

[Existing School]

CHARTER

CHARTER SCHOOL CONTRACT

between

Friends of Education

and

[Name of School]

WHEREAS, the purpose of the School is to provide an educational program for its students in order to:

- Improve student learning and student achievement;
- Increase learning opportunities for students;
- Encourage the use of different and innovative teaching methods;
- Measure learning outcomes and create different and innovative forms of measuring outcomes;
- Establish new forms of accountability for schools; and
- Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site; and

WHEREAS, the parties are authorized under Minnesota law to contract for the development and operation of a charter school, pursuant to Department of Education approval dated [INSERT DATE], a copy of which is attached as Exhibit A; and

WHEREAS, [NAME OF PRIOR AUTHORIZER] and School previously entered into a charter school contract which expires [INSERT DATE}, and

WHEREAS, Friends of Education has considered the reauthorization of the School and has approved the issuance of a charter contract to the School.

NOW, THEREFORE, Friends of Education grants this Contract conferring certain rights, privileges, and obligations of a charter school and confirms the status of a charter school to the School. In addition, the parties agree that the granting of this Contract is subject to the following terms and conditions.

ARTICLE I

DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever initially capitalized, shall have the meaning set forth in this section:

- (a) “Applicable Law” means all state and federal law applicable to Minnesota charter schools and any regulations implemented pursuant thereto.
- (b) “Charter School Act” means the Minnesota Statutes 124D.10 through 124D.11, as amended, and any rules adopted pursuant thereto.
- (c) “Commissioner” means the Commissioner of the Minnesota Department of Education.
- (d) “Contract” means this Charter School Contract between Friends of Education and the School.
- (e) “Department of Education” means the Minnesota Department of Education.
- (f) “Friends” means Friends of Education.
- (g) “School” means [NAME OF SCHOOL] located at [INSERT ADDRESS], which is established as a charter school under this Contract pursuant to the Charter School Act and Department of Education approval. The location of the School will not be changed without the prior written consent of Friends.
- (h) “School Board” means the Board of Directors of the School.
- (i) “Student” and “Pupil” are used interchangeably, and each means the Students/Pupils at the school.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Exhibits. All Exhibits to this Contract are incorporated into, and made part of, this Contract. This Contract has the following Exhibits:

EXHIBITS

- A. Minnesota Department of Education Approval
- B. Articles of Incorporation of the School
- C. Bylaws of the School
- D. Implementation of Purpose/Mission
- E. Description of School's Academic Program
- F. Academic & Non Academic Pupil Performance Outcomes/Goals
- G. Statement of Admissions Policies and Procedures
- H. Governance & Management Plan
- I. Administration and Operations Plan
- J. Statement of Assurances Signed by All Board Members
- K. Charter School Closure Checklist & Plan
- L. Performance Evaluation of School

ARTICLE II RELATIONSHIP BETWEEN THE SCHOOL AND FRIENDS

Section 2.1. Voluntary Authorization. Friends qualifies as a authorizer pursuant to Minnesota Statute 124D.10 Subd. (3). In granting this Contract, Friends voluntarily exercises powers given to Friends pursuant to Applicable Law to authorize charter schools. Nothing in this Contract shall be deemed to be any waiver of Friends' autonomy or powers.

Section 2.2. Independent Status of the School. The School is not and shall not be deemed to be a division or part of Friends. The relationship between the School and Friends is based solely on the applicable provisions of the Charter School Act and the terms of this Contract or other written contracts or written agreements between Friends and the School. Except as otherwise provided in this Contract, Friends shall have no authority or control, over operational, administrative, or financial responsibility for the School.

Section 2.3. Financial Obligations Are Separate. Any contract, mortgage, loan or other instrument of indebtedness entered into by the School and a third party shall not in anyway constitute an obligation, either general, special, or moral, of Friends. The School will never pledge the full faith and credit of Friends for the payment of any School contract, mortgage, loan or other instrument of indebtedness.

Any contract, mortgage, loan or other instrument of indebtedness entered into by Friends and a third party shall not in anyway constitute an obligation, either general, special, or moral, of the School. Friends will never pledge the full faith and credit of the School for the payment of any Friends contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. No Authority To Obligate or Bind Other Party. The School has no authority whatsoever to enter into any contract or other agreement that would financially obligate Friends, nor does the School have any authority whatsoever to make any

representations to lenders or third parties, that Friends in any way guarantees, is financially obligated, or is in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the School.

Friends has no authority whatsoever to enter into any contract or other agreement that would financially obligate the School, nor does Friends have any authority whatsoever to make any representations to lenders or third parties, that the School in any way guarantees, is financially obligated, or is in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by Friends.

Section 2.5. Limited Use of “Friends” Name. The School may not use the name of Friends or any assumed name, trademark, division or affiliation of Friends in any of the School’s promotional advertising, contracts, or other materials without Friends prior written consent, except that the School may include the following statement in such materials, “[Name of School] is authorized by Friends of Education.” Pursuant to Minnesota Statute 124D.10 Subd. 4(e) the School shall identify Friends’ as its authorizer and provide contact information.

ARTICLE III ROLE OF FRIENDS

Section 3.1. Oversight Responsibilities of Friends. Friends has the responsibility to oversee the School’s compliance with this Contract and Applicable Law including the school’s fiscal, operational, and student performance. The manner in which Friends exercises oversight is set forth generally in Article VI.

Section 3.2. Authorizer Fee. The School shall pay Friends a fee for Friends’ execution of its oversight responsibilities. The fee shall be the maximum fee provided by the Charter School Act, except that if Minnesota law is amended to increase this fee, the School will pay the increased fee.

ARTICLE IV REQUIREMENT THAT THE SCHOOL ACT SOLELY AS STATE AUTHORIZED CHARTER SCHOOL

Section 4.1. Limitation on Actions. The School shall act exclusively as a charter school and shall not undertake any action inconsistent with its status as a charter school authorized to receive state and federal school aid funds and shall not undertake any action to jeopardize its 501(c)(3) status including observation of applicable conflict of interest requirements.

Section 4.2. Other Permitted Activities. The School shall have all powers, duties and responsibilities provided by law to a charter school. The School shall not engage in any otherwise lawful activities that are in derogation of the School’s status as a public school or

that would jeopardize the eligibility of the School for state and federal school aid funds. The School may exercise its powers, enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations, reasonably necessary to accomplish its obligations as a charter school under this Contract.

Section 4.3. Assumption of Liability. The School and the School Board may sue and be sued. The School and the School Board accept liability for all actions arising out of or are in any manner connected with the School's operations.

ARTICLE V LEGAL STATUS OF THE SCHOOL

Section 5.1. Nonprofit Status. The School shall be organized and operated as a nonprofit cooperative under Minnesota Statutes Chapter 308A, as amended, or as a nonprofit corporation under Minnesota Statutes Chapter 317A, as amended. Notwithstanding any provision of Minnesota Statutes Chapters 308A or 317A, as amended, the School shall not take any action inconsistent with the Charter School Act or in derogation of the School's status as a public school.

Section 5.2. Articles of Incorporation. The school represents that The Articles of Incorporation of the School, are accurate as of the date of this contract, set forth in Exhibit B are accurate and have not been otherwise altered or amended.

