

CHARTER SCHOOL / AUTHORIZER AGREEMENT

The University of St. Thomas (hereinafter “Authorizer”) and **[SCHOOL NAME]** (hereinafter “School”) are entering into this Agreement as of July 1, XXXX for the purposes of defining the responsibilities and obligations of each party with respect to the operation of a charter school. It is the intention of the parties that this Agreement will comply with all requirements of the Charter Law (as such term is defined below).

SECTION 1. DEFINITIONS.

For purposes of this Agreement, and in addition to the terms defined throughout this Agreement, each of the following words or expressions shall have the meaning set forth in this section:

- 1.1 “Agreement” means this Charter School/Authorizer Agreement between the Authorizer and the School as is required by *Minnesota Statutes* §124E.10, Subd. 1(a). (Charter contract).
- 1.2 “Applicable Law” means all state and federal law applicable to Minnesota charter schools and any regulations implemented pursuant to those laws.
- 1.3 “Application Information” means the charter school application information and supporting documentation submitted to the Authorizer for the Authorizer to grant the charter to the School. The critical Application Information is attached to this Agreement as Attachment 1 and by this reference is made a part of this Agreement. The Application Information may be amended from time to time by the Charter School Board provided that significant changes are approved in advance by the Authorizer. The School will be accountable for implementing the program described in the Application Information. In the event that there is an inconsistency or dispute between the provisions in the Application Information and this Agreement, the provisions of this Agreement shall be followed.
- 1.4 “Charter Law” means the *Minnesota Statutes* §124E *et seq.*, as amended, and any rules or regulations adopted by the Commissioner relating to this law.
- 1.5 “Charter School Board” means the Board established to govern the School, as provided under *Minnesota Statutes* §124E.06-§124E.07.
- 1.6 “Commissioner” means the Commissioner of the Minnesota Department of Education.
- 1.7 “Department” means the Minnesota Department of Education.
- 1.8 “School” means **[SCHOOL NAME]** which is established as a charter school pursuant to this Agreement and which is incorporated pursuant to *Minnesota Statutes* §317A.

- 1.9 “School Information” includes all educational data, as defined in *Minnesota Statutes* §13.32; any and all data related to employees; any and all complaints filed by the School as required by law and all complaints filed against the School; any and all investigative files and the results of any investigations; and any and all financial information as required to be disclosed under Section 7.7.
- 1.10 “Authorizer” means the University of St. Thomas, with its official office located at 2115 Summit Avenue, St. Paul, MN 55105. The Authorizer represents and warrants that it is an organization eligible to authorize charter schools in Minnesota as provided for in the Charter Law.
- 1.11 “School Year” means July 1 through June 30.

SECTION 2. TERM.

The term of this Agreement is [XXXX] years, commencing on the date of this Agreement, [XXXX], as identified above, and continuing through [XXXX], unless terminated earlier pursuant to Sections 9 or 10 of this Agreement.

SECTION 3. PURPOSE OF THE SCHOOL; DESCRIPTION OF THE PROGRAM; CONTENT STANDARDS; CURRICULUM; PERFORMANCE INDICATORS AND EVALUATION.

- 3.1 Purpose of the School. The School will be organized and operated to achieve more than one purpose as described in the Application Information and as provided for in the Charter Law, including the primary purpose: to improve all pupil learning and all student achievement.
- 3.2 Description of the Program. The School’s program will be as described in the Application Information. The School agrees to operate in a manner consistent with the Application Information unless the School and the Authorizer agree to amend the approved charter.
- 3.3. Content Standards. The School’s educational program shall meet or exceed Minnesota Academic Standards.
- 3.4 Curriculum. The School shall implement the curricula described in the Application Information, supplemented with other curricula that may be helpful to the School’s academic progress to the extent that such curricula meet or exceed Minnesota Academic Standards. The School may, without seeking Authorizer approval, make reasonable modifications to its approved curriculum to permit the School to meet its educational goals and student achievement standards. Any modifications, either individually or cumulatively, that are of such a nature or degree as to cause the approved curriculum to cease to be in operation will require approval from the Authorizer and an amendment to this Agreement.
- 3.5 Performance Indicators and Evaluation.

(a) Graduation Standards. The School will comply with the requirements of the Minnesota Graduation Standards, as defined by *Minnesota Statutes* §§120B.02; 120B.024; and Minnesota Rules parts 3501.0010 – 3510.0280 and will document the levels of student performance in terms of students meeting those graduation standards.

(b) Every Student Succeeds Act (ESSA). The School will comply with the responsibilities and obligations of the Title I, Part A accountability provisions as specified under the federal Every Student Succeeds Act or its implementing regulations established by the U.S. Department of Education including, but not limited to, participating in statewide assessments, meeting participation requirements for each student group on state assessments, meeting public and parent reporting requirements, and implementing School sanctions if the School is identified for improvement.

(c) Goals, Performance Indicators, and Accountability System. The School and the Authorizer agree to the goals and measurable performance indicators for the Academic Performance, Financial Viability, and Organizational Performance of the School as set forth in Attachment 2 (“Accountability System”), which specifies the performance levels necessary in order for this Agreement to be renewed. Authorizer reporting on school outcomes against these goals and measurable performance indicators will take place annually. As provided for in Attachment 2, the academic outcomes will be assessed using multiple indicators including nationally normed referenced tests or other professionally recognized measurement systems, state tests required of all students, and other methods provided for in this Agreement. In keeping with the primary purpose of charter schools under *Minnesota Statutes* §124E.01, Subd. 1, improving all pupil learning and all student achievement as measured by the Academic Performance indicators will be the most important factor in determining contract renewal. The School’s success in meeting the additional statutory purposes identified by the School will be considered as secondary factors.

The parties intend, where this Agreement references or is contingent upon state or federal accountability laws, to be bound by any applicable modification or amendments to such laws upon the effective date of such modifications or amendments. The specific terms, form, and requirements of the Accountability System may be modified or amended to the extent required to align with changes to applicable state or federal accountability requirements, as set forth in law.

(d) Accountability for Multiple Campuses. If the School operates multiple campuses under this Agreement, this Agreement includes specific academic accountability measures for each campus. The Authorizer will evaluate each campus’s academic performance independently of other campuses, and each campus will be independently accountable for its performance.

(e) Annual Report. The School will file an annual report with the Authorizer and the Commissioner that is consistent with the provisions of *Minnesota Statutes* §124E.16, Subd. 2 and which contains the information required by the Authorizer and Commissioner (the “Annual Report”). The report will be filed no later than October 1 of each year during the term of this Agreement. The School may include other information in the Annual Report.

The Authorizer will review the Annual Report and, if necessary, provide written comment to the Board.

(f) Annual Report Dissemination. The School will disseminate the annual report to the families of students attending the School and post the report on the School’s official Web site.

SECTION 4. LEGAL STRUCTURE AND AUTHORITY OF THE SCHOOL.

4.1 Legal Structure.

(a) Nonprofit Status. The School is organized and operated as a nonprofit corporation under *Minnesota Statutes* Chapter 317A, as amended.

