30th or other specific date, the PCSB will have possession of all student records and include contact information.

Remind parents that it is their responsibility to select and enroll their child in a new school.

Once their child is enrolled in a new school, they must sign a records release form provided by the new school and send it to the PCSB so that the student’s records can be transferred to the new school. Physical records that have not been transferred to a new school by August 15th will be digitized by the PCSB.

Supply the PCSB with a copy of the letter sent out to parents regarding the status of records.

**Due Date – Within 7 Days after the Revocation/Relinquishment Date**
Sample Student Records Notice – Appendix 14

5. **Maintain copies of early-transfer records:** All student records will be digitized off-site by the Records Management Company after June 30th. However, if a student’s records are requested for transfer prior to June 30th, a digital copy must be maintained (in PDF format) before transferring that individual student file. A digital copy of this file should be sent to the PCSB as well as verification that the records were transferred (including a confirmation signature).

6. **Retrieve and transfer student records to the Records Management Company:** All end of school year grades and evaluations must be completed and made part of the student records. Student records must be organized as follows:

   - Each individual student file must be placed in a single file folder with the tab labeled with last name, first name, middle initial.
   - The first page inside each file must have the student’s name, STARS ID and OSSE-issued USIs, and most current contact information.
   - Each file must include original copies of the final transcripts and test results.
   - Inactive records (those of students who have graduated or transferred in previous years) should also be organized in the above manner.
   - All files must be assembled in alphabetical order.
   - The special education coordinator at the closing PCS must ensure that all IEP student files of active students, described in more detail in section G of this manual, are complete, updated, and uploaded into the SEDS database.
   - Complete hard copies of IEP student files of both active and inactive students are given to the PCSB or the Records Management Company along with academic records.

**Due Date – Within 14 Days after the Revocation/Relinquishment Date, or June 30th at the latest**

7. **Include Test Results:** To the extent that scores,
etc. will come into existence after the last day of school, arrangements must be made with the testing agent to forward such materials to the PCSB or the Records Management Company. Due Date—As test results become available

8. **Final Student Roster Update:** Using the Student Roster Database (Appendix 4), update all student information at the end of the summer and provide the PCSB with this information.

   Due Date—August 15th

**D. SPECIAL EDUCATION STUDENTS**

Each District of Columbia public charter school may elect to be treated as an independent local educational agency (LEA) for the purposes of special education or they may elect to be treated as a DCPS school and for DCPS to act as the LEA on their behalf. A PCS that has elected DCPS as their LEA for special education purposes should contact DCPS and coordinate the following with them. Independent public charter schools are directly responsible for the following:

1. **Notify all parents of special education students of their due process rights and responsibilities under the Individuals with Disabilities Education Act (IDEA):** Following notification of all parents of the PCS’ impending closure, a separate letter must be sent to parents of special education students informing them of their due process rights and responsibilities and provide them with a copy of the Notice of Procedural Safeguards. The letter must address the following:

   - Inform all parents of current students that it is their responsibility to find and enroll their child in a new school for their child and offer assistance finding information about all available options (cite Compulsory Education Law D.C. Code 38-202). This includes parents of all special education students who have been placed at a non public special education schools or program by the PCS. All children attending nonpublic schools and programs must be enrolled in a District of Columbia LEA – either another charter school LEA or DCPA – and it is the responsibility of the parent of the student in the nonpublic school or program to enroll them in another LEA.
   - Encourage all parents of all special education students to make an enrollment decision as early as possible in order to ensure a smooth transition and a continuously-implemented IEP. Strongly encourage parents of students who require Extended School Year (ESY) services to enroll their child in a new LEA school as soon as possible, but no later than July 1st, in order ensure that the new LEA has an opportunity to provide ESY services over the summer.
   - Encourage parents to check to see if their child’s Individual Education Plan (IEP) is set to expire during the summer. If so, encourage parents to enroll in a new LEA as soon as possible and to request an IEP meeting.
• Inform or remind parents of 12\textsuperscript{th} grade special education students who are NOT graduating that the student has a right to continue in public schools until the age of 22.
• Encourage parents to contact the PCSB if they experience difficulty or resistance in enrolling their child at another DC public charter school or DCPS.