Section 5.3. Bylaws. The school represents that the Bylaws of the School, as of the date of this contract, set forth in Exhibit C are accurate and have not been otherwise altered or amended.

ARTICLE VI OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The School shall be organized and administered under the direction of the School Board elected in accordance with the School's Bylaws and Applicable Law. The School Board shall decide matters related to the operation of the School, not otherwise specified by this Contract, including but not limited to budgeting, curriculum, and operating procedures.

Section 6.2. School Board Meetings. Meetings of the School's Board and its committees shall comply with the Minnesota Open Meeting Law, Minnesota Statute Chapter 13D.

Section 6.3. Exhibits. The School agrees to implement and adhere to all the representations and information contained in the exhibits, including without limitation, the educational goals, identified in Exhibit F.

Section 6.4. Compliance with all Applicable Laws. The School shall comply with all

Applicable Laws.

Section 6.5. Age and Grade Range of Students. Except as may be otherwise limited by the Department of Education approval of Friend's affidavit of intent to charter the school, the School may accept enrollment to all students in grades:

[INSERT GRADES]

Section 6.6. Academic Curriculum Program. The School will implement and adopt the academic program and curriculum set forth in Exhibit E.

Section 6.7. Methods of Student Assessment. The School shall evaluate student's work based on the assessment strategies identified in this Contract and in its annual report.

- (a) Academic Measures – Friends will monitor student academic performance and the academic culture, which provides the basis for high academic performance.
1. Regular Assessments. Friends will monitor academic achievement by reviewing student testing and assessment.
 2. Government Required Assessments. School students will take the Minnesota Comprehensive Assessment tests and any other testing required by Applicable Law.
 3. Standardized Tests. School students will take the Measures of Academic Progress for reading and math at least twice annually, unless a different external measurement is agreed to in writing by Friends. The School may implement any additional standardized test(s).
 4. Assessment and Test Results. The School will provide Friends results of government required assessments at such time as the School receives its preliminary assessment results and at such time as the School receives its final assessment results, and the School will provide Friends the results of any other testing each semester, but no later than January 15th for Fall testing and June 15th for Spring testing. Friends will compare testing data to other schools in order to measure performance.
 5. Friends of Education Council. The School agrees to participate in the Friends of Education Council, which consists of representatives of all Friends authorized schools, and Friends will monitor the School's participation in the Council. The goal of participation in the Council is to share information and identify resources.
 6. Professional Development. The school will ensure that each teacher at the

School has a professional development plan that focuses in part on developing quality assessments and measures of student outcomes. The School will advise Friends, on a semi-annual basis June 15th and December 15th of professional development attended by its staff.

7. Teamwork and Common Planning Time. The School will ensure common planning time, relating to classroom instruction, for all teaching staff and will advise Friends on a semi-annual basis, January 15th and June 15th as to the extent of common planning time for both teaching staff in the same grade and teaching staff as a whole.

8. Continuous Improvement. The School agrees that accountability is a continuous improvement process. Accordingly, the School will develop and implement a continuous improvement plan and review it at least annually. The School will provide Friends a copy of its continuous improvement plan, which must be included in its annual report, no later than August 1st of each school year.

(b) Site-visits. Friends may engage in scheduled and unscheduled site-visits in the course of the academic years. Site-visits will be an opportunity to review academic goals and achievement data to date, evaluate the implementation of the academic program, operations and other matters. Friends may engage in scheduled and unscheduled site visits at such frequency as determined necessary or prudent by Friends.

(c) Remediation.

1. School Initiated. If the School fails to achieve academic goals, financial targets, or comply with Applicable Law or other requirements, the School may at any time prepare and implement an improvement plan to overcome such deficiencies. The School may at any time submit the plan to Friends for review and comment prior to adoption and implementation.

2. Friends Initiated. If the School fails to achieve academic goals, financial performance, comply with Applicable Law, or other requirements, Friends shall provide the following notices, as applicable.

(a) Notice to School Leader or Board Chair. Friends shall notify the school leader or board chair of area(s) of concern for correction. Friends may specify a target date for correction.

(b) Formal Notice to School Board. If the situation remains uncorrected without reasonable explanation, or if the situation involves an urgent concern, Friends will formally notify the school board of the area(s) of concern for correction and may ask the school board to adopt a specific performance improvement plan. If Friends requires the School Board to

retain a third-party investigation, the third party investigator must be acceptable to Friends and the School Board shall authorize such investigator to provide status reports to and communicate with Friends. Friends shall specify a target date for correction which may, if circumstances warrant, be amended.

- (c) Notice to School Board of Charter Revocation/Termination. Friends initiates notice whereby charter authorization will be withdrawn pursuant to Article X.

Section 6.8. School Calendar and School Day Schedule. The School shall provide instruction for at least the number of days required by Minn. Stat. 120A.41 and shall notify Friends by each July 1st of the number of instructional days for that school year.

Section 6.9. Finance, Reporting and Compliance.

- (a) To Friends. The School will furnish Friends with monthly financial reports, no later than the 20th of the month for the prior month, unless a different frequency is agreed to in writing by Friends. The reports must contain budget and actual revenue and expenses (both by current month and year-to-date) and contain explanations for all items exceeding budget and the manner in which the excess items will be resolved, as well as cash-flow statements and fiscal year-end fund balance projections. The financial reports will also include the total dollar amount of unpaid accounts payable more than thirty days past due with an explanatory note for the total amount of any such past due amounts disputed by the School, if applicable; and the current average daily membership of the School. Should the School continually exceed its budgeted expenses with no corresponding increase in revenue, not report properly or timely to the Department of Education or Friends, evidence any fiscal or legal non-compliance, the School will engage resources to resume budgeted performance and operate in compliance with all Applicable Law and generally accepted standards of fiscal management.

The School will execute a release to enable Friends to discuss the school's financial matters with both its external auditor and accounting service provider if any. The school will submit the release to Friends no later than September 1st of each school year.

The School Board is responsible for establishing, approving, and amending an annual budget in accordance with Applicable Law. The School will submit to Friends a draft budget for the following school year by May 1st.

By June 15th of each year, the School Board shall submit to Friends a copy of its final budget for the following school year. The budget must detail budgeted expenditures at the object level. In addition, the School Board is responsible for approving all revisions and amendments to the annual budget. Within ten (10) business days after School Board approval, revisions or amendments to the

School's budget shall be submitted to Friends.

- (b) To Department of Education. The School will comply with all reporting requirements established by the Department of Education.

Section 6.10. Accounting Standards. The School shall at all times comply with generally accepted public sector accounting principles, generally accepted standards of fiscal management, and accounting system requirements that comply with Department of Education requirements.

Section 6.11. Annual Financial Statement Audit. The School shall engage an annual external audit of all financial and accounting records. The audit will be prepared and reviewed by an independent certified public accountant. By December 15th of each year, the School shall submit two (2) copies of the annual financial statement audit and auditor's management letters, for the school year ending the previous June 30th to Friends. By January 1st of each year, the School Board shall provide to Friends a copy of any responses to auditor's management letters. The School will comply with the same financial audits, audit procedures, and audit requirements of school districts, including Minnesota Statutes sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program of the School. Financial, program, or compliance audits may be conducted by the Department of Education, or the State Auditor, and or the Legislative Auditor.

Section 6.12. UFARS and MARSS. The School will utilize the UFARS financial accounting principles and methods. The School will comply with MARSS requirements with respect to student accounting.