(b) Articles of Incorporation. The School’s articles of incorporation are Attachment 3 (“Articles”). The School will submit any modification of the Articles to the Authorizer within five (5) business days of approval by the Charter School Board.

(c) Bylaws. The School’s bylaws are Attachment 4 (“Bylaws”). The School will notify the Authorizer of any proposed amendments to the Bylaws. At its discretion, the Authorizer may review and comment on the proposed amendments. The School will consider the Authorizer’s review and comment, and will submit to the Authorizer any amendments to the Bylaws within five (5) business days of approval by the Charter School Board. Pursuant to *Minnesota Statutes* §124E.07, Subd. 4, Authorizer approval is required if the Charter School Board wishes to change its governance structure.

(d) Affiliated Nonprofit Building Corporation. If eligible under *Minnesota Statutes* §124E.13, Subd. 3, the School may form an affiliated nonprofit building corporation which complies with all legal requirements. The School or its affiliated nonprofit building corporation must receive a positive review and comment from the Commissioner as detailed in *Minnesota Statutes* §124E.13, Subd. 4.

(e) Authorized Grades. The authorized grades will be as specified in the Application Information. If the Application Information provides for a phase-in of the grades, this phase-in will not be changed without prior written consent of the Authorizer.

(f) Program Expansion. The School will not expand its site or grade levels beyond that specified in the Application Information without application to and approval by the Authorizer, and without the Authorizer’s submission of a supplemental affidavit to the Commissioner. The Commissioner must approve the supplemental affidavit consistent with *Minnesota Statutes* §124E.06, Subd. 5.

SECTION 5. LOCATION OF THE SCHOOL

5.1 **The intended location of the School will be: [INSERT ADDRESS].**

The School will provide evidence that it has secured a location that is acceptable to the Authorizer by [DATE], YEAR. After [DATE], YEAR, the school may move its location only after obtaining written approval from the Authorizer, subject to any terms and conditions specified.

SECTION 6. PRE-OPENING REQUIREMENTS

To demonstrate the School's readiness to open successfully, the School is required to meet a set of pre-opening benchmarks by specified dates as set forth in Attachment 5 ("Ready-to-Open Process"). If the School fails to meet the pre-opening requirements within the required timeframes, the opening of the School will be postponed by one year in accordance with *Minnesota Statutes* §124E.06 Subd. 3(g).

SECTION 7. OPERATING REQUIREMENTS

7.1 Governance.

(a) Board of Directors. The School will be governed by a Charter School Board. The composition of the Charter School Board shall at all times be determined by and consistent with the Articles and Bylaws and all Applicable Law and policy. The school will file changes in the membership of the Charter School Board with the Authorizer.

(b) Background Checks. Before any persons are seated as members of the Charter School Board, the School will conduct a criminal background check identical to those required by *Minnesota Statutes* §123B.03, Subd. 1. The School will certify to the Authorizer that background checks have been completed and, consistent with Applicable Law, will provide to the Authorizer any adverse information that is revealed as part of the background checks and will evaluate, on a case-by-case basis, membership on the Charter School Board where the background check revealed adverse information.

(c) Conflicts of Interest. The provisions of *Minnesota Statutes* §124E.07, Subd. 3 and §124E.14 relating to conflicts of interest shall be followed by each member of the Charter School Board.

(d) Powers. The Charter School Board will provide policy leadership including, but not limited to, long-range planning and goal-setting for the School consistent with the School's approved mission; holding the School accountable for meeting academic, financial, and operational goals; approving an annual budget and providing oversight of the budget; employing appropriate staff or contracting with organizations that do employ appropriate staff; setting expectations and reviewing the performance of the School director at least annually; and other policies regarding the operation of the School.

(e) School Board Election. Charter School Board elections and director qualifications will be as provided in the Charter Law and the Bylaws.

(f) Affiliation. Notwithstanding any provision to the contrary in the Charter,

Application, or the Articles and Bylaws, in no event shall the Charter School Board, at any time, be composed of voting members of whom a majority are directors, officers, employees, agents, or otherwise affiliated with any single entity (with the exception of the School itself), regardless of whether said entity is affiliated or otherwise partnered with the School. For the purposes of this paragraph, “single entity” shall mean any individual entity, as well as any and all related entities to such entity such as parents, subsidiaries, affiliates, and partners. The Authorizer may, at its sole discretion, waive this restriction upon a written request from the School.

(g) Non-Commingling. Assets, funds, liabilities, and financial records of the School shall be kept separate from assets, funds, liabilities, and financial records of any other person, entity, or organization unless approved in writing by the Authorizer.

(h) Open Meeting Law. All meetings and business of the Charter School Board will comply with the Minnesota Open Meeting Law, *Minnesota Statutes* §13D. The Charter School Board will provide proper written notice to Authorizer of all board meetings including special, regular, and emergency.

(i) Frequency of Meetings. The Charter School Board will meet as provided in the Bylaws. A copy of the agenda, minutes, financial statements and all related documents will be provided to the Authorizer at least three days prior to the meeting. At the request of the Authorizer, the Charter School Board will provide the Authorizer an opportunity to address the Charter School Board regarding matters determined by the Authorizer.

(j) Charter School Board Training. The Charter School Board will participate in training consistent with the *Minnesota Statutes* §124E.07, Subd. 7. In addition, the Charter School Board will submit its plan for training to the Authorizer if requested by the Authorizer and attend training reasonably required by the Authorizer.

7.2 Non-Sectarian. The School will be nonsectarian in its programs, admission policies, employment practices and all other purposes.

7.3 Tuition and Fees. The School will not charge Minnesota residents tuition for admission to the School. The School may impose fees and require payment of expenses for activities of the School where such fees and payments are not prohibited by Applicable Law. The School will comply with the Minnesota Public Schools Fee Law, *Minnesota Statutes* §123B.34-39, which governs authorized and prohibited student fees.

7.4 Home School. The School will not be used as a method of providing education or generating revenue for students who are being home schooled pursuant to *Minnesota Statutes* §120A.22.

7.5 Enrollment. The School will follow student admission requirements as stated in *Minnesota Statutes* §124E.11.

(a) Limits. The School may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability, nor may it condition

admission on criteria or take any action that would violate the Minnesota Human Rights Act, *Minnesota Statutes* §363A.

(b) Admissions. The School's admission policies and procedures are attached to this Agreement as Attachment 6.

(c) Student Transfers and Exits. Any student exit out of the School will be documented by an exit form signed by the student's parent or guardian, which affirmatively states that the student's transfer or exit is voluntary. The School will collect and report to the Authorizer, in a format required or approved by the Authorizer, exit data on all students transferring from or otherwise exiting the school for any reason (other than graduation), voluntary or involuntary. Such exit data will document the date of and reason(s) for each student departure. In the event that the School is unable to document the reasons for a voluntary withdrawal, the School will notify the Authorizer and provide evidence that it made reasonable efforts to obtain documentation.

