

HAW RIVER CHRISTIAN ACADEMY

POLICY OF THE HAW RIVER CHRISTIAN ACADEMY BOARD

August 2007

Administrator
Board President

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Document Purpose:

This document defines the responsibility of the Haw River Christian Academy ("HRCA") Board ("Board"), and the delegation of responsibility from the Board to the Haw River Christian Academy Administrator ("Administrator"). No policy in this document may supersede any of the By-Laws of Haw River Christian Academy, Inc.

Ends

1.0 Mission

The mission of HRCA is to provide students with rigorous academic instruction designed to develop the skills for a lifetime of continued learning, in an orderly atmosphere structured to support the moral, social, physical and spiritual development occurring simultaneously in the Christian home. All instruction will be based upon a decidedly biblical world and life view and designed to equip all students spiritually, mentally, and physically for every good work to which the Lord calls them. (Eph. 2:10; Rom. 12:2).

Accordingly, in the programs and teaching at all levels, as well as through extracurricular activities and examples set by faculty and staff, HRCA strives to:

- 1.1 Teach all subjects in the curriculum as parts of an integrated whole with the Bible at the center (II Timothy 3:16-17).
- 1.2 Provide a clear model of biblical Christian life through the school staff and school Board (Matthew 22:37-40).
- 1.3 Encourage every student to begin and develop a personal relationship with God the Father through Jesus Christ (Matthew 28:18-20).
- 1.4 Emphasize grammar, logic, and rhetoric in all subjects, where those items are defined as follows:
 - 1.4.1 Grammar: Fundamental rules of each subject.
 - 1.4.2 Logic: The ordered relationship of particulars in each subject.
 - 1.4.3 Rhetoric: How the grammar and logic of each subject may be expressed clearly.
- 1.5 Encourage every student to develop a love for learning and to achieve maximum academic potential.
- 1.6 Foster an atmosphere whereby students learn to love their classmates, teachers, and others in the community.
- 1.7 Provide an orderly and secure atmosphere conducive to maintaining this mission.

In summary, we seek to provide the children of Christian families, in the Pittsboro, NC area, with the skills for a lifetime of learning, and equip them spiritually, mentally, and physically for every good work to which the Lord calls them utilizing well-trained Godly faculty in an environment conducive to learning.

Governance Process

- 2.0 The purpose of the Board is to ensure that Haw River Christian Academy (1) achieves appropriate results for appropriate persons at an appropriate cost, and (2) avoids unacceptable actions and situations.

Governance Commitments

- 2.1 The Board shall govern with an emphasis on (a) biblically-based integrity and truthfulness in all methods and practices; (b) outward vision rather than internal preoccupation, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Administrator roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity. Accordingly:

Governing Style & Values

- 2.1.1 We believe that deriving practical applications from and modeling God's Word are essential to completing our mission consistent with biblical truth. Accordingly:
- 2.1.1.1 That a Christian, faith-based education is essential to the achievement of our mission.
 - 2.1.1.2 That Christian schools exist to support parents and the church in fulfilling the parents' biblical responsibility to educate children.
 - 2.1.1.3 That teaching God's Word, and teaching how to apply God's Word, is essential to education.
 - 2.1.1.3.1 All truth is God's truth.
 - 2.1.1.3.2 It is important to have knowledge of and appreciation for the attributes of God.
 - 2.1.1.3.3 The work of the Holy Spirit is significant.
 - 2.1.1.3.4 Prayer is essential.
 - 2.1.1.3.5 Every individual is of value; all are uniquely created in the image of God.
 - 2.1.1.3.6 That a personal relationship with Christ is essential.
 - 2.1.1.4 That every aspect of the curriculum should be permeated with God's Word, including teaching on...
 - 2.1.1.4.1 The natural world.
 - 2.1.1.4.2 Human history and God's activity in it.
 - 2.1.1.4.3 Humanity, its cultures, and how we are to live in the world.
 - 2.1.1.5 That a biblically consistent education must be modeled as well as taught. Therefore, all faculty and staff...
 - 2.1.1.5.1 Embody excellence.
 - 2.1.1.5.2 Demonstrate a servant's heart.
 - 2.1.1.5.3 Serve in harmony.
 - 2.1.1.5.4 Engage only in activities consistent with biblical truth.
 - 2.1.1.5.5 Model submission to authority.

