San Diego Unified School District Sample

Charter School Closing – Financial Responsibilities

Planning the Close-Out

- ☐ Develop a closure timeline & milestones
- ☐ Notify Educational Partners (vendors, agencies)
- ☐ Coordinate with authorizer & auditors

Payroll & Employment

- ☐ Issue final paychecks & vacation payout
- ☐ Submit final STRS/PERS contributions
- ☐ Provide COBRA/benefits continuation notices

Vendors & Contracts

- ☐ Pay outstanding invoices
- ☐ Terminate contracts & leases
- ☐ Notify vendors and service providers

Debt & Leases

- ☐ Settle loans or lines of credit
- ☐ Return leased property/equipment
- ☐ Document debt settlements

Assets & Inventory

- ☐ Inventory all assets purchased with public funds
- ☐ Return/transfer federally or state-funded and donated items

Net assets of the charter school may be transferred to the authorizing entity after all liabilities of the charter school have been paid. Also, net assets may be transferred to another public agency, such as another public charter school if stated in the corporation's bylaws or through an agreement between the authorizing entity and the charter school.

The corporation's bylaws should address how assets are to be distributed at the closure of the corporation.

Grants & Restricted Funds

- ☐ Close-out federal Title programs
- ☐ Submit PCSGP or other grant reports
- ☐ Return unspent restricted funds

Accounting Reports & Audit

- ☐ Prepare final year-end financial statements
- ☐ Complete independent audit & submit to CDE/authorizer
- ☐ Account for restricted vs. unrestricted funds

Charter school closure procedures must include a plan for completion and filing of any annual reports required per EC Section 47604.33 in addition to the closeout audit, which includes the following:

- Preliminary budget for a charter school in its first year of operation on or before July 1
- Local control and accountability plan and annual updates due on or before July 1
- Interim financial report reflecting changes through October 31 due on or before December 15
- Second interim financial report reflecting changes through January 31 due on or before March 15
- Final unaudited report for the full prior year due on or before September 15

These reports are submitted to its chartering authority and the county superintendent of schools, or only to the county superintendent of schools if the county board of education is the chartering authority.

Records Management

- [ ] Retain financial/business records (7+ years)
- [ ] Submit final reports to agencies

Risk & Legal Considerations

- [ ] Confirm board fulfills fiduciary responsibilities
- [ ] School Maintain insurance during closure process
- [ ] School Address litigation/settlement matters if applicable