(d) Right to Remain. Pursuant to *Minnesota Statutes* § 121A.40-121A.56, students who enroll in the School will have the right to remain enrolled in the School through the end of the school year, absent expulsion, graduation, or court-ordered placement. Students who fail to attend the School as required by state law may be removed from the School's rolls only after the requisite unexcused absences have been documented and all truancy procedures followed.

7.6 Reporting to the Authorizer.

(a) Reports. The School will file reports, including but not limited to the Annual Report identified in Section 3.5(e) of this Agreement, with the Authorizer regarding the implementation efforts and outcomes of the School's program. These reports shall encompass operational, governance, financial, compliance, and academic elements—including those elements related to achievement of the primary and additional statutory purposes of the school. The Authorizer will provide a format and a reasonable timeline for these reports.

(b) Access to Information. The School will provide the Authorizer with and permit prompt and reasonable access to any School Information requested by the Authorizer. For purposes of such data disclosure, the parties agree that they will be governed by *Minnesota Statutes* §13.05.

(c) Assessments and Test Results. The School will provide the Authorizer with required government assessments and test results promptly following the time the School receives each of its preliminary test results and final test results. The School will provide the Authorizer with any other assessments and test results as required by the Authorizer each semester. Where necessary the School shall truncate information to the last four digits of the student identification number to protect student data privacy.

(d) Violations of Law. The School will promptly notify the Authorizer of all complaints that allege that a violation of state or federal law or regulation has been committed by the School unless such reporting would violate Applicable Law.

7.7 Financial Management. For the purposes of this Section, the School is subject to *Minnesota Statutes* §124E.16, Subd.1.

(a) Procedures and Controls. At all times, the School will maintain appropriate governance and managerial procedures and financial controls, which shall include but not be limited to: (1) commonly accepted accounting practices and the capacity to implement them; (2) a checking account; (3) adequate payroll procedures; (4) an organizational chart; (5) procedures for the creation and review of monthly and quarterly financial reports, which procedures shall specifically identify the individual who will be responsible for preparing such financial reports in the following fiscal year; (6) internal control procedures for cash receipts, cash disbursements and purchases; and (7) maintenance of asset registers and financial procedures for grants in accordance with Applicable Law.

(b) Financial Reports. The School will provide the Authorizer a copy of the annual budget for review and comment prior to its approval by the Board. The School will consider the Authorizer's review and comment, but is not required to incorporate in the annual budget any comments or other modifications proposed by the Authorizer. The School shall also provide the Authorizer periodic reports on the School's financial status as provided for in Section 7.6(a) of this Agreement and to allow for evaluation of the School program.

(c) UFARS. The School will utilize the UFARS financial accounting principles and methods. Student accounting will comply with MARSS requirements. All accounting records will be audited annually by a public accounting firm engaged by the Charter School Board.

(d) Audits. The School will comply with the same financial audits, audit procedures, and audit requirements of other schools (*Minnesota Statutes* §123B.75 to 123B.83) except when deviations are necessary because of the program of the School. Deviations must be approved by the Commissioner and Authorizer. The School will provide the Authorizer with a final audit and any management letters provided by the auditor. As provided by *Minnesota Statutes* §124.E.16, Subd. 1, if the audit includes findings that a material weakness exists in the financial reporting systems of the School, the School must submit a written report to the Commissioner explaining how the material weakness will be resolved in accordance with the procedures set by the Commissioner. The report to the Commissioner will also be provided to the Authorizer.

Upon prior written request, the School will make available for review by the Authorizer all financial records at such times as reasonably requested by the Authorizer.

(e) Creditors. If the School has any payments to creditors for which there is an outstanding liability of over 90 days, the School will provide the Authorizer a written

statement explaining the reasons for this and a proposal for payment of the outstanding liability.

7.8 Transactions with Affiliates. The School shall not, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any affiliate of the School, any member past or present of the Charter School Board, any employee past or present of the School (except in their employment capacity), or any family member of the above individuals, unless:

(a) The terms of such transaction (considering all the facts and circumstances) are no less favorable to the School than those that could be obtained at the time from a person who is not such an affiliate, member, employee, or related individual;

(b) The involved individual, if a Charter School Board member, recuses him or herself from all Charter School Board discussions, and does not vote on or decide any matters related to such transaction; *and*

(c) The Charter School Board discloses any conflicts and operates in accordance with a conflict of interest policy that has been approved by the Authorizer.

7.9 Educational Service Providers. The School shall not, without explicit, written approval of the Authorizer, contract with a third party to provide comprehensive (all or a substantial portion of the) services necessary to manage and operate the School. If the School intends to enter into such a contract, it will, no later than 120 days prior to the effective date, enter into a legally binding and enforceable agreement with such entity named in the Application Information (the "ESP") in a form substantially similar to that contained in the Application Information (the "Management Contract"), subject to the approval of the Authorizer. The Management Contract will specifically set forth:

(a) Proposed key terms, including roles and responsibilities of the Charter School Board, the School staff, and the ESP; the services and resources to be provided by the ESP and any affiliated entities; performance evaluation measures and mechanisms; detailed explanation of compensation to be paid to the ESP; financial controls and oversight; investment disclosure; methods of contract oversight and enforcement; and conditions for contract renewal and termination; and

(b) Disclosure and explanation of any existing or potential conflicts of interest between the Charter School Board and the ESP or any affiliated business entities.

No later than thirty (30) days prior to entering into the Management Contract, the School will provide a copy of the Management Contract in proposed final form to the Authorizer. The Management Contract will be accompanied by a letter from a licensed attorney representing the School stating that the Management Contract meets the attorney's approval. Such attorney may not represent or be retained by the Management Provider. The Management Contract shall not be executed until the School is notified in writing by the Authorizer that the Management Contract meets its approval. The School

shall not enter into any contract for comprehensive school management services to be performed in substantial part by any other entity not identified as such in the Application Information without receiving prior written approval from the Authorizer.

7.10 Employment and Staffing.

(a) Authorization of Employment. The Charter School Board or its delegate will employ and contract with necessary teachers, as defined by *Minnesota Statutes* §122A.15, Subd. 1, who hold valid licenses to perform the particular service for which they are employed at the School.

(b) Non-Licensed Personnel. The Charter School Board or its delegate may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services.

(c) Collective Bargaining. If eligible employees of the School organize to engage in collective bargaining, the School will comply with *Minnesota Statutes* §179A, the Public Employment Relations Act.

7.11 School Facilities.

(a) Lease Space. The School will comply with the provisions of *Minnesota Statutes* §124E.13, Subd. 1 for leasing space. Prior to finalizing a lease for space, the School will submit it to the Department for review and comment. The School will also provide the lease to the Authorizer for review and comment at the request of the Authorizer.

(b) Maintenance of Facilities and ADA Compliance. The School will be responsible for the maintenance of any facilities it leases in accordance with all Applicable Law, including ensuring compliance with all ADA accessibility requirements.