**Due Date – Within 14 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

Sample Letter – Appendix 10

2. **Ensure that all IEPs are updated (i.e. not out of date) and that all information is entered into SEDS:** An individual must be assigned to assure that all IEP’s are updated and entered into OSSE’s Special Education Data System (SEDS) and are fully up to date for all compliance timelines. The PCS should have been using SEDS and updating it regularly. If there are any other Special Ed documents maintained in the student’s hard copy file they should be faxed into the SEDS system using the Miscellaneous Cover Sheet. At a minimum, up-to-date SEDS files must include:

- Student’s current IEPs, including Behavior Intervention Plans (BIBs) if appropriate, entered into the SEDS interface (please note: a hard copy paper IEP faxed into the system is not sufficient)
- IEP and Multi-Disciplinary Team (MDT) meeting notes
- IEP report cards/progress reports
- All evaluations completed within the past 3 years (including Functional Behavioral Assessments [FBAs], if appropriate)
- All service trackers

**Due Date – Within 7 Days after the Revocation/Relinquishment Date**

3. **Provide a copy of Special Education student’s file to his/her parent:** To facilitate the transition of special education students to their new schools, parents must be provided with a copy of the special education student’s file. In that way, parents can furnish a physical copy of the file to the student’s new school documenting the services the child needs.

**Due Date – Within 14 Days after the Revocation/Relinquishment Date**

**Please refer to the OSSE Charter School Closure Policies and Procedures for more detailed information**

4. **Establish Critical List of SPED 12\textsuperscript{th} graders who are NOT graduating:** Send a letter to parents of these students informing them of their child’s right to continue school until age 22.
Due Date—Within 2 weeks of last day of school

5. **For District Charters (DCPS LEAs) for special education purposes, identify students needing ESY**: Send list of students requiring ESY to DCPS.

   **Due Date** – April 15th

6. **For District Charters (DCPS LEAs) for special education purposes, ensure SEDS is updated with required information**: (awaiting further info from DCPS here).

   **Due Date** – TBD

7. **Nonpublic Enrollments**: (awaiting further info from OSSE here)

   **Due Date** – TBD

8. **HODs**: (awaiting further info from OSSE here)

   **Due Date** – TBD

E. **EMPLOYEES AND CONTRACT PERSONNEL**

**Critical Deliverables**: Revised staffing plan, employee listing, teacher retirement participation listing, and other essential documents deemed appropriate by PCS Leadership. *(See Appendices 5, 6, 12, 13, and 17 for templates of deliverables.)*

1. **Provide the PCSB Closure Liaison with a Staffing Plan for the duration of the school year and until dissolution of the PCS**. Once a PCS has announced it is relinquishing its charter or a notice of charter revocation has been issued, the PCS must cut back on unnecessary expenses. Of course, payroll is the largest expense for the PCS. A thoughtful analysis must be completed to determine the most cost-effective way to meet student needs and orchestrate an orderly termination of operations while supporting employee needs and managing staff departures. Such an analysis may identify non essential personnel that can be cut back.

   This report will itemize staff and contractors comprising current payroll, proposed termination date for each individual, and rationale for termination date. Certain services, such as required special education services, cannot be cut back and must be provided through the end of the school year.

   The staffing report will also include an MOU, signed by both the PCS and the PCSB.

   **Due Date** – Within 14 Days of Charter Revocation Notice/Announcement of Charter Relinquishment
2. **Provide to the PCSB Closure Liaison the names of all employees hired since inception.** The PCSB must be able to provide employment verification for employees of the PCS needing such documentation in the future. Report must include:

- Employee hire dates and termination dates
- Employee salary at termination

**Due Date – Within 28 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

**Report Format – Appendix 5**

3. **Provide to the PCSB Closure Liaison a listing of all teachers who participated in the DC Teacher Retirement Fund and the annual contributions made for each individual:** The report needs to include:

- Name
- Social Security #
- Hire Date
- Termination Date
- How much an individual teacher contributed in each school year that they were at the PCS
- Total contributions the teacher made in all those year combined
- How much a PCS contributed on behalf of an individual teacher in each school year that they were at the PCS
- Total contributions the PCS made for an individual teacher in all those years combined

**Due Date – Within 28 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

**Report Format – Appendix 6**

4. **Notify benefit providers of pending termination of all employees.** A copy of these notices must be provided to the PCSB Closure Liaison. If permissible, terminate all programs as of the last date of service in accordance with applicable law and regulations, including:

- health care / health insurance;
- life Insurance;
- dental plans;
- eyeglass plans;
- cafeteria plans;
401(k), retirement plans;
pension plans

Due Date – After an employee termination date is established, but in no event later than 60 days before the Revocation/Relinquishment Date
Sample Notice – Appendix 13

5. **Notify all employees of termination of employment and/or contracts:** Also notify employees of termination of all benefit programs. Specific rules and regulations apply to termination of benefits and especially to teacher’s retirement plans. For example, COBRA law requires continuation of some benefits beyond termination of employment, but COBRA may not apply if an employer goes out of business or drops its employee health insurance altogether because there is no health plan to "continue." Employees must be given specific instructions regarding continuation of their benefits and must be told if it will be necessary to seek private health coverage, so legal counsel should be consulted. The letter must include information about any retirement plan the employee may have participated in and include the specific dollar amount on record for what the employee contributed and what the employer contributed to the retirement fund. A contact name must be provided for someone employees can go to with more specific questions. A copy of these notices must be provided to the PCSB Closure Liaison.