Section 6.13. Contributions and Fund Raising. The School may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the School is for the benefit of Friends. The School will not include fundraising/non-government grants or gifts not already received or subject to written pledge in its budget for operating expenses.

Section 6.14. Annual Reports. The School will submit its state required annual report to Friends no later than seven days before it is due to the Department of Education, and if the Department of Education does not specify a due date, no later than October 1st for immediately preceding school year ending June 30th. The annual report shall be approved by the School Board prior to the submission to Friends and will include such information as Friends may require, including an analysis of its School enrollment, student attrition; governance and management; staffing; finances; academic performance; operational performance; innovative practices and implementation; future plans; documentation regarding implementation of the professional development plans of school leaders, any individuals performing supervisory or instructional leadership duties and teachers; fiscal performance; compliance with Applicable Law; and compliance with Department of Education reporting requirements.

Section 6.15. Authorization of Employment. An employee hired by the School shall be an employee of the School for all purposes and not an employee of Friends for any purpose. With respect to School employees, the School shall have the power and responsibility to: (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The School shall comply with the Public Employment Relations Act (PELRA), Minnesota Statutes Chapter 179A, as applicable. The School must employ or contract with teachers who hold valid licenses or any allowable waivers to perform the teaching service for which they are employed at the School.

The School Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The School shall employ and contract teachers who hold valid licenses or certifications, as required by Applicable Law. Teachers employed by the School shall be treated by the School as public school teachers for the purposes of Minnesota Statutes Chapters 354 and 354A.

Section 6.16. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the School shall be the responsibility of the School.

Section 6.17. Transportation. The School may provide transportation for students enrolled in the School and shall provide transportation for all students who are enrolled in the School and who reside in the district in which the School is located; otherwise, transportation will be provided by the district in which the School is located. In providing transportation either through the district or itself, the School shall do so in compliance with and provide any notices required by Applicable Law.

Section 6.18. Notification of Claim. The School agrees to provide notice to Friends within five (5) days of the School's receipt of any significant claim, including any allegation of illegality or impropriety by the School or its employees, and any adverse notice received from the Department of Education.

Section 6.19. Expenses. The School agrees to pay for all expenses related to its operation as a charter school, including expenses incurred for operational programs and all expenses related to the performance of its obligations under this Contract and Applicable Law.

Section 6.20. Board Data. The School agrees to notify Friends of any resignations or additions to its School Board within ten (10) days of such change. The School agrees to obtain background checks, at the School's or the individual's expense whichever is allowed by Applicable Law, on all potential board members before such members are added to the School Board and provide copies of the background check(s) to Friends within ten (10) days of receipt. In addition, the School agrees to furnish Friends minutes of the Board's meetings at such time as the minutes are distributed to the School Board. The School further agrees to notify Friends of the School Board regular meeting schedule at least twenty (20) days in advance of meeting dates and at the same time as notice if provided to board members for special and emergency meetings.

Section 6.21. Additional Reporting Obligations.

- (a) Teacher Licensure. The School will advise Friends by September 15th of each school year of the following for each teaching staff member: full name, Minnesota license number, grade taught, subject(s) taught. The School will advise Friends of any changes to its teaching staff within ten (10) days of such change.
- (b) Enrollment. The School will advise Friends of its enrollment daily for the first ten school days of each school year, then once weekly for the following four weeks, then once each on December 15th and on March 15th.

Section 6.22 Cooperation and Third Parties. The School agrees to cooperate with and assist Friends or its designee in providing the access, information, and data Friends requires at Friends' sole discretion in executing this Contract. The School understands and agrees that Friends may contract with a third party to perform any of Friends' oversight functions identified in this Article VI.

ARTICLE VII GENERAL PROHIBITIONS

Section 7.1. Tuition Prohibited. The School shall not charge tuition. 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, including Minn. Stat 123B.34-123B. 39.

Section 7.2. Establishment of Religion Prohibited. The School shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

Section 7.3. Home School Support Prohibited. The School shall not be used as a method of educating or generating revenue for students who are being home schooled.

Section 7.4. Open Admissions. The School shall not limit admissions to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability or any other criteria inconsistent with Applicable Law. A student shall be re-enrolled for the next school year until formally withdrawn from the School.

Section 7.5. Lottery Admissions. The School shall enroll an eligible student who submits a timely application, unless the number of applicants exceeds the capacity of the programs, class, grade level, or building. In such cases, selection shall be by lottery except that the School shall provide enrollment preference to siblings of the School's enrolled students and to foster children of any of the School's enrolled student's parents. The School may provide enrollment preference for the children of the School's teachers.

ARTICLE VIII
COMPLIANCE WITH STATE AND FEDERAL LAWS

Section 8.1. State Laws. The School shall comply with applicable state laws. Nothing in this Contract shall be deemed to apply any other state law to the School. Except as otherwise provided by the Charter School Act or this Contract, the School shall be exempt from all Minnesota Statutes and rules applicable to a school, school board, and school district unless the statute or rule is made specifically applicable to a charter school.

- (a) Students with Disabilities. The School shall comply with Minnesota Statute Sections 125A.02, 125A.03 to 125A.24 and 125A.65, concerning the provision of education services to students with a disability at the School. The School is entitled to access state special education funds for salaries, supplies/equipment, contracted services, and student transportation costs. The School is permitted to bill excess special education costs not paid by state special education funds to the student's resident district. The combination of state special education funds and the ability to bill to the district excess special education costs enable the School to adequately provide special education services to such children. The School may also access federal special education funds.

The School acknowledges the provisions of Minnesota Statutes, Section 124D.10 Subd. 6(10) regarding the School's obligation to provide certain data to the Commissioner. At such time as the School has determined the number of its students who have disabilities as defined in Minnesota Statutes, sections 125A.03-24 and 125A.65, the School shall provide to the Commissioner a further description of the financial parameters within which the School will operate to provide special education instruction and services to such children.

- (b) Health and Safety. The School shall meet the same federal, state, and local health and safety requirements applicable to a school district.
- (c) Immunization. The School shall comply with the Minnesota Statutes section 121A.15, requiring proof of student immunization against measles, rubella, diphtheria, tetanus, pertussis, polio, mumps, and hemophilia influenza type B prior to enrollment.
- (d) Human Rights Act. The School shall comply with the Minnesota Human Rights Act, Chapter 363, which prohibits unfair discriminatory practices in employment, public accommodations, public services, or education; and comply with Minnesota Statutes section 121A.04, which governs provisions of equal opportunities for members of both sexes to participate in athletic programs.
- (e) Student Discipline and Dismissal. The School shall comply with the Minnesota Student Fair Dismissal Act (MPFDA), Minnesota Statutes sections

121A.40 to 121A.56. The School Board shall provide to Friends its approved discipline policy and procedure consistent with the MPFDA within 120 days of the effective date of this Contract.

- (f) Fee Law. The School shall comply with the Minnesota Public Schools Fee Law, Minnesota Statutes sections 123B.34 to 123B.39, which governs authorized and prohibited student fees.

Section 8.2. Federal Laws. The School shall comply with applicable federal laws. Nothing in this Contract shall be deemed to apply any other federal law to the School.