(c) Use of the Facility by the School. The School will use its designated facility for the sole purpose of operating a public school as authorized by this Agreement. The School will not conduct, nor will it permit, any activity on its premises that would threaten or endanger the health or safety of occupants.

(d) Inspections. The Authorizer will have access at all reasonable times to any facility leased or used in any way by the School, for purposes of inspection and review of the School's operation and to monitor the School's compliance with the terms of this Agreement.

7.12 Transportation. Transportation for students enrolled at the School will be provided in accordance with the Application Information and Applicable Law.

7.13 Health and Safety.

- (a) School District Requirements. The School will comply with the same health and safety requirements as a school district and meet all requirements set forth in Applicable Law.
- (b) Immunization. The School will comply with *Minnesota Statutes* §121A.15, requiring proof of student immunizations.
- 7.14 Human Rights. The School will comply with the Minnesota Human Rights Act, Chapter 363A, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with *Minnesota Statutes* §121A.04, which governs provision of equal opportunities for members of both sexes to participate in athletic programs.
- 7.14 Student Dismissal. The School will comply with the Minnesota Pupil Fair Dismissal Act (MPFDA), *Minnesota Statutes* §§121A.40-56. The School Board shall maintain a disciplinary policy and procedure consistent with MPFDA prior to enrolling students.
- 7.15 Students with Disabilities. The School will comply with *Minnesota Statutes* §125A and §124E and applicable rules and Federal law relating to the education of pupils with a disability as though it was a school district. Consistent with the provisions of *Minnesota Statutes* §124E.21, the financial parameters within which the School will operate to provide the special education instruction and related services to pupils with disabilities will be based on the needs of the student as defined by the student's evaluation and by the instruction and related services provided to the student as specified in the student's individual education plan (IEP).
- 7.16 English Language Learners. The School will at all times comply with all Applicable Law regarding the education of English language learners, including but not limited to *Minnesota Statutes* § 124D.58-65 the Elementary and Secondary Education Act (ESEA), Title VI of the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974 (EEOA). The School will provide resources and support to English language learners to enable them to acquire sufficient English language proficiency to participate in the mainstream English language instructional program. The School will employ and train teachers to provide appropriate services to English language learners, and will assure compliance with any and all requirements of Applicable Law regarding services to English language learners.
- 7.17 Insurance. Notwithstanding anything to the contrary in this Agreement, the School will be considered a school district for the purposes of tort liability under *Minnesota Statutes* §466. The School will acquire and keep in full force and effect the insurance coverage required by the Applicable Law. The Authorizer will be named as an additional insured on such policies. The School agrees to provide the Authorizer with certificates of insurance on an annual basis. The types and amounts of insurance held by the School are included as Attachment 7.

- 7.18 Compliance Agreement. Charter School Board members agree to comply with all Applicable Laws governing organizational, programmatic, and financial requirements applicable to charter schools. Signed agreements indicating each member’s agreement to comply are attached to this Agreement as Attachment 8.
- 7.19 Other Reports. The School and the Authorizer will file all reports with the Commissioner consistent with the procedures established by the Commissioner.

SECTION 8. AUTHORIZER’S DUTIES AND OVERSIGHT FEE

- 8.1 Oversight Plan. The Authorizer will implement a plan, outlined in Attachment 9 (“UST Accountability and Oversight System”), to provide ongoing oversight to determine whether the School is complying with the terms of this Agreement and to meet its responsibilities under the law regarding Authorizing. The Authorizer reserves the right to periodically update and replace its oversight tools in efforts to continuously improve its practice. Updated tools will be available in the Authorizer’s Program Guide, updated annually.
- 8.2 Authorizer’s Duties. In order to address the provisions of Section 8.1 above, the Authorizer will use attachments from this contract, including the evaluation rubric included as part of Attachment 2 (“School Accountability System),” as oversight tools and plans. As noted above, the Authorizer reserves the right to periodically update and replace its oversight tools in efforts to continuously improve its practice. Updated tools will be available in the Authorizer’s Program Guide, updated annually. The formal written performance evaluation completed prior to contract renewal is included as Attachment 10 (“UST Evaluation”).
- 8.3 Authorizer Report to the Board. The Authorizer will annually provide the Charter School Board, in writing, the Authorizer’s evaluation of the School’s performance and how well the School is meeting the provisions of this contract.
- 8.4 Authorizer Oversight Fee. The School shall pay the Authorizer the following fee for Authorizing and overseeing the School:
- (a) Fee. The School will pay the Authorizer the maximum fee allowed under the Charter Law during the term of this Agreement.
 - (b) Payment. The School will pay the fee described in Section 8.4(a) within 30 days of receipt of the Authorizer’s invoice.
- 8.5 Liaison. The Authorizer may designate a liaison for the School and will inform the School annually of the name of this person. The Authorizer will provide the School at least 30 days written notice of any change to the liaison.
- 8.6 Communication of Areas of Concern.

(a) Communication. It is the intent of the parties to address areas of concern in a non-adversarial process whenever possible. To that end, the parties agree to communicate areas of concern and to address those concerns in a professional manner.

(b) Feedback. The Authorizer will provide the Charter School Board feedback at least annually regarding the performance of the School. The primary feedback will be in the form of an annual evaluation consistent with the School's Accountability System and the Authorizer Oversight Plan.

(c) Intervention. If the Authorizer has areas of concern regarding the performance of the School, the "Intervention Policy" as provided in Attachment 11 will be followed.

8.7 Tuition Remission Plan for Charter School Staff.

The Charter School will be provided with up to 36 graduate credit hours, of which the Authorizer will provide up to 12 credit hours of tuition remission, for graduate-level coursework in the School of Education, each year of this Contract. The Charter School will designate staff eligible to participate in this program subject to final approval from the Authorizer under the terms of the then-existing program admission requirements. For each staff person approved by the Charter School to participate in this opportunity, the Charter School staff member will receive 1/3 tuition remission from the Authorizer, the Charter School staff member will pay 1/3 tuition, and the Charter School will pay 1/3 tuition for each course taken. Courses available are those offered at the graduate level, up to but not including Doctoral-level courses. The tuition rate used shall be the University of St. Thomas' then-prevailing rate assigned to the program in which the student is admitted as a graduate student, including both on- and off-campus programs. As the Authorizer, the University of St. Thomas does not require the School to avail itself of this benefit, nor does it require the staff of the Charter School to use St. Thomas for their graduate education as a condition of continued authorization of the School.

SECTION 9. NONRENEWAL OR TERMINATION BY AUTHORIZER FOR GOOD CAUSE

9.1 Grounds. The Authorizer may elect not to renew this Agreement at the end of the term, or may elect to terminate this Agreement at the end of the term, or may elect to terminate this Agreement during the term, for any of the following reasons or for other reasons stated in *Minnesota Statutes* §124E.10, Subd. 4(b):

(a) The School's failure to meet the requirements for pupil performance contained in Section 3 of this Agreement;

(b) The School's failure to meet generally accepted standards of fiscal management;

(c) Violations of Applicable Law; or

(d) Other good cause shown.

