

Hua Xia South Chinese School Bylaws

*Approved by General Membership
7/2006*

Article 1. *Name*

The registered name of the organization is Hua Xia South Chinese School, Inc. (hereafter referred to as “the school”)

Article 2. *Objective*

The school is registered with the State of New Jersey as a non-profit organization. The objective of the school is to teach Chinese language and culture.

Article 3. *Membership*

3.1 The school is an association of its members. The membership consists of general members, associate members and students. The membership is unrestricted and anyone who is interested in Chinese language and culture may apply to become a member of the school regardless of age, gender, race, religion and nationality.

3.2 general member - The general members consist of parents or guardians of the students and the adult students. General members pay annual membership dues to the school. The school is controlled by general members. Only general members have right to vote in general membership meeting. Membership dues and voting rights are restricted to one count per family.

3.2 associate member – associate members consist of the school officers and teachers who are not general members of the school. The associate members have the same privilege as the general members, except the right to vote in general membership meeting.

3.4 student – anyone may apply to become a student of the school. Student is required to register in at least one class each semester. Adult student who is 18 years of age or older automatically becomes a general member of the school.

3.5 Any member who violates the school bylaws or commits a criminal behavior at school may result in membership suspension or revocation by the school administration with approval of the Board of Directors.

Article 4. *Organization Structure*

4.1 The school organization consists of General Membership, Board of Directors, Administrative Council, and Parents Council.

4.2 General Membership is the association of all general and associate members.

4.3 Board of Directors is elected by the General Membership. The school Principal, the Vice-Principal and the chair of Parent Council are automatic members of the Board.

4.4 Administrative Council consists of the Principal, the Vice-Principal, other appointed school officers, and other members appointed by the Principal.

4.5 School offices consist of Principal, Vice-Principal, Treasurer, Curricular Director, and other positions appointed by the Principal with approval of the Board of Directors.

4.6 Parent Council consists of voluntary parents who are willing to assist and support school operation and activity.

4.7 Personnel overlapping among different organizational branches shall be allowed, except the office of Principal, Vice-Principal, Treasurer, Curricular Director, the chair of Board of Directors, and the chair of Parents Council.

4.8 Term of all offices and elected Directors shall start at the end of school year.

4.9 The jurisdiction and operational rules of each branch are defined in the subsequent articles.

Article 5. *General Membership***5.1 Function and Responsibility**

5.1.1 The General Membership is the highest legislative body of the school.

5.1.2 The General Membership elects the Principal and the Board of Directors.

5.1.3 The General Membership approves the school bylaws and its amendments.

5.1.4 The General Membership may pass binding resolution on school policy and operational rules.

5.1.5 The General Membership may impeach and remove from office any elected school officers and the Directors.

5.1.6 The General Membership shall receive annual school report and semi-annual financial report from the Principal.

5.2 General Membership Meeting

5.2.1 General Membership meeting shall be held at least once a semester. A special meeting to elect school officials and Directors shall be held at least two weeks before the end of the school year, presided by the chair of the Board. A special meeting for budget may be called shall there be a budget proposal deadlock.

5.2.2 A General Membership meeting may be called by the Board of Directors, or at the request of 20% general members with signature verified petition.

5.2.3 A General Membership meeting may be called by the Principal with proper notification to the Board of Directors.

5.3 Rules of Conduct

5.3.1 A quorum for the General Membership meeting is a majority of all general members as defined one vote per family.

5.3.2 A simple majority shall elect the Principal and the Directors.

5.3.3 A two-thirds majority is needed for approval of the school bylaw and its amendments.

5.3.4 A two-thirds majority is needed for impeachment of the elected school officer and the Directors.

5.3.5 A two-thirds majority is needed for approval of school budget shall a special meeting be called to resolve a budget deadlock. Such a meeting shall be called and presided by the chair of the Board.

5.3.6 The General Membership meeting shall be chaired by the chair of the Board, or by the Principal should the chair of the Board is not available or should there be a conflict of interest.

Article 6. *Board of Directors*

6.1 Structure and Responsibility

6.1.1 The Board consists of 4 or 6 Directors who must have general membership and are elected to two-year term by the General Membership meeting, and

automatic members of the Board as defined in Article 4.3. The Board shall elect a Chair and a Vice-Chair to one-year term at the first meeting of the Board.

6.1.2 The Board oversees school operation on behalf of the General Membership.

6.1.3 The Board shall receive and approve annual school budget from the Principal according to budget and finance operation code.

6.1.4 The Board shall receive and review the annual school report and the semi-annual school financial report before the report is published. The Board shall also receive and review annual school academic plan.