Section 8.3. Intellectual Property. The School has ascertained that its name and logo do not violate or infringe upon the intellectual property rights of any third party and has taken appropriate measures to secure the intellectual property rights with respect to its name and logo.

Section 8.4. Student Records. The School shall comply with Applicable Law regarding the management and transfer of student records.

ARTICLE IX AMENDMENT

Section 9.1. Amendments. Friends and the School acknowledge that the operation and administration of a charter school and the improvement of educational outcomes over time may require appropriate amendment of this Contract. In order to ensure a proper balance between the need for independent development of the School and the statutory responsibilities of Friends as an authorizing body, all amendments to this contract must be in writing, and signed by the parties.

Section 9.2. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations rights or remedies of either the School or Friends, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities, obligations, rights or remedies of the School and Friends shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X CONTRACT REVOCATION/TERMINATION AND NONRENEWAL

Section 10.1. Grounds for Revocation/Termination or Nonrenewal. This Contract may be revoked/terminated and need not be renewed by Friends upon a determination by Friends that one or more of the following has occurred:

- (a) Failure of the School to meet the requirements for student performance set forth in this Contract; or
- (b) Failure of the School to meet generally accepted standards of fiscal management; or
- (c) Failure of the School to comply with all Applicable Law.

Section 10.2. Other Grounds for Revocation/Termination or Nonrenewal. In addition to the grounds for revocation/termination and nonrenewal set forth in Section 10.1, Friends may revoke/terminate or not renew this Contract, upon a determination that one or more of the following has occurred:

- (a) The School is unable to pay its bills as they become due, is insolvent, or is bankrupt;
- (b) The School has insufficient enrollment or demonstrated financial resources to successfully operate a charter school, or the School has lost more than fifty percent (50%) of its student enrollment from the previous school year
- (c) The School defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- (d) The School amends its Articles of Incorporation and/or Bylaws at any time without first obtaining Friends' written approval;
- (e) Friends discovers negligent, fraudulent or criminal conduct by any of the School's applicant(s), directors, officers, employees or agents in relation to the school's performance under this Contract; or
- (f) The School's applicant(s), directors, officers or employees have provided false or misleading information or documentation to The Department of Education or Friends in connection with Friends' issuance of this Contract, or the School's reporting requirements under this Contract or Applicable Law; or
- (g) Other good cause shown.

Section 10.3. Procedures for Revoking/Terminating or Not Renewing Contract. Friends' process for revoking/terminating or not renewing the Contract is as follows:

- (a) Notice of Intent to Revoke/Terminate or Not Renew. Friends, upon reasonable belief that grounds for revocation/termination or nonrenewal of the Contract exist, shall notify the School Board of such grounds by issuing the School Board a notice of intent to revoke/terminate or not renew. The notice of intent to revoke/terminate or not renew shall be in writing, shall set forth in reasonable

detail the alleged grounds for revocation/termination or nonrenewal, and shall state that the School Board may request in writing an informal hearing before Friends within fifteen (15) business days of receiving the notice.

- (b) School Board's Response. Within fifteen (15) business days of receipt of the notice of intent to revoke/terminate or not renew, the School Board shall respond in writing to the alleged grounds for revocation/termination or nonrenewal. The School Board's response shall either admit or deny the allegations of non-compliance. If the School's response includes admissions of non-compliance with the Contract or Applicable Law, the School Board's response must also contain a description of the School Board's plan and timeline for correcting the non-compliance with the Contract or Applicable Law. If the School's response includes a denial of non-compliance with the Contract or Applicable Law, the School's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the School Board may request that an informal hearing be scheduled with Friends. The School Board's failure to provide to Friends a written request for an informal hearing within the fifteen (15) business day period shall be treated as acquiescence to Friends' proposed action.
- (c) Informal Hearing. Upon receiving a timely written request for an informal hearing, Friends shall give ten (10) business days notice to the School Board of the hearing date and time, and Friends shall conduct such hearing.
- (d) Plan of Correction. Friends shall review the School Board's response and may, in its sole discretion, determine whether a reasonable plan for correcting the deficiencies may be formulated. If Friends determines that a reasonable plan for correcting the deficiencies set forth in the notice of intent to revoke/terminate or not renew can be formulated, Friends shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, Friends is permitted to adopt, modify or reject some or all of the School Board's response for correcting the deficiencies outlined in the notice of intent to revoke/terminate or not renew. Friends is not obligated to offer a Plan of Correction to the School.
- (e) Withdrawal of Notice of Revocation/Termination or Nonrenewal. Friends may withdraw its notice of intent to revoke/terminate or not renew if Friends determines any of the following: (i) the School Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the notice of intent to revoke/terminate or not renew has been corrected by the School Board; or (iii) the School Board has successfully completed the Plan of Correction.
- (f) Effective Date of Revocation/Termination or Nonrenewal. If Friends decides to revoke/terminate or not renew the Contract, the revocation/termination or

nonrenewal shall be effective on the date of Friends' act of revocation/termination or nonrenewal, or at a later date as determined by Friends, such date specified by Friends in its determination of revocation/termination or nonrenewal. Friends must take final action regarding revocation/termination or nonrenewal no later than twenty (20) business days: (i) before the specified date for revocation/termination or nonrenewal of the Contract, or (ii) the Contract's termination date.

Section 10.4. Dissolution. If this Contract is revoked/terminated, or if this Contract is not renewed pursuant to this Article, the School will dissolve following the process provided by Applicable Law relating to dissolutions and Exhibit K.

Section 10.5. Distribution of Property Upon Termination of Contract. In the event of dissolution of the School, all property which it might lease, borrow or contract for use, shall be promptly returned to those organizations or individuals from which the School has leased or borrowed the materials.

Section 10.6. Property Owned by School. All property which has been purchased by the School will remain its own. In the event of subsequent dissolution of the School, such property as may be required or permitted by Applicable Law will first be donated to other charter schools authorized by Friends and if no Friend's School wants such property, then to any other Minnesota Charter School. Any remaining property will then will be sold or distributed in accordance with Applicable Law.

Section 10.7. Property Owned by School Employees. All property personally and/or individually owned by the trained and licensed teachers or staff employed by the School, shall be exempt from distribution of property and shall remain the property of the individual teachers and staff. Such property includes, but is not limited to, albums, personal mementos and other materials or apparatus which have been personally financed by teachers or staff. Such property does not include lesson plans and related materials developed and produced by School employees to implement the School's academic plan and curriculum; the School will ensure that its employment agreement with its employees document that such property is School property.

ARTICLE XI ADDITIONAL PROVISIONS

Section 11.1. Contract Renewal. By September 1st of the school year in which this contract terminates, the School submit an application to Friends which shall contain three parts: (1) School Performance. An analysis and evaluation of the School's performance under this contract, which shall include a comprehensive evaluation of each contract goal for each year of the contract, as well as an evaluation of governance performance, compliance with reporting obligations, and fiscal management, (2) Proposed Goals. A proposal for goals for the following contract period, and (3) Other Information. Any other information the School desires Friends to consider. The School agrees to provide to Friends documentation supporting the School's evaluation if requested by Friends.