- 9.2 Nonrenewal or Termination Proceedings. The provisions of this subsection shall govern any nonrenewal or termination proceedings by the Authorizer so long as such provisions are not in conflict with the Charter Law or other Applicable Law. If any provision of this subsection conflicts with any provision of the Charter Law or other Applicable Law, or with any future amendment to such laws, then the provision of such Law shall prevail.
- (a) Notice to School. If the Authorizer makes a preliminary decision to not renew or to terminate this Agreement, then the Authorizer will notify the School of the proposed action in writing, per Charter Law. Such written notice must be sent to the Chair of the Charter School Board and the Director of the School. The notice will state the grounds for the proposed action in reasonable detail. The notice will state that the Board may request, in writing, an informal hearing before the Authorizer as allowed by *Minnesota Statutes* §124E.10, Subd. 4.
- (b) Board’s Response. Within 15 business days of receipt of the notice of termination or non-renewal under Section 9.1, the Charter School Board may request an informal hearing before the Authorizer. Failure by the Charter School Board to make a written request for a hearing within the 15-business-day period will be treated as acquiescence to the proposed non-renewal or termination. If the Board requests an informal hearing, then included with the request for an informal hearing, the Charter School Board will provide documentation or other evidence in writing to the Authorizer that addresses the issues raised in the notice for termination or non-renewal.
- (c) Schedule for Hearing. Upon receipt of the request for an informal hearing before the Authorizer from the Charter School Board, the Authorizer will follow *Minnesota Statutes* §124E.10, Subd. 4 in providing notice to the Charter School Board of the hearing date.
- (d) Hearing. The parties agree that the hearing will not be subject to the requirements of *Minnesota Statutes* §14. The hearing will be informal. Both the Charter School Board and the Authorizer may be represented by legal counsel.
- (e) Authorizer Decision. In any nonrenewal proceedings, the Authorizer will take final action to renew or not renew this Agreement no later than 20 days before the end date of this Agreement. In any termination proceedings, the Authorizer will take final action to terminate or not terminate this agreement no later than 20 days before the proposed date of termination. The Authorizer will give notice of the final action, in writing, to the Board and will file a copy with the Commissioner.
- 9.3 Dissolution. If this Agreement is terminated or not renewed based on the criteria in Section 8.1, above, the School will be dissolved according to the applicable provisions of *Minnesota Statutes* Chapter 317A or 308A. The school will follow the School Closure Plan as provided in Attachment 12 to enact an efficient dissolution.
- 9.4 Distribution of Property Not Owned by School. In the event of dissolution of the School, all property that it might lease, borrow or contract for use, will be promptly returned to

those organizations or individuals from which the School has leased or borrowed the materials.

- 9.5 Distribution of Property Owned by School. All property that has been purchased by the School will remain its own property. In the event of subsequent dissolution of the School, after all financial obligations are met, the property will be distributed to other charter schools consistent with the guidelines of the Commissioner.
- 9.6 Property Owned by Teachers or Staff. All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School will be exempt from distribution of property and will remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, curriculum manuals, personal mementos and other materials or apparatus which have been personally financed by teachers or staff.

SECTION 10. MUTUAL AGREEMENT FOR NONRENEWAL OR TERMINATION

- 10.1 Non-Renewal. The Authorizer and Charter School Board may mutually agree to not renew this Agreement in accordance with the provisions of *Minnesota Statutes* §124E.10, Subd. 5, in which event the Authorizer and the School will jointly submit their intent in writing to the Commissioner no later than 90 days prior to the end date of the term of this Agreement. Nonrenewal by mutual agreement under this subsection is not an available option if proceedings for a unilateral nonrenewal action by the Authorizer are commenced under Section 9 of this Agreement.
- 10.2 Termination. The Authorizer and the Charter School Board may mutually agree to terminate this Agreement during the term in accordance with the provisions of *Minnesota Statutes* §124E.10, Subd. 5, in which event the Authorizer and the School will jointly submit their intent in writing to the Commissioner no later than 90 days prior to the date of termination. Termination by mutual agreement under this section is not an available option if proceedings for a unilateral termination action by the authorizer are commenced under Section 9.
- 10.3 Information to New Authorizer. If a new Authorizer is approved by the Commissioner, the current Authorizer will provide the new Authorizer information about the fiscal, operational, and student performance of the School as required by *Minnesota Statutes* §124E.10 Subd.5.

SECTION 11. GENERAL TERMS.

- 11.1 Amendments. This Agreement may not be amended without a written agreement executed by both parties. If the authority of the School or Authorizer is altered by legislative act, this Agreement is automatically amended to reflect the change in law as of the effective date of such change.

- 11.2 Authorizer Authority. Except as otherwise provided by this Agreement or Applicable Law, the Authorizer has no authority, control, power, or administrative or financial responsibility over the School. This provision does not prohibit the parties from contracting for any services deemed appropriate in the future.
- 11.3 Liability and Indemnification. The School assumes full responsibility for its activities and operations. The School agrees not to sue the Authorizer or any of its affiliates, directors, officers, employees or representatives with respect to any matters that arise under this Agreement or relate in any way to the formation, performance, suspension, termination or nonrenewal of this Agreement. The Authorizer does not assume any obligation with respect to any director, officer, employee, representative, agent, parent, guardian, student or independent contractor of the School, and no such person shall have the right or standing to bring suit against the Authorizer or any of its affiliates, directors, officers, employees or representatives with respect to any matters that arise under this Agreement or relate in any way to the formation, performance, suspension, termination or nonrenewal of this Agreement. The parties acknowledge and agree that the Commissioner, the Authorizer, members of the Authorizer's board in their official capacity, and employees of the Authorizer, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to *Minnesota Statutes* §124E.09 and nothing in this Agreement is intended to limit or impair such immunity. The School agrees to indemnify, defend, and hold harmless the Authorizer and its affiliates, agents, directors, officers, employees and representatives from and against any and all third party claims, suits, demands, liabilities and expenses (including reasonable attorneys' fees) which arise out of or relate in any manner to this Agreement, the operation of the School, the failure of the School to perform its obligations under this Agreement or under Applicable Law, or reliance by the Authorizer on information supplied by the School or its representatives. This indemnification also applies to the commissioner and department officers, agents, and employees notwithstanding *Minnesota Statutes* §3.736. In the event of any litigation between the School and the Authorizer in which the Authorizer is the prevailing party, the Authorizer shall be entitled to recover from the School, to the extent permitted by Applicable Law, all costs of such litigation, including reasonable attorneys' fees.
- 11.4 Waiver. No waiver by either party or any breach of any covenant or provision of this Agreement will be deemed to be a waiver of any succeeding breach of the same or any other covenant or provision.
- 11.5 Severability. If any provision or provisions in this Agreement shall be held to be invalid, unenforceable or in conflict with Applicable Law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby and will remain in full force and effect.
- 11.6 Survival of Provisions. The terms, provisions and representations contained in this Agreement that by their sense and context are intended to survive termination of this Agreement will survive.
- 11.7 Non-Agency. It is understood that the School is not the agent of the Authorizer.