Due Date – After an employee termination date is established, but in no event later than 60 days before the Revocation/Relinquishment Date
Sample Notice – Appendix 13

6. **Make final federal, state, and local tax payments, and issue final personnel tax reports.** These include:

- Final quarterly or annual employment tax form (Form 941, Employer's Quarterly Federal Tax Return)
- Final wage and withholding information to employees (Form W-2, Wage and Tax Statement)
- Form W-3, Transmittal of Income and Tax Statements
- Final employee pension/benefit plan (Form 5500, Annual Return/Report of Employee Benefit Plan)
- Payment information to sub-contractors (Form 1099-MISC, Miscellaneous Income)
- Information report of 1099s issued (Form 1096, Annual Summary and Transmittal of U.S. Information Returns)
Due Date – At a date to be determined by the PCSB, anticipated to be no later than 90 days after last day of operations

F. FUNDING SOURCES, VENDORS, AND DEBTORS

1. **Provide the PCSB with a timetable and plan for collecting debts and paying creditors:** The plan must be approved by the PCS’ Board of Directors and outline an orderly process for resolving these open accounts. Priority must be given to continuing the PCS’ educational program through the end of the school year and retaining funds to complete the wind-up process.

   **Due Date – Within 14 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

2. **Notify all funding sources/charitable partners of PCS’ impending closure:** All sources of the PCS’ operational funding as well as charitable partners of the PCS must be notified in writing of the closure of the PCS and copies of the notifications must be submitted to the PCSB Closure Liaison. The PCS may not accept further loans, nor otherwise incur additional liability. If the PCS has outstanding business loans or mortgages, the lender will want to know how it plans to pay them off and may wish to look at any business collateral to make sure it's in saleable condition.

   The PCS must continue to pursue grant funds from charitable partners to which it is entitled as long as the charity is aware of the PCS’ closure status. The PCS may not seek or accept grant funds of any type for future school years when the PCS will be closed. Ownership of any equipment purchased with non-federal funds will generally be specified in the award agreement. Charities with property on the premises of the PCS must be notified to remove same as soon as possible or after the last day of school, whichever is appropriate.

   **Due Date – Within 21 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**
   
   Sample Notice of Charter Revocation  Appendix 9A
   Sample Notice of Charter Relinquishment  Appendix 9B

3. **Notify all vendors/contractors of PCS’ impending closure and negotiate termination of contracts:** Copies of these notifications must be provided to the PCSB Closure Liaison. As appropriate, and to the extent possible, contracts for goods and services must be terminated as of the last date such goods or services will be needed, based on their need for the educational program or wind-up of the PCS. Suppliers will want to know when the last delivery should be made, what goods will be returned to them (if that's part of the contract), and where and how they'll get paid for goods they've supplied. If the PCS owes money to creditors, a discussion must be had to agree on the terms for
settling the debt. Some vendors may be willing to accept less than full payment and write off the remaining debt as a donation. If the PCS paid any deposits, find out how to get them back.

Telephone, email, gas, electric, water, insurance (premises and D&O insurance) must remain operative through the last day of operations and to the extent necessary to wind up the PCS’ affairs beyond that time. The PCS’ business insurer will want to know about any potential liabilities that might crop up after the business is shut down. Failure to disclose any pending legal threats or problems could result in the PCS losing coverage for such events. Past insurance contracts must be retained with proof that they were fully paid to prevent spurious claims.

If the PCS is leasing its building, the landlord must be given sufficient notice that the PCS is vacating the building based on what is required in the lease – in no case fewer than 30 days. If the PCS is closing before the end of the lease term, the PCS is liable for any remaining rent payments. If the PCS is not breaking the lease early and the landlord is holding a deposit, the PCS must arrange for its return.