Friends will notify the school within four weeks of receipt of the School's external audit (final, not draft) for the most recently completed fiscal year as to whether Friends intends to offer the School a renewal charter contract. If Friends offers a renewal contract, Friends will base the renewal term on the following conditions. A five-year term will be awarded only if warranted by school performance: the school has met or substantially met its academic pupil performance outcomes/goals, the school has no fiscal deficiencies, and the school has no operational compliance or governance deficiencies. A minimum of one year will be subtracted from the 5-year renewal period for each of the following.

- (a) Failure to substantially meet all academic Pupil performance outcomes/goals;
- (b) Fiscal deficiencies.
- (c) Operational compliance or governance deficiencies.

A significant deficiency in any area, multiple minor deficiencies in any area, or deficiencies in multiple areas, will result in a one-year probationary renewal contract; the School must demonstrate significant improvement in order to be granted a subsequent renewal.

Section 11.2. Insurance. The School Board shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverages:

- (a) insurance covering all of the School's real and personal property, whether owned or leased;
- (b) a minimum of commercial general liability insurance in comprehensive form, bodily injury and property damage combined of one million dollars (\$1,000,000) per occurrence and personal injury of one million dollars (\$1,000,000) per occurrence;
- (c) minimum automobile liability insurance coverage, bodily injury and property damage, of one million dollars (\$1,000,000) per occurrence;
- (d) workers' compensation insurance to include coverage A;
- (e) educational errors and omissions/professional liability or one million dollars (\$1,000,000) per occurrence; and
- (f) employee dishonesty insurance of five hundred thousand dollars (\$500,000).

The insurance must be obtained from a financially responsible licensed mutual, stock, or other responsible company licensed to do business in the State of Minnesota. The School may join with other charter schools to obtain insurance if the School Board finds that such an association provides economic advantages to the School, provided that each School

maintains its identity as first named insured. The School shall have a provision included in all policies requiring notice to Friends, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the School shall provide Friends or its designee copies of all insurance policies required by this Contract, if requested by Friends. Friends may periodically review the types and amounts of insurance coverages that the School secures.

The above-stated coverage limits shall be issued and maintained as indemnity limits and shall not be reduced by any applicable insurer defense obligations. The Department of Education may suggest or Applicable Law may determine alternative amounts and terms of any deductible or insurance provisions, which shall supersede the foregoing requirements. The School shall provide the Department of Education with any insurance information, as requested.

The School may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for students while attending school or participating in a school program or activity.

Section 11.3. School Lease. The School shall provide to Friends a copy of its lease, and any subsequent amendment(s), or deed for the premises in which the School shall operate within fourteen (14) calendar days of execution. The school will provide to Friends any notice of lease termination within five (5) calendar days of receipt. The School may lease space from any independent or special school board eligible to be a charter school authorizer, other public organization, private nonprofit institution organization or private property owner, as it deems necessary. The School may lease space from a sectarian organization as allowed by Applicable Law.

Section 11.4. Occupancy and Safety Certificates. The School Board shall: (i) ensure that the School's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates for the School's physical facilities. The School Board shall not conduct classes until the School has complied with this section. Copies of such certificates shall be provided to Friends before the first day of classes, if requested by Friends.

Section 11.5. Legal Liabilities. Friends does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent contractor of the School. The parties acknowledge and agree that the Commissioner, Friends, members of the Board of Friends, and employees of Friends, are immune from civil and criminal liability with respect to all activities related to the School, pursuant to Minnesota Statutes Section 124D.10 Sub. (25), and nothing in this Contract is intended to affect such immunity.

Section 11.6. Indemnification of Friends. Notwithstanding Section 11.5, the School agrees to indemnify and hold harmless Friends and its board members, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, which arise out of or are in any manner connected with the School's operations or which are incurred as a result of the reliance of Friends upon information supplied by the School, or School Board and its agents or employees, which arise out of the failure of the

School to perform its obligations under this Contract or which arise out of Friends' exercise of its obligation under Applicable Law and this Contract.

ARTICLE XII GENERAL TERMS

Section 12.1. Term of Contract. This Contract shall be effective on the date of its issuance and shall remain in full force and effect for a period of [INSERT NUMBER (#)] academic years through the end of the 2014/2015 school year, and shall terminate on [INSERT DATE], unless sooner revoked/terminated according to the terms hereof.

Section 12.2. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or telegram or electronic mail; or (iii) upon placing into United States mail if by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other address or person as the respective party may designate by written notice delivered pursuant hereto:

If to Friends:

Friends of Education
Attn: R.E. Topoluk
200 Lake Street East
Wayzata, MN 55391

If to School:

to the attention of the School Board or School Board President/Chair at:

[INSERT ADDRESS]

Section 12.3. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. Subject to §9.2, if any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.4. Successors. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors.

Section 12.5. Entire Contract. Except as specifically provided in this Contract, this Contract sets forth the entire agreement between Friends and the School with respect to the subject matter of this Contract. All prior contracts, representations, statements, negotiations,

understandings, and undertakings are superseded by this Contract.

Section 12.6. Assignment. This Contract is not assignable by either the School or Friends.

Section 12.7. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.8. Governing Law. This Contract shall be governed and controlled by the laws of the State of Minnesota as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.9. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.10. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.11. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.12. No Third Party Rights. This Contract is made for the sole benefit of School and Friends. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.13. Non-agency. School is not an agent of Friends and Friends is not an agent of the School.

Section 12.14. Termination of Responsibilities. Except as provided in §12.15, upon termination or revocation of the Contract, Friends or its designee and the School shall have no further obligations or responsibilities under this Contract to the School or any other person or persons in connection with this Contract.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2 Insurance, Section 11.5 Legal Liabilities, Section 11.6 Indemnification of Friends, Section 12.8 Governing Law, Section 12.10 Construction,

Section 12.13 Non-Agency, and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

As the designated representative of Friends, I hereby issue this Contract to the School on the date set forth:

DATE: [INSERT DATE]

FRIENDS OF EDUCATION

By: _____
R.E. Topoluk
Its: Executive Director

As the authorized representative of the School, I hereby certify that the School is able to comply with the Contract and all Applicable Law, and that the School, through its governing board, has approved and agreed to comply with and be bound by of the terms and conditions of this Contract.

By: _____
[INSERT NAME]

Title: [INSERT TITLE & NAME OF SCHOOL]



Statement of Assurances

I. ADMISSION

- I assure that the school's admission process will not discriminate against anyone regarding race, gender, national origin, color, ability level or age.
- I assure that the school will admit students on the basis of an annual lottery if more students apply than can be accommodated in the class, building, or program.
- I assure that the school's admission process will comply with Minn. Stat. 124D.10 Subd 9.

II. ANNUAL REPORT

- I assure that the school will submit an annual report to the Commissioner of Education, as provided by Minn. Stat. 124D.10 Subd. 14.

III. BASELINE DATA

- I assure that this school will establish baseline data for all students and will implement at least an annual evaluation of student achievement with state and/or national standardized tests.

IV. BOARD GOVERNANCE

- I assure that the board members and school director will fully participate in all mandatory Minnesota Department of Education training sessions.
- I assure that the school, in compliance with Minn. Stat. § 124D.10, will at all times maintain an active board of directors of at least five voting members, at least one of which will be an individual currently licensed to teach in the State of Minnesota.

IV. COMPLIANCE WITH ALL APPLICABLE LAWS

- I agree to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools.