Board Job Description

- 2.2 The Board is responsible for determining and demanding appropriate organizational performance. Accordingly:
- 2.2.1 The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision:
 - 2.2.1.1 ENDS: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
 - 2.2.1.2 EXECUTIVE LIMITATIONS: Constraints on executive authority, which establish the boundaries within which all executive activity and decisions must take place.
 - 2.2.1.3 GOVERNANCE PROCESS: Specification of how the Board conceives, carries out, and monitors its own task.

- 2.2.1.4 BOARD/STAFF LINKAGE: How power is delegated and its proper use monitored; the Administrator role, authority, and accountability.
- 2.2.1.5 DOCUMENT REVISIONS: Revisions to these written governing policies must be approved by the Board. Notice of revisions must be communicated to the Board and the Administration, with receipt acknowledgement required.
- 2.2.2 The Board will produce assurance of Administrator performance (against policies in 2.2.1.1 and 2.2.1.2).
- 2.2.3 The Board will be involved in the raising of funds, as it may from time to time deem necessary.

Agenda Planning

- 2.3 To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (1) completes a re-exploration of Ends policies annually and (2) continually improves Board performance through Board education and enriched input and deliberation. Accordingly:
 - 2.3.1 The cycle will conclude each year on the last day of April so that Board planning can be based on accomplishing a one year segment of the most recent statement of long term Ends, resulting in a report to the Corporation members in May.
 - 2.3.2 The cycle will start with the Board's development of its agenda for the next year.
 - 2.3.2.1 Methods of gaining ownership input, as well as governance education, and education related to Ends determination, (e.g. presentations by futurists, advocacy groups, demographers, staff, etc.) will be arranged during the spring, to be held during the balance of the Board's planning cycle.
 - 2.3.2.2 The President is encouraged, at the commencement of the Board's annual planning cycle, to prepare a tentative agenda for the following year's meetings. The President will determine the agenda for any particular meeting, although members are encouraged to recommend any appropriate matters for Board consideration. Any Board member desiring to recommend any matter for Board discussion must advise the President of such matter at least ten (10) days prior to the scheduled Board meeting. By an affirmative vote of a majority of the members of the Board, or of those present at a meeting, additional matters may be added to the agenda of any Board meeting.
 - 2.3.2.3 The President shall not fail to annually address the corporate body in January for the purpose of keeping the corporate body informed of accomplishments in the current one year segment and communicate the Board's long-term vision. This address may include, but is not restricted to, the introduction of new officers, recap of accomplishments, summarization of parent interviews and Board responses, reminders about board nomination criteria, promoting the Association of Classical Christian Schools (ACCS) conference, and information to address rumors and/or turmoil.
 - 2.3.3 Throughout the year, the Board will attend to consent agenda items as expeditiously as possible.
 - 2.3.4 The Board will meet monthly, generally the 2nd Tuesday, at regularly designated place(s), and at pre-announced times. Such meetings shall be open to any member of the Corporation and shall be conducted from

- a published, printed agenda. Additional meetings will be scheduled as required. All meetings shall be conducted according to Robert's Rules of Order, and the minutes of each meeting shall be recorded and maintained in a permanent binder in the Corporation offices, available to Corporation members. In addition, the school Board may adjourn to a closed, executive session as the need arises to address spiritual, personnel, disciplinary, or sensitive issues.
- 2.3.5 School Administrator monitoring will be included on the agenda if monitoring reports show policy violations, or if policy criteria are to be debated.
 - 2.3.6 School Administrator remuneration will be decided in January, after a review of monitoring reports received in the last calendar year from the Administrator.