**Due Date – Within 21 Days of Charter Revocation Notice/Announcement of Charter Relinquishment**

Sample Notice to vendors/contractors needed for future services – Appendix 8A

Sample Notice to past vendors/contractors owed money – Appendix 8B

4. **Contact all debtors and demand payment:** Copies of the notifications must be provided to the PCSB Closure Liaison. Just as the PCS hopes to negotiate a lesser payment with its own creditors, the PCS must be willing to negotiate a lesser payment from its debtors. Nonetheless, if the extent collection efforts are unsuccessful, the PCS must consider turning the debt over to commercial debt collection agencies. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.

**Due Date – At Least 30 Days prior to the Revocation/Relinquishment Date**

Sample Letter – Appendix 15.

5. **Make final payments to all vendors/contractors:** Once the PCS’ financial situation is fully understood, the PCS will know how much cash is available to wind down operations and distribute to creditors. Funds may be needed for legal fees, for remaining services of the records management company, for final tax payments, a final financial audit, and other miscellaneous expenses. Some debt may be secured by assets and contractually require payment prior to resolving other “unsecured” debt. It is unlikely, then, that remaining liquid assets will be sufficient to satisfy the entire debt owed to vendors. A calculation must then be made to pay remaining creditors a percentage of the balance due.
Due Date – Date to be determined by the PCSB, anticipated to be no later than 90 days after last day of operations
Sample Letter – Appendix 18

G. FEDERAL GRANTS

Critical Deliverables: Final reimbursement requests, final program reports, and equipment and inventory log for federal grants.

Because each federal grant has unique requirements, PCSs must contact their respective grants managers at OSSE as soon as possible to expedite getting any remaining cash flow into the PCS. It takes approximately 30 days for reimbursement requests to be fully processed by OSSE and to receive payment from the OCFO. This timeframe may be furthered delayed if the PCS has failed to submit a grant application in the past or submits incorrect or incomplete information. Budgets may need to be amended or modified based on the needs of the PCS which is another step in the process and delays issuance of the funds.

1. Submit a report to the PCSB Closure Liaison of all open and active federal grants received by the PCS. The report must include the name of the grant, status of pending reimbursement requests, available balance and an action plan detailing the steps the PCS will take to submit further reimbursement requests to complete all draw downs in a timely manner.

   Due Date – Within 14 Days of Charter Revocation Notice/Announcement of Charter Relinquishment

   Report Form – Appendix 7

2. Reconcile any and all grant payments from OSSE and return any amounts owed to OSSE as a result of grant adjustments or final allocations. In some instances a public charter school may owe funds to OSSE from specific grants as a result of a change in the grant allocation to the public charter schools (usually in formula grants such as Title I, Part A; IDEA, Part B; and Perkins or as a result of an audit or monitoring visit from the federal government directing OSSE to recuperate funds from LEAs). Because federal funds are not subject to liens by third parties (including tax liens), it is important that the PCS return the requested funds immediately by check payable to “DC Treasurer” and sent to the OSSE grant manager that requested the funds.

   Due Date – At Least 30-Days Prior to Revocation/Relinquishment Date

   ** Please refer to the OSSE Charter School Closure Policies and Procedures for more detailed information **

H. PUBLIC CHARTER SCHOOL PROPERTY
DC Official Code states specific requirements regarding the disposition of PCS property:

§ 29-301.48. Voluntary dissolution--Distribution of assets

The assets of a corporation in the process of dissolution shall be applied and distributed as follows:

(1) All liabilities and obligations of the corporation shall be paid, satisfied, and discharged, or adequate provision shall be made therefor;

(2) Assets held by the corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements;

(3) Assets received and held by the corporation subject to limitations, permitting their use only for charitable, religious, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution, shall be transferred or conveyed to 1 or more domestic or foreign corporations, societies, or organizations engaged in activities substantially similar to those of the dissolving corporation, pursuant to a plan of distribution adopted as provided in this subchapter;

(4) Other assets, if any, shall be distributed in accordance with the provisions of the articles of incorporation or the bylaws to the extent that the articles of incorporation or bylaws determine the distributive rights of members, or any class or classes of members, or provide for distribution to others; and

(5) Any remaining assets may be distributed to such persons, societies, organizations, or domestic or foreign corporations, whether for profit or not for profit, as may be specified if a plan of distribution adopted as provided in this subchapter.

