

DEMONSTRATED REGULATIONS FOR LOCALLY RUN  
NON-ENTERPRISE UNITS (PARTNERSHIP)

<Directions>

1. The demonstrated regulations are formulated according to “Tentative Regulations for Registration of Locally Run Non-Enterprise Units,” issued by the State Council on October 25, 1998.
2. The demonstrated regulations are aimed at providing locally run non-enterprise units (partner) with models of regulation formulation.
3. Regulations formulated by locally run non-enterprise units (partner) should include all articles listed in the demonstrated regulations, but appropriate supplement may be permitted according to actual circumstances.
4. Statements within [ ] are requirements of formulation.

Chapter One General Principles

**Article One** The title of the present unit is \_\_\_\_\_.

[The title should be in accordance with “Tentative Regulations for Registration and Management of Locally Run Non-Enterprise Units” and “Tentative Regulations for Title Management of Locally Run Non-Enterprise Units” formulated by the Ministry of Civil Affairs]

**Article Two** The nature of the present unit is \_\_\_\_\_.

[It must be clarified that the unit is an organization that utilizes non-state-owned funds, be established voluntarily, and perform non-profit activities of social services]

**Article Three** The objective of the present unit is \_\_\_\_\_.

[It must be clarified that the organization abides by the Constitution, laws, regulations state policies, and comply with social ethics and customs, with specific aims of its establishment]

**Article Four** The administrative agency for registration of the present unit is \_\_\_\_\_; the organization responsible for professional activities of the present unit is \_\_\_\_\_.

**Article Five** The address of the present unit is \_\_\_\_\_.

[For example: ×× Province (Autonomous Region, Municipality directly under the Central Government) ×× City (District, County)]

**Article Six** Items within the present demonstration that are not consistent with relevant laws, regulations and policies, should be reformulated in line of the standard.

## Chapter Two Starting Funds and Scope of Professional Activities

**Article Seven** The partner of the present unit is \_\_\_\_\_.

**Article Eight** Starting funds of the present unit: \_\_\_\_\_yuan; contributor(s) of funds: \_\_\_\_\_, amount of funds: \_\_\_\_\_.

[Contribution of starting funds should follow regulations of the relevant laws; the amount of funds provided by each partner should be specified]

**Article Nine** The scope of professional activities of the present unit:

1) \_\_\_\_\_;

2) \_\_\_\_\_;

3) \_\_\_\_\_.

.....

[It must be clarified that these activities be in accordance with the scope confirmed by the responsible agency]

**Chapter Three** Rights, Duties of Partners and Internal Management of the Unit

**Article Ten** Partners have the following rights:

- 1) Participation in partners' meetings and executing the right to vote;
- 2) Election and participation in election for the responsible person of the present unit;
- 3) Submission of programs for revision of relevant regulations and rules;
- 4) Supervision of financial status at the present unit and the execution of partners' meeting;
- 5) Withdrawal from partnership;
- 6) Examination of minutes of partners' meetings and reports of finance and accounting at the present unit;
- 7) Comprehension of management and financial statuses at the unit;

.....  
**Article Eleven** Partners take the following responsibilities:

- 1) Implementation of resolutions from partners' meetings;
- 2) Observation of regulations and rules at the present unit;
- 3) Related responsibilities of debt at the present unit;

.....  
**Article Twelve** The decision-making agency of the present unit is the partners' meeting, composed by the entire partners. The partners' meeting executes the decision-making power of the following items:

- 1) Formation and revision of regulations;
- 2) Plans of professional activities;
- 3) Schemes of annual financial budget and final accounts;
- 4) Programs for increment of starting funds;
- 5) Division, amalgamation and termination of the present unit;
- 6) Appointment or dismissal of the unit's leading person (such as school president or institutional director), the deputy leader appointed or dismissed by him or her (such as deputy dean, deputy director), and those responsible for financial affairs;
- 7) Establishment of internal institutions;
- 8) Formation of regulations and rules for internal administration;
- 9) Wages and rewards of employees;
- 10) Retribution of assets;
- 11) Alteration of title;
- 12) Entry into or withdrawal from partnership;
- .....

**Article Thirteen** One partner (or multiple partners) should be assigned to serve as the responsible person(s) of partnership by the partners' meeting or the entire partners.

**Article Fourteen** The partners' meeting cannot be held unless more than two thirds of partners attend. The partners' meeting adopts the system of one vote per partner. Meeting resolutions must be voted and passed by more than two thirds of the entire partners.