President's Role

- 2.4 The President primarily assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties. Accordingly:
 - 2.4.1 To be eligible for nomination to the position of Board President, the nominee must have previously served a minimum of one year as a member of the Board.
 - 2.4.2 The job result of the president is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - 2.4.2.1 Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the Administrator.
 - 2.4.2.2 Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
 - 2.4.3 The authority of the President consists in making decisions that fall within topics covered by Board policies on Governance Process and Board/Staff Linkage, except where the Board specifically delegates portions of this authority to others. The president is authorized to use any reasonable interpretation of the provisions in these policies.
 - 2.4.3.1 The President is empowered to preside over Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
 - 2.4.3.2 The President has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the President has no authority to supervise or direct the Administrator.
 - 2.4.3.3 The President may represent the Board to outside parties in announcing Board-stated positions and in stating president decisions and interpretations within the area delegated to him.
 - 2.4.3.4 The President will represent the Board in matters that relate to the Administrator.
 - 2.4.3.5 The President may delegate this authority to other Board members but remains accountable for its use.
 - 2.4.4 The President may appoint members and a chairman for each Board committee, unless otherwise stipulated by Board policies or the organization's by-laws.

Board Members' Code of Conduct

- 2.5 The Board commits itself and its members to biblical, ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. Accordingly:
 - 2.5.1 Members must represent loyalty without conflict to the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
 - 2.5.2 Members must avoid conflict of interest with respect to their fiduciary responsibility.
 - 2.5.2.1 There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - 2.5.2.2 When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote but also from the deliberation.
 - 2.5.2.3 Board members must not use their positions to obtain employment for themselves, family members or close associates.
 - 2.5.2.4 Should a Board member desire employment within the organization, they must first resign from the Board.
 - 2.5.3 Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - 2.5.3.1 Board members' interaction with the Administrator or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized.
 - 2.5.3.2 Board members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - 2.5.3.3 Board members will give no consequence or voice to individual judgments of Administrator or staff performance.
 - 2.5.4 Board members will respect the confidentiality appropriate to issues of a sensitive nature.
 - 2.5.5 Board members must meet the qualifications as stated in the By-Laws of Haw River Christian Academy, Inc., Article VI, Section 1, Appointment and Qualification for Board Membership.
 - 2.5.6 Board members must give unconditional acceptance to the HRCA Statement of Faith.

Board Member Individual Responsibilities

- 2.6 The Board commits itself to the individual and collective participation of its members to insure leadership success. Therefore, each Board member is required to participate in the following ways:
 - 2.6.1 Attendance - As Board contemplation, deliberation and decision-making are processes that require wholeness, collaboration and participation; attendance at Board meetings is required of Board members. Members may not be absent from more than 4 (four) of the Board's regularly scheduled meetings in any fiscal year. Any absence, which exceeds this

- allotment, will be interpreted as that member's resignation from the Board.
- 2.6.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.
 - 2.6.3 Members as Individuals - the Administrator is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the Administrator and individual members of the Board, including the Board president, is collegial, not hierarchical.
 - 2.6.4 Volunteerism - As the functioning and success of the organization depend largely on the involvement and dedication of volunteers, all Board members are expected to contribute a minimum of thirty (30) hours (inclusive of Board meeting time) annually to the school. In view of the Administrator's responsibility for operational activities and results, members of the Board acting as operational volunteers are subject to the direct supervision of the Administrator or responsible staff person.
 - 2.6.5 Contributions - Each Board member is expected to contribute generously within their individual means to make an annual financial contribution to Haw River Christian Academy. The demonstration of support, rather than the amount of the contribution, is of principal importance; members are expected to contribute only within their individual means.
 - 2.6.6 Board members will have their school-age children in Haw River Christian Academy. The Board may approve exceptions to this policy under special situations.
 - 2.6.7 Members will commit to regularly pray for the school.

Board Committee Principles

- 2.7 Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from Board to Administrator. Accordingly:
 - 2.7.1 Board committees are to help the Board do its job, never to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations.
 - 2.7.2 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Administrator.
 - 2.7.3 Board committees cannot exercise authority over staff. Because the Administrator works for the full Board, he will not be expected to obtain approval of a Board committee before an executive action.
 - 2.7.4 Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on that same subject.
 - 2.7.5 Committees will be used sparingly and ordinarily in an ad hoc capacity.
 - 2.7.6 This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless whether the group includes Board members. It does not apply to committees formed under the authority of the Administrator.