VI. CONFLICTS OF INTEREST

- I assure that the school will avoid apparent and actual conflicts of interest when administering grants and entering into contracts for equipment and services.
- I assure that the school will comply with conflict of interest provisions identified in Minn. Stat. §124D.10 Subd. 4a to 4e.

VII. CRIMINAL BACKGROUND CHECKS

- I assure that this school will conduct criminal background checks of all employees in accordance with Minnesota Statutes and will maintain records of those checks.

VIII. DATA PRIVACY

- I assure that the school board will adopt policies in compliance with data privacy requirements regarding all students and particularly those with disabilities. The charter school will have secure storage for student records that separates special education files from cumulative files and that is under the supervision of the school's administrator or a designee. Mandatory staff training will be scheduled for Data Privacy.

IX. DISCIPLINE POLICY AND PUPIL FAIR DISMISSAL ACT

- I assure that the school board will adopt a school discipline policy that is in compliance with the Pupil Fair Dismissal Act and that provides protection of the rights of students with disabilities.

X. E-MAIL SERVICE

- I assure that the school will subscribe to and actively maintain e-mail service to share and receive information with other charter schools and with the Minnesota Department of Education.

XI. EQUAL OPPORTUNITY IN ATHLETICS AND OTHER EXTRA-CURRICULAR ACTIVITIES

- I assure that this school will comply with requirements for equal opportunities for students in athletics and other extra-curricular activities.

XII. FACILITY REQUIREMENTS

- I assure that this school will comply with all building inspection and fire marshal requirements, will provide a current certificate of occupancy, and will meet all health and safety codes. The charter school facility will meet requirements of Section 504 of the Americans with Disabilities Act in that it is handicap-accessible.

XIII. FILING WITH THE STATE AS A COOPERATIVE OR NON-PROFIT CORPORATION

- I assure that this school will/has file(d) with the Secretary of State's Office as a cooperative under Chapter 308A or non-profit corporation under Chapter 317A.

XIV. FINANCIAL REPORTING (UFARS AND GAAP) REQUIREMENTS

- I assure that this school will adopt and comply with both the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS), as required by Minnesota Statute, and Generally Accepted Accounting Practices (GAAP); and that this school will comply with all related finance statutes; and that this school will develop contingency budgets in case enrollment is below projections.
- I assure that, in compliance with Minn. Stat. §125B.05, subd. 3: 1) the school will use only state-approved accounting and reporting software, and 2) the school will, upon request of the Minnesota

Department of Education, submit evidence to the state demonstrating that state-approved accounting software is being used once the federal CSP grant funds have been received.

XV. HIRING AND EMPLOYMENT PRACTICES

- I assure that the school, in compliance with Minn. Stat. §363A.08, will use and maintain open and fair employment practices, will advertise for staff and will maintain a record of these advertisements.
- I assure that all teaching staff will be appropriately licensed by the Minnesota Board of Teaching.

XVI. MINNESOTA'S ACADEMIC STANDARDS

- I assure that this school will comply with all expectations regarding Minnesota's current Academic Standards. See <http://education.state.mn.us> for complete information.

XVII. MINNESOTA'S STATE ACCOUNTABILITY SYSTEM REQUIREMENTS

- I assure that this school will comply with all elements of Minnesota's State Accountability System Requirements under the federal No Child Left Behind Act (NCLB).
 - I understand that the school is expected to make Adequate Yearly Progress (AYP) as defined by the State's accountability plan.
 - I understand that the school will be held accountable for these outcomes and agree that these goals will provide the basis for the charter school's Annual Report.

XVIII. PROCUREMENT PRACTICES AND PROPERTY INVENTORY RECORDS

- I assure that this school will develop written procurement procedures in accordance with federal law and conduct all procurement transactions in a manner that provides open and free competition.
- I assure that the school will maintain and submit property inventory records of all equipment, assets, and non-consumable items purchased with federal CSP grant funds.

XIX. PROGRAM EVALUATION

- I assure that the school will provide annually to the authorizer and the Minnesota Department Education such information as may be required to determine if the charter school is making satisfactory progress toward achieving its goals and academic outcomes.
 - This includes data, evaluations, or studies, and compliance with all requests for information.
 - I assure that the school will cooperate with the authorizer and the Minnesota Department of Education in evaluating the school's program.

XX. PUBLIC SCHOOL

- I assure that this school will operate as a charter public school that:
 - operates in accordance with Minn. Stat. § 124D.10
 - is created by a developer as a public school, and is operated under public supervision and direction;
 - operates in pursuit of a specific set of educational objectives determined by the school's developer and agreed to by the authorized public chartering agency;
 - provides a program of elementary or secondary education, or both;

- is nonsectarian in its programs, admissions policies, employment practices and all other operations, and is not affiliated with a sectarian school or religious institution;
- does not charge tuition;
- complies with the Age Discrimination Act of 1975, title VI of the Civil Rights Act of 1964, title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;
- is a school to which parents choose to send their children, and that admits students on the basis of an annual lottery, if more students apply for admission than can be accommodated;
- agrees to comply with the same federal and state audit requirements as do other elementary schools and secondary schools in the state;
- meets all applicable federal, state and local health and safety requirements;
- operates in accordance with State law; and
- has a written performance contract with the authorized public chartering agency in the state that includes a description of how student performance will be measured in charter schools pursuant to state assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

XXI. PUBLIC SCHOOL FEE LAW

- I assure that this school will comply with the Minnesota Public School Fee Law found in Minn. Stat. § 123B.34 to 123B.39.

XXII. REQUIRED STATE REPORTING FOR STUDENTS AND STAFF (MARSS AND STARS)

- I assure that this school will have a person assigned and trained to submit data on the Minnesota Automated Reporting Student System (MARSS) and Staff Automated Reporting System (STARS), as required by MDE.

XXIII. SPECIAL EDUCATION (TSES: TOTAL SPECIAL EDUCATION SYSTEM)

- I assure that this school will contract or employ an appropriately licensed special education director, will adhere to the Due Process/Total Special Education System (TSES) used to serve special education students in Minnesota and will work with the special education director to meet all federal and state special education laws.
- I assure that this school will have a Total Special Education System manual (TSES).
- I assure that this school will involve parents of students with disabilities on an advisory council.
- I assure that this school will develop a service delivery model that provides a full continuum of special education services.
- I assure that this school will determine who will provide transportation for students who have 504 plans or IEP's in which transportation is determined necessary by the 504 plan or IEP team (the district in which the charter school is located must be notified by the dates required by state law if the district will provide transportation for pupils enrolled in the charter school – see XXVI, below).
- I assure that this school will be prepared to order necessary supplies, equipment and instructional materials appropriate to meet the needs of individual students with disabilities as they appear.
- I assure that this school will meet its Child Find obligation by including information about special education service in its marketing materials, handbooks, etc. The school will determine procedures for identification of students currently qualifying for special education services and/or those who

may have a disability. Procedures to review student data and determine the need to assess/reassess will also be specified.

- I assure that this school will submit requests for licensing variances for special education staff only after a documented search for qualified individuals has been conducted (only salaries for properly licensed special education staff are eligible for state reimbursement).
- I assure that this school will have procedures for obtaining information from parents and/or previous school on student's special education or 504 Accommodation Plan (document all attempts).