§ 29-301.49. Voluntary dissolution--Plan of distribution

(a) Except as provided in subsection (b) of this section, a plan providing for the distribution of assets, not inconsistent with the provisions of this subchapter, may be adopted by a corporation in the process of dissolution and shall be adopted by a corporation for the purpose of authorizing any transfer or conveyance of assets for which this subchapter requires a plan of distribution, in the following manner:

(1) Where there are members having voting rights the board of directors shall adopt a resolution recommending a plan of distribution and directing that the plan be submitted to a vote at a meeting of members having voting rights, which may be either an annual or a special meeting. Written or printed notice setting forth the proposed plan of distribution or a summary thereof shall be given to each member entitled to vote at such meeting, within the time and in the manner provided in this subchapter for the giving of notice of meetings of members. Such plan of distribution shall be adopted upon receiving at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting.

(2) Where there are no members, or no members having voting rights, a plan of distribution shall be adopted at a meeting of the board of directors upon receiving the vote of a majority of the directors in office.
(b) A plan of distribution for a corporation organized under this subchapter for the purpose of operating a public charter school pursuant to either Chapter 17 or Chapter 18 of Title 38 shall be developed and executed in accordance with §§ 38-1702.10a and 38-1802.13a.

1. **Secure all PCS property:** The PCS must secure and store the PCS’ property and any other assets at the PCS that belong to others in order to protect these assets against theft, misappropriation, or deterioration. The Board and PCS leadership must immediately take steps to secure all of the buildings, furniture, fixtures, and equipment and maintain daily security over those assets until disposed. This includes:

   - Maintain existing insurance coverage on all assets.
   - Continue existing insurance for the PCS facility, vehicles and other assets until 1) transfer of real estate or termination of lease, and 2) transfer of vehicles, respectively.
   - Negotiate property insurance with any entities that may take possession of the PCS facility, e.g. lenders, mortgagors; bond holders, etc., if possible.

   **Due Date – Immediately on receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment and continually thereafter**

2. **Prepare and submit to the PCSB and OSSE a log of all equipment and supplies purchased with federal grants to date.** The City-Wide Grants Manual and Sourcebook requires District Agencies with grant-making authority to establish rules for the management and tracking of equipment purchased with local competitive grant funds. OSSE is responsible for monitoring federal grant recipients to ensure compliance with federal law and regulations, which are stated in the US Department of Education General Administrative Regulations (EDGAR) 34 CFR §§ 80.32. OSSE will review and verify the equipment/inventory log in coordination with the PCSB and the PCS’ Independent Auditor and coordinate with the PCS about the proper procedure for liquidating the assets, consistent with federal regulations. The log must include:

   - Each item that has a useful life of more than one year and cost $500 or more;
   - An identifying number that corresponds to a tag on that item;
   - The cost of the item, purchase date, and source of funds; and
   - The location of the item in the PCS building;

   **Due Date – At least 30 Days prior to the Revocation/Relinquishment Date**
   Sample PCS Equipment and Inventory Log – Appendix 16
3. **Begin process of transferring property purchased with federal grants.** Title to property purchased with federal grants remains with the Federal Government, unless the granting agency declares the property to be “excess” or designates it as “exempt property”. Even a designation of “exempt property” may still include conditions with respect to the use and disposal of the property. Therefore, federal property cannot be liquidated but must be transferred according to the following procedures:

- The PCSB communications department will publish the inventory of available property in its Tuesday bulletin along with a timeline and contact information.
- Similar public charter schools with same federal grant entitlement will have 48 hours to respond to claim items.
- Other public charter schools can claim the property after the first 48 hours.
- PCSs who want to claim the equipment must contact the closing PCS directly and not go through the PCSB or OSSE.
- The closing PCS must secure documentation for each property item of which grant title procured the property, what PCS received the equipment, and signatures of the receiving PCS and person who processed the item from the closing PCS.

**Due Date – Within 30 Days after the Revocation/Relinquishment Date**

4. **Liquidate all other PCS Property.** Equipment purchased with non-federal grant funds may have stipulations specified in the award agreements regarding the disposition of these assets. Subject to these constraints, all other items bought with non-federal monies must be liquidated as part of a dissolution process that is approved by the PCS’ Board of Directors according to the requirements outlined in DCOC above.