DATED: As of this _____ day of _____, 20____.

[AUTHORIZER] University of Saint Thomas, a Minnesota Higher Education Institution

By:

(Signature)

(Signature)

(Print Name)

(Print Name)

(Title)

(Title)

[SCHOOL], a Minnesota charter school

By:

(Signature)

(Signature)

(Print Name)

(Print Name)

(Title)

(Title)

Attachment #1 – Application Information

School must provide this information

Attachment #2 – School Accountability System

Authorizer to add.

Attachment #3 – Articles of Incorporation

School must provide this information

Attachment #4 – Bylaws

School must provide this information

Attachment #5 – Ready-to-Open Process

Authorizer to add

Attachment #6 –Admissions Policy and Procedures

School must provide this information.

Attachment #7 – Insurance Coverage Types and Amounts

Authorizer to add

Attachment #8 – Compliance Agreement

School must provide this information

Attachment #9 –University of St. Thomas Accountability and Oversight System

Authorizer to add

Attachment #10 – University of St. Thomas Evaluation

Authorizer to add

Attachment #11 – Intervention Policy

Authorizer to add

Attachment #12 – School Closure Plan

School Closure Plan

The Charter School Board (the Board) is responsible for ensuring the School is closed in an orderly fashion according to Applicable Law. The Board’s closure duties include ensuring proper financial dissolution under MN Law Chapter 317A. The Board shall provide the University of St. Thomas (UST) with verification of completion of the items listed below. For the purposes of effectively closing the School, the date of charter revocation is the last date of the contract for non-renewals and the date of revocation established in the notice of termination for charter terminations. In the case of a voluntary termination this date will be established by the authorizer pursuant to the date the authorizer receives notice of the Board’s intent to turn over its charter.

The role of the authorizer in a closure process is to promptly notify the commissioner and resident district of the closure, and to monitor the closure proceedings undertaken by the Board to the extent possible.