Board Committee Structure

- 2.8 A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. All Board committees will be set forth in accordance with this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.
 - 2.8.1 Nominating Committee
 - 2.8.1.1 Product: Properly screened potential Board members by August.
 - 2.8.1.2 Orientation of new Board members.
 - 2.8.1.3 Produce a bi-annual training session for the HRCA Board.
 - 2.8.1.4 The Board shall appoint Nominating Committee members by October to serve the next calendar year. The committee shall consist of one Board member and two members at large.
 - 2.8.1.5 The Nominating Committee shall use the requirements and procedures as outlined in the "Prerequisites for service on Haw River Christian Academy Board of Directors" pamphlet (Attachment A).
 - 2.8.2 Corporate Membership Committee
 - 2.8.2.1 Product: HRCA members who are informed of the methods and purpose of the classical education model and who are actively involved in the advancement of HRCA pursuit of such a model in Pittsboro, NC.
 - 2.8.2.2 Development of an information program on the methods and purpose of the classical education model, how HRCA is pursuing such a model in Pittsboro, and how each member can help.
 - 2.8.2.3 Formation and maintenance of a leadership team made of one couple for every sixty members and assignment of members equally to each leadership team.
 - 2.8.2.4 Organization of small group informational meetings with intent of reaching all members of HRCA.
 - 2.8.3 Capital Development Committee
 - 2.8.3.1 Product: A mature capital structure that supports building and sustenance of a permanent campus, student scholarship programs, and student financial aid programs, without burden to HRCA annual operations budgets.
 - 2.8.3.2 Development of fund raising programs to support the raising of capital.
 - 2.8.3.3 Raising capital to support long term institutional needs of HRCA.
 - 2.8.4 Building Committee
 - 2.8.4.1 Product: A permanent classical education campus that facilitates all aspects of the HRCA mission.
 - 2.8.4.2 Oversight of campus location, design, planning and development. Responsible for allocation of capital funds designated for campus development and major maintenance (e.g. roofs, parking lots, etc.).

Cost of Governance

- 2.9 The Board Nominees will be properly screened and nominated by the Nominating Committee to fill vacancies on the Board.
 - 2.9.1 Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - 2.9.1.1 Training and retraining will be used liberally to orient new members and candidates for Board membership, as well as to

- maintain and increase existing member skills and understandings.
- 2.9.1.2 Monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
- 2.9.1.3 The Board will use appropriate mechanisms periodically to ensure they are aware of corporate member views and satisfaction
- 2.9.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - 2.9.2.1 Up \$6,000 per year will be allocated for training, including attendance of conferences and workshops, retreats and monthly meetings.
 - 2.9.2.2 Up to \$1000 per year will be allocated for surveys, focus groups and opinion analyses.
 - 2.9.2.3 Up to \$5,000 per year will be allocated for board discretionary items to include but not limited to awards, bonuses, and raises for the Administrator.
- 2.10 The Board will invest in its governance capacity.

Board/Staff Linkage

Governance – Management Connection

- 3.0 The Board's sole connection to the operational organization, its achievements and conduct will be through a titled Administrator.

Unity of Control and Communication

- 3.1 Only decisions of the Board acting as a body, by majority vote, are binding on the Administrator. Accordingly:
 - 3.1.1 Decisions or instructions of individual Board members, officers, or committees are not binding on the Administrator except in rare instances when the Board has specifically authorized such exercise of authority.
 - 3.1.2 In the case of Board members or committees requesting information or assistance without Board authorization, the Administrator can refuse such requests that require, in the Administrator's opinion, a material amount of staff time or funds or is disruptive.

Authority and Accountability of the School Administrator

- 3.2 The Administrator is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the Administrator. Accordingly:
 - 3.2.1 The Board will never give instructions to persons who report directly or indirectly to the Administrator.
 - 3.2.2 The Board will refrain from evaluating, either formally or informally, any staff other than the Administrator.
 - 3.2.3 The Board will view Administrator performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends within.

- 3.2.4 Board-proscribed Executive Limitations will be viewed as successful Administrator performance.