**Due Date – Within 30 Days after the Revocation/Relinquishment Date**

I. **DATA COLLECTION**

As a condition of receiving federal funds, LEAs must retain appropriate student records, maintain accurate records, and report information in a timely fashion. This includes LEAs that are in the process of closing. Pursuant to District of Columbia laws, OSSE is responsible for establishing a standardized format and timeframe for reporting student information. Data points about each school year are collected in the current year and in the subsequent year. If an LEA is closing, OSSE requires collection of all data points prior to the fall. This requirement includes any data that were not submitted during the year, and all data with later due dates. In future years, the complete list of data required for reporting will be provided to LEAs prior to the data collection year in order to facilitate the timely submission of data, even for LEAs that may be closing.
1. **Submit data report to OSSE**: OSSE may require the information be submitted in a variety of different ways, including spreadsheet templates provided by OSSE, word documents, and web-based interface. See this website, [www.xxxxxx.us](http://www.xxxxxx.us) for more information about current OSSE data requirements. It is imperative that the data are complete, accurate, and be presented in the proper format as there will be little opportunity for OSSE staff to verify data and ask clarification questions later. While the deadline for fulfilling the data requirements is after the close of the school year, public charter schools must begin working on these data questions well ahead of the due date in recognition of the fact that some key staff with the necessary information may leave prior to the due date.

There are five types of required data:

- Student (including student-level discipline and assessment data)
- Staff and Teachers
- PCS
- LEA
- Fiscal (including meal claims for the Federal Free and Reduced Meals program)

**Due Date – Within 14 Days after the Revocation/Relinquishment Date**

**Please refer to the OSSE Charter School Closure Policies and Procedures for more detailed information**

J. **FINANCES**

*Critical Deliverables*: Interim unaudited financial statements, final unaudited financial statements, audited financial statements, and notification of OCFO/OFGP reconciliations; if applicable.

DC Official Code § 38-1802.13d clearly states the requirements for closing out the finances of a public charter school facing mandatory dissolution:

(1) The chartering authority, in consultation with the Board of Trustees, shall develop and execute a plan for:
(A) Liquidating the corporation's assets in a timely fashion and in a manner that will achieve maximum value;
(B) Discharging the corporation's debts; and
(C) Distributing any remaining assets in accordance with this section and § 29-301.48(3).

(2) The plan shall:
(A) Provide that assets to be distributed pursuant to § 29-301.48(3) be transferred or conveyed to the District of Columbia, to be controlled by the Office of Education Facilities
and Partnerships within the State Education Office and used solely for educational purposes; and
(B) Be in accordance with the terms of existing creditor agreements and applicable laws, and creditors shall retain all rights, powers, and remedies available to them to cure default as defined in their agreements with the charter school.
(3) As soon as feasible, the Board of Trustees shall complete and submit to the authorizing entity a closeout audit, which shall include:
(A) An account of the present value of the charter school's liabilities held by all of its creditors, including:
   (i) Banking institutions;
   (ii) Vendors; and
   (iii) State pension and health benefits agencies; and
(B) An account of the present value of the charter school's assets, including:
   (i) Books;
   (ii) Supplies;
   (iii) Motor vehicles;
   (iv) Furnishing;
   (v) Equipment; and
   (vi) Facilities.

1. **Prepare Required Financial Reports for Review at the Initial Closure Meeting:** Initial reports are to include:
   - Most recent bank statements
   - Cash flow projection
   - Outstanding payables report
   - Current Fixed Assets Inventory
   - Current depreciation schedule

   **Due Date – Within 7 Days of Charter Revocation Notice/Announcement of Charter Relinquishment (i.e. Prior to the Initial Closure Meeting)**

2. **Submit Interim Financial Statements to the PCSB Closure Liaison.** Each Interim Financial Statement must include the following:
   - A copy of the PCS’ general ledger postings for the period;
   - Reconciliation of all bank accounts for the period;
   - Status of all contracts and other obligations of the PCS;
   - Detail of all funds, including principal and accrued interest, owed to, and by, the PCS
   - A report showing all creditors or former creditors, any amounts paid to creditors (or in-kind exchanges of assets), and any amounts of debt of the PCS
outstanding, including principal and accrued interest, as of the date of the interim report;

- A report showing all amounts owed to the PCS by debtors, any amounts paid by debtors, and whether any debtors have paid in full, and any amounts outstanding; and

- A cash flow projection that addresses plans for cancellation of non-essential services prior to last day of operations, cost of shutting down the organization, and future plans for payment of outstanding debt.

Due Date – Within 28 Days after Charter Revocation Notice/Announcement of Charter Relinquishment, and then monthly through pre-closure, closure, and post-closure, until the date of the Final Statement outlined below

Sample Format – Appendix 11

3. **Report to the PCSB the plans for terminating all bank and credit card accounts.** The Report must include:

- Plans for cancellation of corporate credit cards and lines of credit.
- Schedule for liquidation or closing of bank accounts that minimizes fees but leaves the PCS enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up, including funds for a final audit.
- Any changes anticipated in authorized signatures on accounts, reflecting changes in persons authorized to implement the winding down operations of the PCS, and employment, contract, or Board status of those authorized to sign for the PCS.