XXIV. SPECIAL EDUCATION – ELECTRONIC DATA REPORTING SYSTEM (EDRS)

- I assure that this school will designate a person to be assigned and trained to submit special education expenditure data electronically in the Electronic Data Reporting System (EDRS) via the Internet. EDRS account for actual special education expenditures which are included in state and federal funding formulas for the calculation of state and federal special education aid to districts.

XXV. TORT AND LIABILITY INSURANCE

- I assure that this school assumes appropriate tort liability and other appropriate insurance in accordance with law.

XXVI. TRANSPORTATION OF STUDENTS

- I assure that written notice of this school's intentions for transportation of students will be provided to the resident district and MDE no later than July 1 prior to the first year of operation and no later than March 1st of each subsequent year, in compliance with Minn. Stat. § 124.D 10.

XXVII. TUITION FREE

- I assure that this school will not charge tuition for its instructional or co-curricular programs and assure compliance with Minn. Stat. § 123B.36 to 123B.38.

By signing my name here, I acknowledge that:

- I have reviewed the preceding assurances and agree to be responsible for fulfilling all the expectations contained in these assurances even if that means actively researching current state and/or federal rules, laws and other requirements referenced herein.
- I understand that, as a member of the board, of this charter school, I am responsible for ensuring that our school complies with all assurances referenced above.
- I may be held liable if our school does not comply with these assurances.

Signature

Date

Home Address _____

Phone Number _____

Email Address _____

**Friends of Education
Charter School Closing Checklist & Plan**

IMPORTANT: THIS DOCUMENT IS NOT AN EXCLUSIVE LIST OF ALL ACTIONS NECESSARY TO CLOSE A SCHOOL AND IS NOT A SUBSTITUTE FOR LEGAL ADVICE.

CHARTER SCHOOLS SHOULD CONSULT WITH LEGAL COUNSEL.