Item	Description of Required Actions	School’s Responsible Party	Completion Date	Status
Immediate Board Actions				
1	<p>Establish <i>ad hoc</i> School Board Committee for wind-up / restructuring</p> <ul style="list-style-type: none"> <input type="checkbox"/> Designate School contact person(s) to send and receive communications from the UST; <input type="checkbox"/> Designate employees or School Board members who will handle various aspects of winding up of School operations; and <input type="checkbox"/> Provide contact information, and list of employees / School Board members and correspondent responsibilities to the UST. <input type="checkbox"/> Instruct contact persons to heed notification requirements for time sensitive notifications, if any. 			
2	<p>Reserve Funds</p> <p>Segregate by School Board resolution in a separate checking account up to \$50,000 in funds to be used for legal, accounting and other expenses to execute this Closure Plan and to dissolve the School Corporation.</p>			
Notifications and Further Actions				
3	<p>Notification of Parents / Guardians</p> <p>Within 10 days after charter revocation, notify parents / guardians and employees of school regarding the closure of the School, if such notification has not yet been made. Such notification shall include, but not be limited to, the following:</p>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<ul style="list-style-type: none"> <input type="checkbox"/> Date of the last day of regular instruction; <input type="checkbox"/> cancellation of any planned summer school; <input type="checkbox"/> notice to parents that enrollment of children in their district of residence or other school is mandatory under state law for children that are six years of age or older; <input type="checkbox"/> inclusion of a listing of the names of charter, parochial, public and private schools in the area; <input type="checkbox"/> indicate how transfer of student records will be handled and offer of copies of student records before the CHARTER REVOCATION; <input type="checkbox"/> indicate how the school will provide information and assistance to families that will help them to enroll their students in another school. <input type="checkbox"/> Provide the UST with a copy of the notice. 			
4	<p>Final Report Cards and Student Records Notice</p> <p>Within 7 days after CHARTER REVOCATION, provide parents / guardians with copies of final report cards and notice of where student records will be sent (the school district of the School's location) and specific contact information.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The notice must advise the parent/guardian to contact the school where the student intends to enroll and to have the student's new school contact the School's district of location to have the student's educational records transferred to the new school. <input type="checkbox"/> Provide the UST with a copy of the notice. 			
5	<p>Transfer of Student Records and Testing Material</p> <p>No later than 10 days after CHARTER REVOCATION send student records to the School's district of residence, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Individualized Education Programs (IEPs) and all records regarding special education and supplemental services; <input type="checkbox"/> student health / immunization records; <input type="checkbox"/> attendance records; and <input type="checkbox"/> all other student records. <p>All end of school year grades and evaluations must be completed and made part of the student records, including any IEP / Committee on Special Education meetings / progress reports.</p>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<p>As noted above, parents / guardians should be offered copies of students' records before CHARTER REVOCATION.</p> <p>Testing material, including scores, test booklets, and annual data files etc. required to be maintained by the School by the State Education Department must also be forwarded to the School's district of location.</p> <p><input type="checkbox"/> To the extent that scores, etc. will come into existence after the CHARTER REVOCATION, arrangements should be made with the testing agent to forward such material to the district of location. The school should also send a set of Individual Student Reports to resident district and parents.</p>			
6	<p>Notification of School Districts</p> <p>Within 7 days after the charter revocation, the School must notify school district(s) of students' residence regarding the termination of the education program and lack of future enrollment.</p> <p><input type="checkbox"/> If applicable, notification regarding cessation of food and transportation services should be provided.</p> <p><input type="checkbox"/> Provide notice to the districts that arrangements should be made to pick up any district property; e.g., borrowed books, nursing equipment.</p> <p><input type="checkbox"/> Provide UST with a copy of the notice.</p>			
7	<p>Notification of Funding Sources / Charitable Partners</p> <p>Within 7 days after CHARTER REVOCATION, all other sources of the School's operational funding must be notified in writing of the closure of the School as well as charitable partners of the School.</p> <p><input type="checkbox"/> The School should not accept further loans from management companies, etc. nor otherwise incur additional liability. However, it may continue to accept gifts from charitable partners as long as the charity is aware of the School's closure / restructuring status.</p> <p><input type="checkbox"/> Charities with property on the premises of the School should be notified to remove same as soon as possible or after CHARTER REVOCATION, whichever is appropriate.</p>			
8	<p>Notification of Contractors and Termination of Contracts</p> <p>Within 20 days after charter revocation, formulate a list of all contractors with contracts in effect, and notify them regarding cessation of current school operations at CHARTER REVOCATION.</p>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<ul style="list-style-type: none"> <input type="checkbox"/> If applicable, instruct contractors to make arrangements to remove any contractor property from the School facility by a date certain, e.g., copying machines, water coolers, other rented property. <input type="checkbox"/> Provide the UST with a copy of such notice. <input type="checkbox"/> Retain records of past contracts with proof that they were fully paid (<i>see</i> Records Retention, below) to prevent spurious claims. <p>As appropriate, and to the extent possible, terminate contracts for goods and services as of the last date such goods or services will be needed to the extent not necessary for the educational program or wind-up of the School.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Telephone, gas, electric, water, insurance (premises and D&O insurance, <i>see</i> below) should remain operative through the CHARTER REVOCATION and to the extent necessary to wind up the School's affairs beyond that time. 			
9	<p>Notification of Employees and Benefit Providers</p> <p>After an employee termination date is established, but in no event later than 60 days before CHARTER REVOCATION, notify all employees of termination of employment and/or contracts, and notify benefit providers of pending termination of all employees. Further notify employees and providers of termination of all benefit programs, and, if allowable, terminate all programs as of the last date of service in accordance with applicable law and regulations (i.e. COBRA), including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> health care / health insurance; <input type="checkbox"/> life insurance; <input type="checkbox"/> dental plans; <input type="checkbox"/> eyeglass plans; <input type="checkbox"/> cafeteria plans; <input type="checkbox"/> 401(k), retirement plans; and <input type="checkbox"/> pension plans. <input type="checkbox"/> TRA <input type="checkbox"/> PERA <p>Specific rules and regulations may apply to such programs especially teacher's retirement plans so legal counsel should be consulted.</p> <p>Employees should be notified of eligibility for unemployment compensation. (In the event the School has not paid into the unemployment program on an ongoing basis, the School may have significant financial liability on an ongoing basis after the CHARTER REVOCATION, and reserve funds should</p>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	be set aside for this purpose.) <i>See</i> School Wind-Up Plan and Action regarding payment of taxes, below.			
10	<p>Notification of Food and Transportation Services and Cancellation of Contracts</p> <p>Within 20 days after the charter revocation, or earlier if required by the contractual notice requirements, cancel school district or private food and/or transportation services for summer school and next school year.</p>			
11	<p>Notification of UST Regarding Lawsuits</p> <p>As soon as possible after receiving notice and/or service of process regarding litigation against, or initiated by, the School, School Board or School employees, notify the UST and provide copies of legal papers received.</p> <p>The School has an ongoing obligation to keep the UST informed regarding such litigation, including bankruptcy, whether voluntary or involuntary, and to provide copies of all filings.</p>			
Assets, Creditors and Debtors				
12	<p>List of Creditors and Debtors; UCC Search</p> <p>Within twenty days after the charter revocation, formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor.</p> <ul style="list-style-type: none"> <input type="checkbox"/> This list is not the same as the contractor list, above, but may include contractors, which should be listed. <input type="checkbox"/> Creditors include lenders, mortgage holders, bond holders, equipment suppliers, service providers and secured and unsecured creditors. Security interests may be recorded and filed pursuant to the Uniform Commercial Code (UCC) with the county and State of Minnesota, and may include all of the assets of the School Corporation or specific assets in which a creditor has an interest as long as such debt remains outstanding. <input type="checkbox"/> A UCC search should be performed by the School to determine if there are any secured creditors and to what assets security interests are attached. <input type="checkbox"/> Debtors include persons who owe the school fees or credits, lessees or sub-lessees of the School, and any person holding property of the School. <input type="checkbox"/> Provide a copy of the list of creditors to the UST with the amount owed to each creditor thereon and the amount owed by each debtor. 			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
13	<p>Notification to Creditors</p> <p>Within thirty days after the charter revocation, the School must notify all creditors of its closure.</p> <p>The School should solicit from each creditor a final accounting of the School's accrued and unpaid debt owed to such creditor. This figure should be compared to the School's calculation of the debt and be reconciled between the parties.</p> <p>To the extent possible, the School should also begin to negotiate a settlement of debts, which is ultimately consummated by a settlement agreement reflecting satisfaction and release of the existing obligations, if possible.</p>			
14	<p>Notification to Debtors</p> <p>Within thirty days after the charter revocation, the School must contact all debtors and demand payment. To the extent collection efforts are unsuccessful, the School may turn the debt over to commercial debt collection agencies. All records regarding such collection or disputes by debtors regarding amounts owed must be retained.</p>			