Due Date – At Least 30 Days prior to the Revocation/Relinquishment Date

4. **With assistance from the PCSB, reconcile all billings and payments with the Office of the Chief Financial Officer (OCFO), including special education payments or other “lagged” payments.**

- If the School has not been paid by the OCFO within a reasonable time after notification of closure, the School must contact the offices and seek an intercept of the money and list the District of Columbia as a debtor.
- Conversely, if the School owes the OCFO money, it must list the District of Columbia as a creditor and treat it accordingly.

Due Date – At Least 30 Days Prior to the Revocation/Relinquishment Date

5. **Prepare to the full satisfaction of the PCSB a Final Statement of the status of all contracts and other obligations of the PCS, and all funds owed to the PCS, audited (or confirmed) by an independent accountant, with supporting evidence showing:**
• All assets and the value and location thereof, whether such asset has been distributed to creditors in satisfaction or payment of any existing debt obligation; and
• Each remaining creditor and any and all amounts owed to each creditor, including principal and accrued interest through the date of such statement; and
• Statement that (a) all debts have been collected, or (b) that good faith efforts have been made to collect same; and
• Each remaining debtor of the PCS and the amounts owed by each debtor, including principal and accrued interest.
• This statement is in addition to the final Financial Statement Audit.

Due Date – Date to be determined by the PCSB, anticipated to be no later than 90 days after last day of operations

6. Submit an Annual Audit for the current fiscal year.

Due Date – November 1 or Sooner if Deemed Appropriate by the PCSB

K. GOVERNANCE & DISSOLUTION OF THE SCHOOL CORPORATION

The Board of Directors of the PCS has legal accountability for the PCS’ operations and is responsible for providing adequate supervision and support to the chief executive of the PCS. During the closure process, the Board must intensify its scrutiny to assure that the closure process is implemented with integrity. The closing school’s board of directors is responsible for supervising the entire closure process. In addition, the board of trustees must implement a proper dissolution of the nonprofit corporation functioning as the public charter school. One important step in this process is identifying the person who will maintain custody of all school records once the closure occurs and the corporation is dissolved. The designated custodian will need to fill out and sign the School Records Custodial Agreement provided by the PCSB (Appendix 22). In addition, the following responsibilities are specific to the Board of Directors:

1. Implement whatever steps are necessary to assure the maintenance of all corporate records. Corporate records may include records related to:

   • Loans, bonds, mortgages and other financing;
   • Contracts;
   • Leases;
   • Assets and asset sales;
   • Grants (records of federal grants must be kept in accordance with 34 CFR 8042);
   • Accounting/audit, taxes and tax status, etc;
   • Governance (minutes, by-laws, policies);
   • Employees (background checks, personnel files);
   • Employee benefit programs and benefits;
2. **Inform the PCSB regarding any litigation, complaints, and the like, and provide copies of all filings**, including, but not limited to, voluntary or involuntary bankruptcy, Individuals with Disabilities Education Act (IDEA) due process complaints, IDEA state complaints or requests for mediation, and any open Hearing Officer Decisions (HODs)/Settlement Agreements (SAs). The PCS has an ongoing obligation to keep the PCSB informed of such matters. As soon as possible after receiving notice and/or service of process regarding litigation against, or initiated by, the PCS, PCS Board, or PCS’ employees, copies of legal papers received must be provided to the PCSB. In addition, the PCS must also provide notice to OSSE of any bankruptcy proceeding.

   **Due Date – Immediately on receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment and continually thereafter**

3. **Assure that the PCS’ property, as well as assets at the PCS that belong to others, are protected against theft, misappropriation, or deterioration, and approve the plan for liquidation of those assets.**

   **Explanation of Requirements – Section H, Page 26.**

4. **Maintain Director’s and Officer’s Liability Insurance**

   **Due Date – Immediately on receipt of the Charter Revocation Notice or Announcement of Charter Relinquishment and continually thereafter until the non-profit corporation is dissolved**

5. **Inform the PCSB of the remaining schedule of board meetings and submit board meeting minutes to the PCSB**

   **Due Date – Within 7 Days after Charter Revocation Notice/Announcement of Charter Relinquishment (i.e. prior to the Initial Closure Meeting), and continually thereafter until the non-profit corporation is dissolved**

6. **Adopt a timetable and plan that sets forth the method that the PCS intends to collect debts and negotiate with and pay creditors in an orderly fashion.** Priority must be
given to continuing the PCS’ full educational program, including provision of all specialized instruction and related services, through the end of the school year and retaining funds to complete the wind-up process.