Delegation to the School Administrator

- 3.3 The Board will instruct the Administrator through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the Administrator to use any reasonable interpretation of these policies. Accordingly:
 - 3.3.1 The Board will develop policies instructing the Administrator to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
 - 3.3.2 The Board will develop policies, which limit the latitude the Administrator may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
 - 3.3.3 As long as the Administrator uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the Administrator is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
 - 3.3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and Administrator domains. By doing so, the Board changes the latitude of choice given to the Administrator. However, as long as any particular delegation is in place, the Board will respect and support the Administrator's choices.
 - 3.3.5 Should the Administrator violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the Administrator from subsequent Board judgment of the action nor does it curtail any executive decision.

Monitoring School Administrator Performance

- 3.4 Systematic and rigorous monitoring of Administrator job performance will be solely against the expected Administrator job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries established in Board policies on Executive Limitations. Accordingly:
 - 3.4.1 Monitoring is simply to determine the degree to which Board policies are being met. Data that do not do this will not be considered to be monitoring data.
 - 3.4.2 The Board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the Administrator discloses compliance information to the Board, (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies, and (c) by direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
 - 3.4.3 In every case, the standard for compliance to the policy being monitored shall be any reasonable interpretation by the Administrator.
 - 3.4.4 All policies, which instruct the Administrator, will be monitored at a frequency and by a method chosen by the Board. The Board can monitor

any policy at any time by any method, but will ordinarily depend on a routine schedule.

Policy Method Frequency Schedule

1.0 Ends

Internal/

Board

Quarterly

Oct., Dec.,

Mar., May

4.1 Treatment of Consumers Internal Quarterly

Oct., Dec.,

Mar., May

4.2 Treatment of Staff Internal Quarterly

Oct., Dec.,

Mar., May

4.3 Financial Planning/Budgeting Internal Semi-Annually Feb., May

4.4 Financial Condition & Activities

Financial Reports (including Accounts Receivable) Internal Monthly

Financial Audit External Annually November

4.5 Asset Protection Internal Annually March

4.6 Emergency School Administrator Succession Internal Annually March

4.7 Compensation and Benefits Internal Annually September

4.8 Communication and Support of the Board Internal Annually March

4.9 Programs/Services Internal Annually October

Executive Limitations

General Executive Constraint

- 4.0 The Administrator shall not cause nor allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

Treatment of Consumers

- 4.1 With respect to interactions with consumers or potential consumers, the Administrator shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, unnecessarily intrusive, unbiblical, or that fail to provide appropriate confidentiality or privacy. Accordingly, the Administrator shall not:
- 4.1.1 Use application forms that elicit information for which there is no clear necessity.
 - 4.1.2 Use methods of collecting, reviewing, transmitting, or storing consumer information that fails to protect against improper access to the material elicited.
 - 4.1.3 Maintain facilities that fail to provide a reasonable level of privacy, both visual and aural.
 - 4.1.4 Operate without clear written policies on matters of general interest to students and parents in order to establish with them a clear understanding of what may be expected and what may not be expected from the service offered.

- 4.1.5 Fail to inform consumers of this written policy or to provide a grievance process to those who believe they have not been accorded a reasonable interpretation of their rights under this policy.
- 4.1.6 Enroll students who individually and in their home environments are not supportive of the school's biblical orientation. Parent(s)/guardian(s) must be united in their desire to have their child taught from a Christian perspective reflective of the Statement of Faith. At least one parent/guardian must have a clear testimony of personal faith in Jesus Christ as Savior.
- 4.1.7 Operate without a school uniform policy.
- 4.1.8 Allow school wide information to be communicated orally or in written form by individual staff or teachers rather than school wide communiqué.
- 4.1.9 Allow a particular view of secondary doctrine to be taught as absolute truth. Secondary doctrine is doctrine which is not explicitly listed in the HRCA Statement of Faith. This does not preclude the discussion or debate of secondary doctrine in the classroom.