6.1.5 The Board shall conduct audit on school budget and finance according to budget and finance operation code.

6.1.6 The Board may freeze school budget or operation in case of financial crisis or facing other serious situations.

6.1.7 The Board sets school policy, including but not limited to:

- School budget and finance code and operational rules;
- School long-term policy and strategic plan;
- School tuition and compensation rates.

6.1.8 The Board confirms other school officers nominated by the Principal.

6.1.9 The Director is a non-compensatory position. The chair of the Board is compensated for expenses incurred for conducting Board business.

6.2 Board Meeting

6.2.1 The Board may appoint associate board members to join the Board business or to become Board advisory. The Board may award honorary board membership to those who made special contribution to the school.

6.2.2 The associate board members have no voting rights in board meeting.

6.2.3 The associate board member may be removed by a majority of the Board Directors.

6.2.4 The Director of the Board may resign at any time upon written notice to the General Membership, or upon termination of his/her general membership.

6.2.5 The Directors may be re-elected to unlimited consecutive terms.

6.2.6 The Board shall meet at least twice a semester, and the Board meeting is to be presided by the Chair of the Board.

6.2.7 All Board of Directors meetings is open to the entire membership.

6.3 Rules of Conduct

6.3.1 Five or more Directors are needed to make a quorum in the board meeting.

6.3.2 Simple majority rules unless otherwise denoted.

6.3.3 A simple majority is needed to approve school budget and in setting school formal policies including budget and finance rules.

6.3.4 A two-thirds majority vote is required in decision of budget freeze and school operation shutdown.

Article 7. *School Offices and Administrative Council*

7.1 Structure and Responsibility

7.1.1 The school offices include Principal, Vice-Principal, Treasurer, and Curricular Director. Those are compensatory positions.

7.1.2 The Principle is elected by the General Membership to a one-year term.

7.1.3 The Administrative Council is the execution body of the Principal to assist in school administration. The Administrative Council consists of all school officers and other appointed members.

7.1.4 The Principal is in charge of school administration. The Principal's administrative responsibility includes but not limited to:

- representing the school in external affairs;
- hiring and dismissing teachers and other school officers with approval from the Board of Directors;
- proposing annual school budget to the Board of Directors;
- executing the annual school budget;
- approving and signing vouchers and payments;
- submitting semi-annual budget report and annual financial report to the Board of Directors and the General Membership meeting;
- submitting semi-annual academic report to all parents;
- presiding the Administrative Council meeting and all school meeting;
- overseeing school operation and leading fund raising.

7.1.5 The Principal may delegate any of his/her responsibilities to other school officers or members of the Administrative Council.

7.1.6 The Vice-Principal's main responsibility is to assist the Principal to carry out school administrative duties. The Vice-Principal is the Acting Principal in case of absence of the Principal. The Vice-Principal's responsibility is:

- acting as school registrar for enrollment affair and student records;
- maintaining and publishing school assets and inventory once a year;
- taking in charge of public relations and other school publications;
- carrying out other administrative duties as shall be assigned by the Principal.

7.1.7 The Treasurer's main duty is to supervise the financial well-being of the school. The Treasurer's responsibility includes:

- keeping financial records of the school;
- accounting and bookkeeping of the school's financial activities;
- co-signing any expenditure and voucher after checking with the school's operation budget and funds availability;
- participating in account and budget audit with cooperation;
- preparing semi-annual budget report and annual financial report.

7.1.8 The Curricular Director's main duty is to oversee and coordinate the school learning and academic activities, which includes:

- preparing academic calendar and scheduling all classes;
- coordinating teacher training and parent-teacher conversation;
- scheduling and organizing annual Chinese speech competition;
- Preparing annual school academic plan and academic report.
- Overseeing quality of teaching and other teaching related activities.

7.2 Rules of Conduct

7.2.1 The Principal oversees all other school offices and presides the Administrative Council.

7.2.2 The Principal may call the Administrative Council meeting to discuss and make decision of administrative affairs.

7.2.3 School officers other than the Principal is appointed by the Principal and approved by the Board of Directors. The Principle may dismiss any appointed members with proper notification to the Board of Directors.

7.2.4 The Administrative Council meeting is presided by the Principle and the simple majority rules in decision making. The Principle may override the Administrative Council's decision at his/her discretion.

7.2.5 The Principal may resign at any time with a written two-week advance notice to the Board of Director. In case of the Principal's resignation, the Vice-Principal shall succeed as the Principal for the rest of the term.