Explanation of Requirements – Section F, Page 21.

7. **Dissolve the PCS Corporation:**

Revocation or relinquishment of the charter requires that the PCS Corporation be dissolved sometime after the Revocation/Relinquishment Date. The District of Columbia Code § 38-1802.13a, states:

* A nonprofit corporation operating a charter school shall dissolve if the charter for the school:
  1. Has been revoked by the authorizing entity;
  2. Has not been renewed by the authorizing entity; or
  3. Has been voluntarily relinquished by the charter school.

DC Code § 29-301.53c further states:

* A corporation organized under this subchapter for the purpose of operating a public charter school pursuant to either Chapter 17 or Chapter 18 of Title 38 shall be dissolved involuntarily by a decree of the court in an action instituted by the Mayor or his designee in the name of the District of Columbia if the charter for the public charter school has been revoked, has not been renewed, or has been voluntarily relinquished and the corporation has failed to voluntarily dissolve as required by §§ 38-1702.10a and 38-1802.13a.

The specific legal requirements the Board of Directors must meet to dissolve the corporation are set forth in the corporation’s organizational documents and in the District of Columbia Code. The PCS should retain an attorney to assist in drafting the legal documents that the dissolution of the business will require.

**Due Date – November 1 or Sooner if Deemed Appropriate by the PCSB**

The form for filing Articles of Dissolution for a Nonprofit Organization in the District is available from the Corporations Division of the DC Department of Consumer and Regulatory Affairs (DCRA), [http://dcra.dc.gov](http://dcra.dc.gov). Following are the requirements in DC for dissolution of nonprofit organizations (DC Code § 29-301.51.):

* If voluntary dissolution proceedings have not been revoked, when all debts, liabilities, and obligations of the corporation shall have been paid and discharged, or adequate provisions shall have been made therefor, and all of the remaining property and assets of the corporation shall have been transferred, conveyed, or distributed in
accordance with the provisions of this subchapter, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice-president, and the corporate seal shall be thereto affixed and attested by its secretary or an assistant secretary, and such statement shall set forth:

(1) The name of the corporation;
(2) Where there are members having voting rights:
   (A) A statement setting forth the date of the meeting of members at which the resolution to dissolve was adopted, that a quorum was present at such meeting, and that such resolution received at least two-thirds of the votes entitled to be cast by members present or represented by proxy at such meeting; or
   (B) A statement that such resolution was adopted by a consent in writing signed by all members entitled to vote with respect thereto;
(3) Where there are no members, or no members having voting rights, a statement of such fact, the date of the meeting of the board of directors at which the resolution to dissolve was adopted and a statement of the fact that such resolution received the vote of a majority of the directors in office;
(4) That all debts, liabilities, and obligations of the corporation have been paid and discharged or that adequate provision has been made therefor;
(5) That all the remaining property and assets of the corporation have been transferred, conveyed, or distributed in accordance with the provisions of this subchapter; and
(6) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

It is also necessary in DC to cancel the Business License for the Corporation. Mail the Corporation’s Business License to the following address with a cover letter stating the corporation is dissolving and wishes to cancel its Business License:

Business License Center
DC Office of Consumer and Regulatory Affairs
1100 4th Street, SW
Washington, DC 20024

If the Corporation has registered any trade names, it must cancel these registrations. A Trade Name Combined Form for Registration, Renewal, Cancellation and Amendment is available from the Business Registration section of the DCRA website to achieve this.

The IRS requires that a nonprofit organization that is going out of business file a final 990 tax return and include a separate Schedule N – Liquidation, Termination, Dissolution, or Significant Disposition of Assets. Documentation of the organization’s dissolution must be provided by attaching a certified copy of its Articles of Dissolution. The assets of a nonprofit organization must be properly distributed consistent with the
requirements of the District’s Non-Profit Act and the organization’s articles of incorporation and bylaws. It is illegal for individuals to receive private benefit from the liquidation of these assets.

The IRS also requires nonprofit organizations to notify the Office of Exempt Organizations Determinations of the dissolution of the organization so the Office will no longer expect the organization to file annual returns. Notification consists of:

- Articles of Dissolution filed with state officials, or minutes of the meeting where the vote was taken to dissolve (signed and dated by an officer)
- A list of the last set of officers or trustees and their daytime telephone numbers
- For section 501(c)(3) organizations only, a statement signed by an officer giving details on final distribution of assets

Sent to:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201