Hiring and Treatment of Staff

- 4.2 With respect to the hiring and treatment of paid staff and/or volunteers, the Administrator may not cause or allow conditions which are unfair, unsafe, unbiblical, undignified, or unlawful. Accordingly, pertaining to paid staff, the Administrator shall not:
 - 4.2.1 Discriminate on the basis of race, national origin, age, handicap, gender, or military status.
 - 4.2.2 Operate without written personnel policies, which clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions.
 - 4.2.3 Discriminate against any staff member for expressing an ethical dissent.
 - 4.2.4 Prevent staff from grieving to the Board when (1) internal grievance procedures have been exhausted or (2) the employee alleges that Board policy has been violated to his/her detriment.
 - 4.2.5 Fail to acquaint staff with this policy.
 - 4.2.6 Fail to receive approval from the Board to hire or renew a contract for a Board member's spouse. If there is even one dissenting vote from the Board, the Administrator shall not hire or renew the contract of the Board member's spouse.
 - 4.2.7 Fail to employ teachers that meet the approved qualifications. Accordingly, all teachers and administrative personnel must:
 - 4.2.7.1 Profess a personal faith in Jesus Christ as Savior and Lord and maintain a positive Christian testimony.
 - 4.2.7.2 Be an active participant in a church of Christian faith. There can be no deviation in the belief system of the applicant from the HRCA Statement of Faith.

Financial Planning/Budgeting

- 4.3 Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan. Accordingly, the Administrator shall not allow budgeting which:

- 4.3.1 Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- 4.3.2 Increases tuition and fees more than 3 percent in any one fiscal year.
- 4.3.3 Plans the expenditure in any fiscal year of more funds for operations than are conservatively projected to be received from tuition related income in that period.
- 4.3.4 Allows cash to drop below a safety reserve of \$5,000.
- 4.3.5 Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy 2.9 (in Governance Process).
- 4.3.6 Fails to reserve 2% of the Annual budget for long term reserves.

Financial Conditions and Activities

- 4.4 With respect to the actual, ongoing financial condition and activities, the Administrator shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies. Accordingly, the Administrator shall not:
 - 4.4.1 Expend more funds than have been received in the fiscal year to date.
 - 4.4.2 Use any long-term reserves without specific approval from the Board.
 - 4.4.3 Accept money for a specified purpose that deviates materially from the Board's Ends priorities.
 - 4.4.4 Spend or permit spending of designated funds other than for specified purposes.
 - 4.4.5 Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenue within thirty days.
 - 4.4.6 Fail to settle payroll and debts in a timely manner.
 - 4.4.7 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
 - 4.4.8 Acquire, encumber or dispose of real property.
 - 4.4.9 Fail to aggressively pursue material receivables after a reasonable grace period.
 - 4.4.10 Accept any funds that have conditions that contradict the By-Laws of Haw River Christian Academy, Inc.

Asset Protection

- 4.5 The Administrator shall not allow the assets to be unprotected, inadequately maintained or unnecessarily risked. Accordingly, the Administrator shall not:
 - 4.5.1 Fail to insure against theft and casualty losses to at least 80% of replacement value and against liability losses to Board members, staff and the organization itself in an amount equal to the average for comparable organizations.
 - 4.5.2 Allow un-bonded personnel access to material amounts of funds.
 - 4.5.3 Subject facilities, property, or equipment to improper wear and tear or insufficient maintenance.
 - 4.5.4 Negligently expose the organization, its Board or staff to claims of liability.
 - 4.5.5 Obligate any funds:
 - 4.5.5.1 Wherein normally prudent protection has not been given against conflict of interest;
 - 4.5.5.2 Without obtaining comparable bids for purchases over \$1,500; Exceptions that demonstrates effective price shopping or sole sourcing due to insufficient selection must be documented.

- 4.5.5.3 Of over \$10,000 on any given project, without a stringent method of assuring the balance of long-term quality and cost.
- 4.5.5.4 For any consulting services without an executed contract that states milestones, consulting deliverables, and criteria for acceptance of those deliverables.
- 4.5.6 Fail to protect intellectual property, information and files from loss or significant damage or from unauthorized use.
- 4.5.7 Receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
- 4.5.8 Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.
- 4.5.9 Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

Emergency Administrator Succession

- 4.6 In order to protect the Board from sudden loss of Administrator services, the Administrator shall not fail to designate and inform the Board of several individuals who will be familiar with Board and school administrative issues and processes.