7.2.6 In case when the Principal and the Vice-Principal resign at the same time, the Board shall appoint an acting Principal until a special General Membership meeting is called to elect a new Principal.

Article 8. *Parent Council*

8.1 Structure and Responsibility

8.1.1 The Parent Council consists of parents representatives from each class including cultural class and adult class, and voluntary parents who are willing to participate in Parent Council activity.

8.1.2 The Parent Council is responsible for:

- maintaining school order and security by scheduling and coordinating parents-on-duty;
- assisting teachers to maintain classroom order and student discipline;
- organizing school cultural events and parties;
- coordinating and scheduling parents seminars;
- conducting fund raising for the school.

8.2 Rules of Conduct

8.2.1 The Parent Council shall elect a Chair and two Vice-Chair to lead the Parent Council meeting and other activities.

8.2.2 The Parent Council meeting is called by the Chair or at request of at least two-thirds of the Council members. The Parent Council meeting shall be presided by the chair.

8.2.3 Simple majority rules unless there is a deadlock in which case the Chair shall rule the final decision.

Article 9. *Budget, Finance and Accounting*

9.1 School budget year starts on August 15 and ends on July 15 of the following year.

9.2 Annual school budget shall be proposed and submitted by the Principle to the Board of Directors within two weeks after the school year starts.

9.3 The Board of Director shall approve or reject the budget proposal within one week after receiving the budget proposal.

9.4 The rejected budget shall be returned to the Principal with detailed recommendations for modification.

9.5 The Principal shall resubmit the revised budget proposal within one week after receiving the rejected original budget proposal.

9.6 Shall the revised budget proposal be rejected again, a special General Membership meeting for budget shall be called to vote on the budget.

9.7 Shall the budget proposal be rejected by the General Membership meeting, a final modification to budget proposal will be made by the Board of Directors. The modified budget proposal passed by the Board shall become the final budget.

9.8 School budget and financial accounting is audited by the Board every three months. The audit report shall be distributed with the semi-annual budget report to the General Membership.

9.9 Shall there be a budget problem found in the financial auditing process, the Board shall recommend corrective actions and may take actions until the problem is corrected.

9.10 Budget procedure and financial control policy attached in Appendices shall be strictly followed and enforceable by actions deemed proper by the Board.

Article 10. *Relationship with Hua Xia Chinese School, Inc.*

10.1 The school is a registered legal and financial independent entity.

10.2 The school is academically affiliated with Hua Xia Chinese School, Inc. (hereafter referred to as "Hua Xia").

10.3 The school shall operate under HuaXia's general guideline and policy. Shall there be conflict in policy, the school policy shall prevail.

Article 11. *Disbandment of Organization*

11.1 The school may be disbanded with a three-fourth majority decision of the General Membership.

11.2 The school shall be disbanded with two consecutive years of operation in budget deficit.

11.3 The General Membership shall be responsible for disbursement and distribution of the school debts or assets, shall there be any, in case of the school disbandment. Remaining school assets after disbandment shall be donated to local or other community non-profit organizations.

11.4 The school reserves the right to seek legal council advice in matters relating to disbandment of the school.

Article 12. *Miscellaneous*

12.1 Final interpretation of the bylaws shall belong to the Board of Directors.

12.2 The bylaws of the school may be amended with a two-thirds majority of the General Membership.

12.3 The bylaws are subject to the provisions of the New Jersey Corporation Act and the school's Certification of Incorporation as a non-profit organization. If any provision in these bylaws is inconsistent with a provision in that Act or the Certificate, the provisions of the Act shall govern to the extent of the inconsistency.

Appendices

Hua Xia South Chinese School Budget Procedure and Control Policy

1. Definitions

All terminology in this document are defined and used as was defined in the articles of Huaxia South Chinese School Bylaws (referred to as "the bylaws" hereafter.).

2. Scope

- To establish governing principle and procedure regulating financial activities such as budget proposal, approval, expenses reimbursement and auditing of the school.
- To define responsibility and level of authority in controlling school financial activities.
- To categorize and prioritize school budget and expenses.

3. General Principles

1. As a non-profit educational organization to promote learning, understanding and exchange of Chinese culture, value and heritage, the school's financial decision shall serve the best interest of the above mentioned purpose with ensured financial health of the school.
2. The school operation shall be based on spirit of volunteer contribution.
3. All funding shall be categorized and prioritized in the budget. The funding shall be appropriated primarily to those with highest priority such as Chinese language class. Expenses associated with cultural class shall be in principle, covered by the class participants.
4. No deficit is allowed in annual budget under normal circumstances.
5. About 20% of annual income (in-flow) shall be set aside and invested in secure instruments (CD or Bonds, or T-Bill) as school endowment.
6. Fund and fund surplus within each category cannot be diverted into a different category without approval from the Board.
7. No school fund shall be used for any private purpose.
8. All tuition fees must be collected by the school and pooled into the budget. No private class fee is to be collected by any individual.