15	<p>School Wind-Up Plan and Action</p> <p>The School Corporation shall collect debts, dispose of assets and negotiate with and pay creditors in an orderly fashion in accordance with a timetable and plan adopted by the School's board of directors. Priority should be given to continuing the School's educational program through the end of the school year and retaining funds to complete the wind-up process.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The initial plan should be adopted within 20 days of charter revocation, and be updated at least bi-weekly with copies to the UST. The plan should include, but not be limited to, the following. <input type="checkbox"/> Termination of non-essential personnel and cancellation of non-essential services prior to CHARTER REVOCATION. <input type="checkbox"/> Make final federal, state and local tax payments (every employer, including the School, which pays wages to employees is responsible for withholding, depositing, paying, and reporting federal, state and local income tax, social security taxes, and federal unemployment tax for such wage payments). <input type="checkbox"/> Auction / sale of assets in a manner that avoids conflicts of interest, and maximizes net revenue to the extent permitted by ongoing agreements with existing creditors. (<i>See Liquidation of Assets, below.</i>) 			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<ul style="list-style-type: none"> <input type="checkbox"/> Liquidation or closing of bank accounts according to a schedule that minimizes fees but leaves the School enough flexibility to pay creditors, attorneys, accountants, etc. during the course of the wind-up, including funds for a final audit, and (if the School Corporation does not submit or the board of directors do not approve a renewal application), for dissolution. <input type="checkbox"/> Cancellation of corporate credit cards and lines of credit. <input type="checkbox"/> Change authorized signatures on accounts as needed to reflect changes in persons authorized to implement the winding down operations of the School Corporation, and employment, contract and School Board status of those authorized to sign for the School. <input type="checkbox"/> Status reports on the implementation of the School Wind-Up Plan to be submitted to the UST through Interim Statements and a Final Statement (below). 			
16	<p>Protection of Assets; Insurance</p> <p>The School's assets and any assets in the School that belong to others must be protected against theft, misappropriation and deterioration.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Existing insurance coverage should be maintained on the assets until the disposal of such assets. In accordance with the Wind-Up Plan. <input type="checkbox"/> Continue existing insurance for School 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, respectively. <input type="checkbox"/> Negotiate School Facility insurance with entities that may take possession of School Facility – lenders, mortgagors; bond holders, etc., if possible. <input type="checkbox"/> Appropriate security services should be obtained or maintained. <input type="checkbox"/> Action may include moving assets to secure storage after closure or loss of the School Facility. 			
17	<p>Inventory</p> <p>No later than 30 days prior to CHARTER REVOCATION, <u>all</u> of the School's assets must be inventoried with item #'s and quantities and/or its inventory updated.</p> <ul style="list-style-type: none"> <input type="checkbox"/> All assets of the School, not just ones over a certain dollar value must be inventoried. <input type="checkbox"/> Provide UST with a copy of the inventory. <input type="checkbox"/> Identify assets belonging to other entities (school district, county, municipality, health department, Authorizing foundation, vendors, PTA, etc.), including those borrowed or loaned. <input type="checkbox"/> Identify assets encumbered by the terms of a contingent gift, grant or donation, or a security interest. 			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<input type="checkbox"/> Return assets not belonging to School and document same.			
18	<p>Liquidation of Assets</p> <p>Assets must be liquidated in a commercially reasonable manner in accordance with Department of Education expectations including, but not limited to, sale by way of auction, sealed bidding or other commercially reasonable sales methods to the extent permitted under agreements with existing creditors and to the extent such assets are free and clear of any liens or encumbrances. If an asset is subject to a lien, encumbrance or security interest (above), the secured party should be contacted.</p> <p><input type="checkbox"/> Pursuant to MN Statute 317A.735, no asset may be given away, except as authorized by law. In cases where the cost of disposing of an asset will exceed the cost to be received at sale or auction, it may be permissible to give away or discard such assets. However, this should be cleared from the largest or sole creditor(s) in advance.</p> <p>School Board members and their relatives as well as employees and students of the School should not purchase any asset unless the purchase is disclosed to the School Board and the disclosure is made a matter of record in the School Board's minutes and approved by a majority of the non-interested members of the School Board.</p>			
19	<p>D&O Insurance</p> <p>Maintain existing directors and officers liability (D&O) insurance, if any, until final dissolution of the School Corporation. If no such D&O insurance exists, disclose this fact to the board of directors.</p>			
20	<p>Interim Statements</p> <p>No later than 10 days after CHARTER REVOCATION, prepare, and submit to the UST, an interim statement in a form satisfactory to the UST, of the status of all contracts and other obligations of the School Corporation, and all funds, including principal and accrued interest, owed to, and by, the School Corporation, with supporting evidence showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> all creditors or former creditors, any amounts paid to creditors (or in-kind exchanges of assets), and any amounts of debt of the School or School Corporation outstanding, including principal and accrued interest, as of the date of the interim report; and <input type="checkbox"/> all amounts owed to the School Corporation by debtors, any amounts paid by debtors, and whether any debtors have paid in full, and any amounts outstanding; and <input type="checkbox"/> all income generated through sale or auction of assets and any other change in status of assets. 			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	The School will prepare and submit such statements to the UST at 30 day intervals until the final statement (below) is prepared and submitted.			
21	<p>Final Statement</p> <p>At a date to be determined by the UST, anticipated to be no later than 90 days after CHARTER REVOCATION, no later than 10 days prior to the filing of a dissolution proceeding, the School shall prepare to the full satisfaction of the UST a final statement of the status of all contracts and other obligations of the School Corporation, and all funds owed to the School, audited (or confirmed) by an independent accountant, with supporting evidence showing:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 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 <input type="checkbox"/> each remaining creditor and any and all amounts owed to each creditor, including principal and accrued interest through the date of such statement; and <input type="checkbox"/> statement that (a) all debts have been collected, or (b) that good faith efforts have been made to collect same, and <input type="checkbox"/> each remaining debtor of the School or School Corporation and the amounts owed by each debtor, including principal and accrued interest. <input type="checkbox"/> This statement is submitted to the UST in the form in which it will be sworn and submitted to the MN Attorney General and/or MN Secretary of State as part of any dissolution proceeding. <input type="checkbox"/> This statement is in addition to the final Financial Statement Audit (below). 			
Corporate Records / Accounting				
22	<p>Final Financial Statement Audit</p> <p>The School must have a financial statement audit performed in accordance with the Charter and the Act no later than November 1st of the calendar year in which the School ceases instruction.</p>			
23	<p>Closeout of State and Federal Grants</p> <p>State, federal and other grants must be closed out, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> notification to the grant entity of the School closure; and <input type="checkbox"/> filing of any required expenditure reports or receipts and any required program reports. <p>The School Corporation should continue to pursue grant funds to which it is entitled, provided that it fully discloses its current situation and intentions with respect to closure. The School Corporation</p>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	should not seek or accept grant funds for future school years when the School will be closed. Grant status should be noted on financial statements.			
24	<p>U.S. Dept. of Education Filings</p> <p>File Federal form 269 or 269a if the School was receiving funds directly from the United States Department of Education. <i>See</i> 34 CFR 80.41.</p>			
25	<p>IRS Status; Reports</p> <p>The School Board must continue to take all steps necessary to maintain its 501(c)(3) status, including, but not limited to, the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> notification to IRS regarding any address change of the School Corporation; and <input type="checkbox"/> filing of required tax returns or reports (e.g., IRS form 990 and Schedule A). <input type="checkbox"/> If the School Corporation proceeds to dissolution, notify the IRS of dissolution of the education corporation and its 501(c)(3) status and furnish a copy to the UST. 			
26	<p>Corporate Records</p> <p>In all cases, the School Board shall maintain all corporate records related to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Loans, bonds, mortgages and other financing; <input type="checkbox"/> Contracts; <input type="checkbox"/> Leases; <input type="checkbox"/> Assets and asset sales; <input type="checkbox"/> Grants -- records relating to federal grants must be kept in accordance with 34 CFR 8042. <input type="checkbox"/> Governance (Minutes, by-laws, policies); <input type="checkbox"/> Employees (background checks, personnel files); <input type="checkbox"/> Accounting/audit, taxes and tax status, etc; <input type="checkbox"/> Personnel, <input type="checkbox"/> Employee benefit programs and benefits; and <input type="checkbox"/> Student summary test data files <input type="checkbox"/> Any items listed in this Closure Plan. 			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	In the event the School Corporation is dissolved, any and all records not previously sent to the school district of the School's location should be sent to that school district.			
Dissolution / Final Distribution of Assets				
27	<p>Resolution of Dissolution</p> <p>The School Board must adopt a resolution that the School Corporation be dissolved and proceed to file the same with the MN Attorney General and/or MN Secretary of State.</p>			
28	<p>Dissolution</p> <p>If the School Corporation dissolves, the School Board must follow the dissolution provisions in its articles of incorporation and applicable laws. This may include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a complete statement of all assets, their location and an estimate of their value; and <input type="checkbox"/> a statement of the ascertainable debts of the education corporation. <p>Whenever the Charter or an order of dissolution is made, the members of the School Board or other custodian of the records of the School have the duty to properly maintain the permanent records of the School according to law and stored in a secure, locked container.</p> <p>Copies of all papers related to dissolution should be sent to the UST.</p> <p>Members of the School Board are empowered to continue in office even after the expiration of the Charter and dissolution of the School Corporation for the purpose of winding-up and settling the affairs of the School Corporation, and after the dissolution of the School Corporation.</p>			
29	<p>Final Distribution of Assets</p> <p>All liabilities and obligations of the School must be paid and discharged (or adequate provision must be made therefore) 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>			

Item	Description of Required Actions	School's Responsible Party	Completion Date	Status
	<ul style="list-style-type: none"> <li data-bbox="289 305 1388 402">❑ 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.) <li data-bbox="289 402 1388 500">❑ 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. 			