Compensation and Benefits

- 4.7 With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the Administrator shall not cause or allow jeopardy to fiscal integrity or Christian testimony. Accordingly, the Administrator shall not:
 - 4.7.1 Change his or her own compensation and benefits.
 - 4.7.2 Promise or imply permanent or guaranteed employment.
 - 4.7.3 Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in operating margins.
 - 4.7.4 Establish or change compensation or benefits so as to cause unpredictable or inequitable situations, including those that:
 - 4.7.4.1 Incur unfunded liabilities.
 - 4.7.4.2 Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited.
 - 4.7.4.3 Allow any employee to lose benefits already accrued from any foregoing plan.
 - 4.7.5 Fail to use a formula-based compensation plan for faculty.
 - 4.7.6 Budget more than three percent of salary for bonuses.

Communicate and Support to the Board

- 4.8 The Administrator shall not permit the Board to be uninformed or unsupported in its work. Accordingly, the Administrator shall not:
 - 4.8.1 Fail to submit monitoring data required by the Board (see policy on Monitoring Administrator Performance in Board/Staff Linkage) in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
 - 4.8.2 Allow the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly

changes in the assumptions upon which any Board policy has been previously established.

- 4.8.3 Fail to advise the Board if, in the Administrator's opinion, the Board is not in compliance with its own policies on Governance Process and Board/Staff Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the Administrator.
- 4.8.4 Fail to marshal for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.
- 4.8.5 Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.
- 4.8.6 Fail to provide a mechanism for official Board, officer or committee communications.
- 4.8.7 Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- 4.8.8 Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
- 4.8.9 Fail to supply for the consent agenda all items delegated to the Administrator yet required by law or contract to be Board-approved, along with the monitoring assurance pertaining thereto.

Programs/Services

- 4.9 With respect to the programs produced / services provided by the organization, the Administrator shall not fail to ensure that these programs / services meet or exceed industry standards for excellence in program quality and safety, and adhere to the Logos School and Cary Christian School Models. Accordingly, the Administrator shall not:
 - 4.9.1 Fail to aggressively maintain ACCS accreditation.
 - 4.9.2 Fail to promote/develop an ACCS certification program for the teaching staff.
 - 4.9.3 Fail to fully implement and adhere to the Logos School and Cary Christian School model of education in regards to curriculum and style of teaching.

School Board's Year-round Agenda

June

- PRAE 2.1.6

July

- Prep for Fall/Autumn. Corp. meeting
- Social meeting with spouses.
- Fourth Quarter Financial Report: ((MR) - Monitoring Report) 3.4.4
- PRAE – (Process Review At End (Time for the Board to evaluate how it did following Policy Governance®)(2.1.6))

August

- Finalize Agenda for Fall/Autumn. Corporate meeting
- Review/accept candidates for Board election
- PRAE 2.1.6

September

- Solicit Nominating Committee volunteers
- Treatment of Staff (MR) 4.2 (3.4.4)
- Compensation and Benefits (MR) 4.7 (3.4.4)

- PRAE 2.1.6

October

- Appoint New Nominating Committee Members 2.8.1.4
- First Quarter Financial Report (MR) 3.4.4
- Ownership Input and Education 2.3.2.1
- Treatment of Consumers (MR) 4.1 (3.4.4)
- Financial Conditions and Activities (MR) 4.4 (3.4.4)
- Programs/Services (MR) 4.9 (3.4.4)
- Financial Audit Summary (MR) 3.4.4
- PRAE 2.1.6

November

- Ends (MR) 1.0 (3.4.4)
- Set Spring and Fall Corp. Meeting Dates
- PRAE 2.1.6

December

- Prepare for Spring Corp. meeting. Consider By-Laws Changes
- PRAE 2.1.6

January

- Second Quarter Financial Report (MR) 3.4.4
- Board review of Administrator remuneration 2.3.6
- Financial Planning/Budgeting (MR) 4.3 (3.4.4)
- PRAE 2.1.6