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
Organizational					
1	<p>Establish School Board Committee for wind-up</p> <ul style="list-style-type: none"> <input type="checkbox"/> Designate School contact person(s) to send and receive communications <input type="checkbox"/> Assign tasks/action items to employees or School Board members; <input type="checkbox"/> Provide contact information, and list of employees / School Board members and correspondent responsibilities to Friends 				
2	<p>Terminate Contracts /Cancel Programs Beyond Termination Date</p> <p>Take appropriate action to terminate any contracts or cancel any programs extending beyond the charter termination.</p>				
3	<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 dissolve the school.</p>				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
4	<p>Maintain Communications and Identifiable Location</p> <p>Notify the landlord that during the wind-up of the School's affairs, it is anticipated that the School Board will use the School Facility, and access thereto should be maintained, even if only by advance notice in order to access assets, etc. In the event the landlord sells or rents the School Facility before the winding up of the School's affairs, the School must relocate its business records and remaining assets to a location <i>with operational telephone service with voice message capability, and maintain custody of business records until all business and transactions are completed, and the School corporation dissolved.</i></p>				
5	<p>Designation of Records Custodian</p> <ul style="list-style-type: none"> <input type="checkbox"/> The school must designate a contact person for student and financial records, for two years after closure. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
Notifications and Further Actions					
6	<p>Notification to Parents/Guardians</p> <p>Notify parents/guardians and employees of school regarding the closure of the School, if such notification has not been made. Such notification shall include, but not be limited to, the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Date of the last day of regular instruction; <input type="checkbox"/> Optional inclusion of a listing of the names of charter, public and private schools in the area. <input type="checkbox"/> Date of optional school fair, coordinated by the School with representatives of area schools. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
7	Final Report Cards and Student Records Notice				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>Within 7 days after end of classes, provide parents / guardians with copies of final report cards and notice of where student records will be sent 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"/> Student records sent to the student's new school upon the new school's request. <input type="checkbox"/> After the school closes, and unless the student's records are requested by another school, the remaining student records will be sent to each student's school district of residence. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
8	<p>Transfer of Student Records and Testing Material</p> <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> <p>Testing material, including scores, test booklets, etc. required to be maintained by the School and must also be forwarded to the new school.</p> <p>No later than 14 days after end of classes, send student records to the new school, including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Individualized Education Programs (IEPs) and all records regarding special education and supplemental services, where applicable, <input type="checkbox"/> student health / immunization records; <input type="checkbox"/> attendance records; <input type="checkbox"/> grades; <input type="checkbox"/> assessments/testing information; <input type="checkbox"/> credits earned; <input type="checkbox"/> MARSS numbers, and <input type="checkbox"/> all other student records. <input type="checkbox"/> To the extent that scores, etc. will come into existence after the end of classes, 				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>arrangements should be made with the testing agent to forward such material to the new school.</p>				
9	<p>Notification to School Districts/Area Schools</p> <p>Notify area schools that:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The school is closing on (date). <input type="checkbox"/> They will be getting students. <input type="checkbox"/> Provide a phone number/contact person to call for records. <input type="checkbox"/> If applicable, notification regarding cessation and transportation services should be provided. <input type="checkbox"/> Provide Friends of Education with a copy of the notice. 				
10	<p>Notification of Funding Sources / Charitable Partners</p> <p>All sources of the School's operational funding must be notified in writing of the closure of the School, including any charitable partners.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The School should not 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. <input type="checkbox"/> Charities with property on the premises of the School should be notified to remove same as soon as possible or after end of classes, whichever is appropriate. 				
11	<p>Notification of Contractors and Termination of Contracts</p> <p>Within 30 days, formulate a list of all contractors with contracts in effect; the list should briefly describe the service and whether any property is related to the contract (e.g. photocopier lease).</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify the contractors regarding cessation of school operations. <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 Friends of Education with a copy of such notice. <input type="checkbox"/> Retain records of past contracts with proof that they were fully paid. (see Records Retention, below) 				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<ul style="list-style-type: none"> <input type="checkbox"/> Telephone, gas, electric, water, insurance (premises and D&O insurance, should remain operative through the end of classes and to the extent necessary to wind up the School's affairs beyond that time. 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 				
12	<p>Notify MDE/Schedule State Audit</p> <p>Notify Minnesota Department of Education and schedule MDE audit, as applicable.</p>				
13	<p>Notification of Employees and Benefit Providers</p> <p>After an employee termination date is established, notify all employees of termination of employment and/or contracts, and notify benefit providers of pending termination of all employees.</p> <p>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"/> teacher retirement plans; and <input type="checkbox"/> other. <p>Specific rules and regulations may apply to such programs - Consult legal counsel.</p> <p>Employees should be notified of eligibility for Minnesota Unemployment Insurance pursuant to any applicable law and regulations. (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 end of classes, and additional reserve funds should be set aside.</p>				
14	<p>Notification re: Transportation Services</p>				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	As required by the contractual notice requirements, cancel school district or private transportation services.				
15	<p>Notification Regarding Lawsuits</p> <p>Within 5 days after receiving notice and/or service of process regarding litigation against, or initiated by, the School, School Board or School employees, notify Friends of Education and provide copies of legal papers received.</p> <p>The School has an ongoing obligation to keep Friends of Education informed regarding such litigation, including bankruptcy, whether voluntary or involuntary, and to provide copies of all filings.</p>				
Assets, Insurance, Liquidation					
16	<p>Withholding</p> <p><input type="checkbox"/> Pay Federal withholding tax.</p> <p><input type="checkbox"/> Pay State withholding tax.</p>				
17	<p>Payroll</p> <p><input type="checkbox"/> Pay Staff through last day of employment.</p>				
18	<p>List of Creditors and Debtors; UCC Search</p> <p><input type="checkbox"/> Formulate list of creditors and debtors and any amounts accrued and unpaid with respect to such creditor or debtor. This list is not the same as the contractor list, above, but may include contractors, which should be listed.</p> <p><input type="checkbox"/> Perform a UCC search to determine if there are any secured creditors and to what assets security interests are attached.</p> <p><input type="checkbox"/> Provide a copy of the list of creditors to the Friends of Education with the amount owed to each creditor thereon and the amount owed by each debtor.</p>				
19	Notification to Creditors				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>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. Consult Legal Counsel.</p>				
20	<p>Notification to Debtors</p> <p>Within thirty (30) days the School must contact all debtors and demand payment. 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.</p>				
21	<p>Reconciliation with District(s)</p> <p>The School must reconcile its billings and payments with the districts, including special education payments.</p>				
22	<p>School Wind-Up Plan and Action</p> <p>The School 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 trustees. Priority should be given to continuing the School's educational program through the end of the charter termination 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 and be updated at least twice per month. <input type="checkbox"/> Termination of non-essential personnel and cancellation of non-essential services prior to end of classes. <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 				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<p>security taxes, and federal unemployment tax for such wage payments).</p> <ul style="list-style-type: none"> <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. <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 for dissolution in accordance with Minn. State 124.D10. <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 Friends of Education through Interim Statements and a Final Statement (below). 				
23	<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. <input type="checkbox"/> Continue existing insurance for School Facility, and other assets until 1) disposal or transfer of real estate or termination of lease, and 2) disposal, transfer or sale of other assets are sold, respectively. <input type="checkbox"/> Negotiate School Facility insurance with entities that may take possession of School Facility – landlord, 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. 				
24	<p>D&O Insurance</p> <p>Maintain existing directors and officers liability (D&O) insurance, if any, until final dissolution of the School.</p>				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
<p>25</p>	<p>Inventory</p> <p>No later than 30 days prior to end of classes, <u>all</u> of the School's assets must be inventoried and/or its inventory updated.</p> <ul style="list-style-type: none"> <input type="checkbox"/> All assets of the School, (not just assets over a certain dollar value) must be inventoried. <input type="checkbox"/> Separately identify assets purchased with federal grant funds. <input type="checkbox"/> Provide Friends of Education with a copy of the inventory. <input type="checkbox"/> Identify assets belonging to other entities (school district, county, municipality, health department, sponsoring 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. <input type="checkbox"/> Return assets not belonging to School and document same. 				
<p>26</p>	<p>Liquidation of Assets</p> <ul style="list-style-type: none"> <input type="checkbox"/> Federally purchased property may not be sold to pay creditors and, according to specific program guidance, must either be returned to the awarding agency or distributed for similar use to another eligible entity. Assets purchased with federal grant funds may be given to other charter schools. <input type="checkbox"/> Assets not purchased with federal grant funds must be liquidated in a commercially reasonable manner 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 the secured party should be contacted. <input type="checkbox"/> Assets valued at \$100,000+ must be advertised and disposed via sealed bid. <input type="checkbox"/> Assets valued between \$25,000 - \$100,000 must obtain at least two bids before disposition. <p>School Board members and their relatives as well as employees and students of the School may participate in any auction/sealed bidding process provided the party has disclosed his/her relationship 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> <p><i>School board members, their relatives, employees and students of the school may not purchase school assets other than through auction or sealed bid.</i></p>				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
27	<p>Interim/Final Statements</p> <p>No later than 10 days after end of classes, prepare, and submit to the Friends of Education, an interim statement to Friends of Education, of the status of all contracts and other obligations of the School 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 outstanding, including principal and accrued interest, as of the date of the interim report; and <input type="checkbox"/> all amounts owed to the School 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. <p>The School will prepare and submit such statements at 30 day intervals until the final statement (below) is prepared and submitted.</p>				
28	<p>Final Statement</p> <p>No later than 10 days prior to the filing of a dissolution proceeding, the School shall prepare a final statement of the status of all contracts and other obligations of the School, 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 and the amounts owed by each debtor, including principal and accrued interest. <input type="checkbox"/> This statement is in addition to the final Financial Statement Audit (below). 				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
Corporate Records / Accounting					
29	<p>Final Financial External Audit</p> <p>The School must have an external audit performed in accordance with Applicable law.</p> <p><input type="checkbox"/> File as requested by Minn. Stat 124D.10.</p>				
30	<p>Charter Reports; Final Annual Report</p> <p>During the course of the wind-up process, the School must comply with its reporting or notice obligations under the charter (including, but not limited to, resignations of Board members, etc.), and its reporting and notice obligations.</p>				
31	<p>Closeout of State and Federal Grants</p> <p>State, federal and other grants must be closed out, including:</p> <p><input type="checkbox"/> notification to the grant entity of the School closure; and</p> <p><input type="checkbox"/> filing of any required expenditure reports or receipts and any required program reports.</p>				
32	<p>IRS Status; Reports</p> <p><input type="checkbox"/> Notification to IRS regarding any address change of the School; and</p> <p><input type="checkbox"/> Filing of required tax returns or reports (e.g., IRS form 990 and Schedule A) for school year in which school ceases operation.</p> <p><input type="checkbox"/> Notify the IRS of dissolution of the education corporation and its 501(C) (3) status.</p> <p><input type="checkbox"/> File final tax returns or reports.</p>				
33	<p>Minnesota Charitable Organization Report</p> <p><input type="checkbox"/> Notification re: Any change of address</p> <p><input type="checkbox"/> Filing of return for school year in which school ceases operation.</p> <p><input type="checkbox"/> File final report.</p>				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
34	<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 financings; <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"/> Any items listed in this Closure Plan. <p>Any and all records not previously sent to the school district must be retained by a designated school representative.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Notify Friends of Education of name and address where all records not sent to the school district are retained. 				
Dissolution / Final Distribution of Assets	<p>Dissolution</p> <p>The School Board must follow the dissolution provisions provided by Applicable Law.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Board adopts intent to dissolve resolution which includes a plan of dissolution. <input type="checkbox"/> Secure any required affirmation/approvals. <input type="checkbox"/> File notice of intent to dissolve with Minnesota Secretary of State. <input type="checkbox"/> File notice with Minnesota Attorney General's office. <input type="checkbox"/> Publish notice for unknown creditors and provide written notice to known creditors or provide written notice. 				

Item	Action Items	School Person(s) Responsible	Target Completion Date	Actual Completion Date	Status
	<ul style="list-style-type: none"> <input type="checkbox"/> Distribute Assets <input type="checkbox"/> Board approves Articles of Dissolution and files with Secretary of State and submits copy to Friends of Education. 				
36	<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.</p> <ul style="list-style-type: none"> <input type="checkbox"/> An itemized receipt must be obtained from each recipient of an asset containing the name, address and telephone number of the recipient. <input type="checkbox"/> In closing out any federal grant and accounting for any federal grant funds, property owned by the federal government or property acquired under a federal grant must be distributed in accordance with federal regulations. See 34 CFR, Part 80, subparts C and D. 				

**[SCHOOL NAME]
STUDENT RECORD TRANSFER LOG**

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