**Article Fifteen** The responsible partner(s) executes the following functions:

- 1) To convene and chair the partners' meeting;
- 2) To inspect and implementation of resolutions made at the partners' meeting;

- 3) To sign relevant documents, as representative(s) of the present unit;
- 4) Other authorities specified by relevant laws, rules and regulations of the unit.

**Article Sixteen** The responsible partner(s) should report to other partners on the professional activities and financial status according to the agreement. The entire partners take the responsibility for civil duties of the present unit.

#### Chapter Four Conditions and Procedures for Entry, Withdrawal and Cancellation

**Article Seventeen** Entry of new partners should be consented by the entire partnership, and the new partners should sign for the agreement of the regulations at the unit.

**Article Eighteen** New partners share the same rights and take the same responsibilities as veteran partners.

**Article Nineteen** Partners may withdraw without impairing the interest of the present unit, but the withdrawal should be notified to other partners thirty days in advance. Those who withdraw from the partnership should take the related responsibilities for debt of the unit that has occurred prior to the withdrawal; the starting funds invested by this person are non-refundable at the withdrawal.

**Article Twenty** A partner can be removed by other partners if he or she

- 1) Does not exercise the duty of providing funds;
- 2) Causes heavy loss on purpose or accidentally for the unit;
- 3) Performs inappropriate conducts while executing functions of the present unit;

.....

The resolution of removing a partner must be notified to the person in written forms. The removal of the partner becomes effective from the date of notification.

## Chapter Five Capital Management, Principles of Capital Use and Rules of Labor Utilization

**Article Twenty-One** Sources of funds at the present unit:

- 1) Starting funds;
- 2) Financial aids from the government;
- 3) Earnings of services within the scope of professional activities;
- 4) Interests;
- 5) Donations;
- 6) Other legal earnings.

**Article Twenty-Two** Funds must be used for the professional activities, as stipulated by relevant regulations, and the development of the unit, and the distribution of dividends is prohibited.

**Article Twenty-Three** The unit should undergo accounting activities according to laws, implementing “Accounting Regulations for Locally Run Non-Enterprise Units,” and establish a sound supervisory system for internal accounting activities, thereby guaranteeing the accounting documents to be legal, valid, accurate and complete.

The unit should accept tax and accounting supervisions, as executed officially by the agency responsible for taxation and accounting.

**Article Twenty-Four** The unit should allocate professional accountants. An accountant cannot serve as a cashier simultaneously. When an accountant is transferred to another position or takes leave, he or she should go through all formalities for the hand-over with the successor(s).

**Article Twenty-Five** The unit should undergo financial audit before altering the responsible partner(s).

**Article Twenty-Six** The present unit voluntarily accepts annual inspection by the agency of registration management according to “Tentative Regulations of Registration Management for Locally Run Non-Enterprise Units.”

**Article Twenty-Seven** The present unit implements labor use and the social security system according to state laws, regulations, and the relevant rules stipulated by the department of labor security, the State Council.

#### Chapter Six Revision of Regulations

**Article Twenty-Eight** Revision of the present regulations must be reported to the responsible agency for examination and authorization within fifteen days after being passed by the entire partners, and such revision should then be reported to the managing institution of registration for verification within thirty days.

#### Chapter Seven Termination and Subsequent Capital Disposal

**Article Twenty-Nine** The present unit must terminate if one of the following circumstances occurs:

- 1) Completion of the objectives as indicated in the regulations;
- 2) Inability to continue activities according to the objectives of the regulations;
- 3) Occurrence of division or amalgamation;
- 4) Self-disbandment;
- 5) Insufficient number of partners;

.....

**Article Thirty** Termination of the present unit must be reported to the responsible agency for investigation and authorization within fifteen days after the resolution of the partners' meeting.

**Article Thirty-One** Before undergoing formalities for termination, the present unit must establish a clearing body, sorting out credit and debt, disposing surplus capital, and completing the work of clearing, under the guidance of the managing institution of registration, the responsible agency and the relevant organization.

The surplus capital should be disposed according to relevant laws and regulations. In the interim of clearing, the unit should not perform other activities.

The present unit should undergo formalities for cancellation of registration within fifteen days after the completion of clearing.

**Article Thirty-Two** The present unit officially terminates from the date of documented cancellation issued by the managing institution of registration.

#### Chapter Eight Supplementary Articles

**Article Thirty-Three** The present regulations were passed on day/month/year by the entire partners.

**Article Thirty-Four** The present regulations become effective from the date of authorization by the managing institution of registration.