February

- Finalize Agenda for Spring Corporate meeting
- PRAE 2.1.6

March

- Asset Protection (MR) 4.5 (3.4.4)
- Emergency School Administrator Succession (MR) 4.6 (3.4.4)
- Communication and Support of the Board (MR) 4.8 (3.4.4)
- PRAE 2.1.6

April

- Third Quarter Financial Report (MR) 3.4.4
- Ownership input and education 2.3.2.1
- PRAE 2.1.6

May

- The Board's annual performance review of itself 2.1.6
- PRAE 2.1.6

Attachment A: Prerequisites for service on Haw River Christian Academy Board of Directors

Overview & Intent:

Active parental involvement is a core value of Haw River Christian Academy (HRCA) as well as a critical success factor for the growth and development of both the school and of each HRCA student. Because of this, HRCA encourages intimate and active involvement of parents in the school. There are many ways for parents to serve. By the same token, certain volunteer positions within the school require specific knowledge, skills, spiritual maturity, and personal experience to ensure the appropriate leadership and smooth operation of the school.

The personal experience referenced above can pertain to the experience needed from “within” the school, as a tenured, active, and knowledgeable HRCA Corporate member who is familiar with the school’s mission, policies, personnel, etc. It can also relate to experience needed for effective service that typically comes from outside of the school in terms of a volunteer’s professional experience (i.e. specific technical or managerial experience).

The most critical volunteer position within HRCA is serving as a member of the Board of Directors. Due to the critical nature of this position, Haw River Christian Academy believes that it is **essential** that each member of the Board of Directors and each candidate for membership on the Board have a strong knowledge of the school and a strong understanding of the Biblical and academic principles and values that the school is striving to instill and to achieve. Based on this and our belief that HRCA Board Members be held to the standards and requirements of Overseers as specified in 1 Timothy 3, the following is a list of the prerequisites to service and membership on Haw River Christian Academy’s 2007 Board of Directors:

All corporate members desiring to be a Board Member candidate must meet the “Prerequisites for Candidacy”, and must agree to fulfill the “Requirements for Installation”, prior to being installed.

Prerequisites for Candidacy *:

Each person desiring to be a Board Member candidate **must**:

1. be a Male HRCA Corporation member.
2. be familiar with and committed to the educational philosophy outlined in Article III of the By-Laws of HRCA, Inc.
3. understand the responsibilities of, and the standards to which a Board Member is held (PGM 2.5 & 2.6).
4. meet the requirements of the HRCA Policy Governance Manual Section 2.6.6.

5. meet the requirements of the By-Laws of HRCA (Article VI, section 1, paragraph 3).
6. have read, and be able to articulate the key concepts and principles of:
 - “Recovering The Lost Tools of Learning,” by Douglas Wilson, Crossway Books.
 - “Excused Absence,” by Douglas Wilson, Canon Press.

Requirements for Installation:

Read the following materials:

- “Repairing the Ruins”, by Douglas Wilson; Canon Press
- “Serving God on the Christian School Board”, by Roy Lowrie, Jr.; Association of Christian Schools International (ACSI).
- “Peacemaker”, by Ken Sande; Baker Book House Co
- The current revision of the HRCA By-Laws.
- The current revision of the HRCA Policy Governance Manual.
- The HRCA Mission Statement and Parent’s Guide.

Additional considerations for candidates for HRCA Board of Directors would include:

1. Frequency and regularity with which the candidate has attended prior Board Meetings (as a Corporation member).
2. Current or recent non-HRCA service or ministry, including but not limited to church, parachurch, or community service.
3. Professional background versus current skills needed by HRCA or by the Board of Directors (i.e.: accounting, finance, general management, etc.).
4. Family viewed as generally being of good behavior and good character.
5. Have regular access to a computer and regular access to email/the internet.
6. Be reasonably computer literate particularly in terms of dealing with email and emailed attachments (in MS Word, Excel, and PowerPoint).

* Prerequisites must be met prior to completing the interview with the HRCA Board of Directors Nomination Committee.