4. Budget Proposal

1. The budget year is defined as in the Article 9.1 of the bylaws.
2. The budget shall include:
 - Executive summary including annual income, projection of expenses and percentage of funding to each category.
 - Detailed amount of income from each source (total reserve from last year, tuition, donation, fundraising and any other incomes), total current balance, total amount of outstanding liabilities as well as total outstanding account receivables.
 - Categorize and prioritize the funding and detailed allocation of funds to each category. Funding falls into two categories: Class A funding is essential to maintain the basic operation of the school for its primary purposes. Class B funding is considered secondary and optional and shall be subject to availability of funds.
 - Authorization of spending for each category.
 - Reserve fund for the current fiscal year.
 - Reference to last year's expenses in each categories.
 - Planned fund raising and targets.
 - Explanation and justification.

5. Budget Approval

- The budget approval procedure is defined in Article 9 of the bylaws,

6. Spending Authorization

- The school administration is responsible for executing the annual school budget within the limit of its authority. The Principal has the overall responsibility and authority to execute budget and to approve any expense ensuring the spending is within the budget.
- Withdraw of contingency fund must be authorized by the Board of Directors.
- The use of the reserve fund shall be approved by the General Membership on recommendation by the Board.
- Total spending at the end of the first semester shall not exceed 50% of the total annual budget except for these one-time expenses.

7. Disbursement Procedure

1. Before spending, the requestor shall indicate the item, fund category #, cost estimate and justification (purpose and explanation) to the principal or his/her designator for preliminary approval. The principal is responsible to checkout the balance with the controller for that category and approve or reject the request.
2. The requestor must then confirm with the controller who is responsible to check out the fund within that account category. If no fund is available in that account, the spending shall be frozen in that category and the controller has the authority to refuse the reimbursement.
3. The spender shall sign the all receipts, dated, together with specific description of item and purpose and submit it to the principal for official approval and get reimbursement check from controller.
4. Any unreasonable request for reimbursement without receipt shall be rejected and the spender is responsible for the consequences.
5. The requestor is responsible to follow all the proper procedure to get reimbursed.
6. Tuition Refund: the Principal and controller shall follow school refund policy.

8. Income Sources

- All Income shall be recorded and traceable in the year end expenditure report. They include:
 1. Class tuition
 2. General donation
 3. Advertisement income
 4. Fund raising

9. Reserve Fund

10% to 20% of the annual income from the income sources of 1 to 3 are recommended to set aside as reserve in the first 5 years of school operation.

10. Financial Auditing

1. At the end of each quarter, the treasurer shall submit an expenditure report and account balance statement to the Board together with brief description of each category.
2. At each end of semester, a formal auditing of account balance shall be conducted and result shall be presented to the General Membership. The Principal is responsible to present the actual expenditure report according to each category and account balance statement to the Board at the end of each semester. A final year-end expenditure/balance statement shall be audited by the Board, and the result shall be presented to the General Membership in the last week of the school year.
3. The Board has authority to audit accounting, quest school administration for explanation and override improper spending decision. If the Board is not satisfied with the results, it can ask or impose any proper measures as deemed necessary, this can even include budget freeze.

11. Donation and Fund Raising

- Any fund raised in the name of the school shall be used for the benefit of the school only.
- Any fund-raising activities using the school name shall be approved by the Board. The school administration shall indicate the purpose of the raised fund.
- The total fund raised through each fund-raising shall be recorded by the treasurer and included in the following monthly and annual accounting report.
- The funds received/raised for the general benefit shall be included in the general budget process.
- The funds raised for special purpose and events shall be used for these purpose and events.
- Any private use of the fund raised in the name of the school is prohibited.

12. Transitional Period Funding

Funding for transitional period before the budget is approved shall be proportioned according to the annual income estimate or reference the previous year actual spending. The Board shall approve the transitional period funding as per needed.

Adoption of Bylaws

We, the undersigned, are all of the initial trustees or incorporators, and we consent to, and hereby do, adopt the foregoing Bylaws, consisting of twelve preceding pages, as the Bylaws of this corporation

Board of Directors:

Ma, JianTao _____ Date:

Liu, Yejian _____ Date:

Dr. Xie, Chongjin _____ Date:

Dr. Su, Wei _____ Date:

Kao, Jianhua _____ Date: