

**WILLOUGHBY-EASTLAKE SCHOOL OF INNOVATION PTO  
BYLAWS**

Adopted: 07/08/2015

Amended: 09/28/2015

**Proposed Changes 09/11/2018**

**MISSION:**

The mission of the **Willoughby-Eastlake School of Innovation PTO** is to support the educational and personal growth of all of our students so they will be prepared to assume leadership in their community and be problem-solvers for the future. To do this, the **W-E SOI PTO** will collaborate with parents, teachers, staff, students, and community partners to support fundraising and events to enhance the education of and opportunities for School of Innovation students.

**CORE VALUES:**

The W-E SOI PTO will strive to implement the “7 Design Principles” of the Willoughby- Eastlake School of Innovation in all its endeavors.

**“ 7 Design Principles”:**

**Design Principle #1:** Value every member of the School of Innovation learning community equally to promote a culture of caring and support;

**Design Principle #2:** Value and use the design process including the need to design- test-redesign, to create, foster and develop all students to be able innovators who have a high level of knowledge and skills and are capable of solving real world as well as community problems;

**Design Principle #3:** Create a culture that values innovation, creativity, inventive and analytical thinking;

**Design Principle #4:** Foster the development of socially responsible leaders who care and are able to focus globally as well as locally;

**Design Principle #5:** Value and promote full collaboration, self-motivation, self-direction, informed risk-taking and lifelong learning for all innovators;

**Design Principle #6:** Engage partnerships to advance school capacities and broaden student, teacher and administrative opportunities and resources;

**Design Principle #7:** Promote systems and procedures that ensure all of Willoughby- Eastlake schools benefit from the School of Innovation.

## **ARTICLE I: NAME, DESCRIPTION, & PURPOSE**

Section 1: **NAME** -- The name of the organization shall be Willoughby-Eastlake School of Innovation PTO (W-E SOI PTO). The W-E SOI PTO is located at Willoughby-Eastlake School of Innovation (32500 Chardon Road in Willoughby Hills, Ohio).

Section 2: **DESCRIPTION** -- The W-E SOI PTO is a nonprofit organization that exists for charitable, educational, and scientific purposes, including the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code.

Section 3: **PURPOSE** -- The purpose of the W-E SOI PTO is to fulfill the mission of, and to enhance and support the educational experience at Willoughby-Eastlake School of Innovation (W-E SOI) at all grade levels, to develop a closer connection between school and home by encouraging parent involvement, and to improve the environment at W-E SOI through volunteer and financial support.

## **ARTICLE II: MEMBERSHIP**

### **Section 1: VOTING and NON-VOTING MEMBERSHIP —**

i. **Voting Membership** in the Willoughby-Eastlake School of Innovation PTO (W-E SOI PTO) shall be granted automatically to all parents and guardians of Willoughby-Eastlake School of Innovation students. In addition, each grade shall elect or appoint one student to serve as a Student Body Representative. *(amended 9/28/2015)*

ii. **Non-Voting Membership** is extended to the W-E SOI Principal, all W-E SOI teachers and all staff employed at the school. *(amended 9/28/2015)*

Section 2: **DUES** -- if any, shall be established by the Executive Board. If dues are charged, a member must have paid his or her dues at least 14 calendar days before a meeting to be considered a member in good standing with voting rights. The W-E SOI Principal, Teachers, Staff, and Student Body Representatives are exempt from paying dues.

## ARTICLE III: OFFICERS

Section 1: **EXECUTIVE BOARD** -- The Executive Board shall consist of the following officers: President, Vice President of Elementary School, Vice President of Middle School, Vice President of High School, Secretary, Treasurer In addition, the W-E SOI Principal, or his/her designee, is a nonvoting member of the Executive Board.

Section 2: **TERM OF OFFICE** -- The term of office for all officers shall be two fiscal years. Officers are elected for two years terms and may serve no more than one term (2-year term-limit) in the same office. Positions will be elected as follows:

- i. President, Secretary, Treasurer – Even numbered years
- ii. Vice President of Elementary School, Vice President of Middle School, Vice President of High School – Odd numbered years.

Section 3: **QUALIFICATIONS** -- Any W-E SOI PTO member in good standing can become an officer of the W-E SOI PTO. In order to be eligible for office, a member must successfully complete the volunteer background check through the Willoughby-Eastlake Board of Education.

Section 4: **NOMINATIONS** -- The Nominating Committee shall select candidates for each office. **DELETE: presenting a slate at the March meeting.** The slate shall contain no more than two candidates for each office.

Section 5: **ELECTIONS** -- Elections shall be held **before the end of the fiscal year.** Voting shall be by voice vote if a candidate is unopposed. If more than one person is running for an office, a ballot vote shall be taken: **either online voting, a general membership meeting, or special meeting.**

Section 6: **DUTIES** --

a. **Executive Board:** To transact business between meetings in preparation for general meetings, create standing rules and policies, create standing and temporary committees, prepare and submit an annual budget to the membership, approve routine bills, and **approve by a majority vote of the Executive Board for non-budgeted expenditures of no more than \$1000,** establish fundraising programs, and prepare reports and recommendations to the membership.

The Executive Board shall adhere to the bylaws, periodically review them, and make recommendations for amendments when deemed necessary. It shall be the responsibility of all members of the Executive Board to understand compliance and reporting rules and procedures that apply to public charities exempt from federal income tax under section 501(c)(3). *(amended 9/28/2015)*

b. President: Preside at general meetings of the organization and Executive Board

meetings, (~~DELETE~~: serve as the primary contact for the W-E SOI Principal) represent the organization at meetings outside the organization, serve as an ex officio member of all committees except the Nominating Committee, prepare agendas, and coordinate the work of all the officers and committees so that the purpose of the organization is served.

**c. Vice President of Elementary school** - Assist the president and oversee, coordinate, and report to the Executive Board the work of all committees of the W-E SOI PTO regarding the elementary SOI grades, assist the President. Must be a parent or legal guardian of a student enrolled in the SOI elementary school level during the elected term to serve in this position: 3rd, 4th, and/or 5th grade.

**d. Vice President of Middle School** - Assist the president and oversee, coordinate, and report to the Executive Board the work of all committees of the W-E SOI PTO regarding the elementary SOI grades, assist the President. Must be a parent or legal guardian of a student enrolled in the SOI middle school level during the elected term to serve in this position: 6th, 7th, and/or 8th grade.

**e. Vice President of High School** - The term will begin August 1, 2019, at the start of 2019-2020 fiscal year. Duties include assisting the president and oversee, coordinate, and report to the Executive Board the work of all committees of the W-E SOI PTO regarding the High School grades, assist the Executive Director. Must be a parent or legal guardian of a student enrolled at SOI high school level during the elected term to serve in this position: 9th, 10th, 11th and/or 12th grade.

**d. Secretary:** Record and distribute minutes of all Executive Board meetings and all general W-E SOI PTO meetings, hold historical records for the W-ESOI PTO, and retain all official records of the W-E SOI PTO. The Secretary shall keep a copy of the minutes book, bylaws, rules, membership list, and any other necessary supplies, and bring them to all meetings. ~~Send notices of meetings including agendas to the membership. Manage communications, correspondences, and marketing for the W-E SOI PTO, including but not limited to W-E SOI PTO newsletters, email broadcasts, website, bulletin boards, etc.~~

**f. Treasurer:** Serve as custodian of the W-E SOI PTO finances, keep an accurate record of receipts, collect revenue, pay authorized expenses, follow all financial policies of the W-E SOI PTO, and hold all financial records. Present a financial statement at every meeting and at other times of the year when requested by the Executive Board, and make a full report at the end of the year. Perform the complete and timely filing of all federal and state tax returns as well as other financial reports, pertaining to the W-E SOI PTO's 501(c)3 status as applicable; and maintain accurate records of such. Submit all requested/required financial data relating to W-E SOI PTO operations to the Financial Audit Committee Chairperson ~~upon request (DELETE: by June 1st of each year)~~ for the purposes of the Treasurer's accounts being audited by the Financial Audit Committee.

~~g. **Past President:** This is the prior year President. The Past President's responsibilities are to provide guidance and support to the current President as needed, attend Executive Board meetings and general W-E SOI PTO meetings, serve as Chairperson for the Nominating Committee. The outgoing Past President shall serve as Chairperson for the Financial Audit Committee. If the Past President position is vacant or becomes vacant, this Executive Board position shall remain vacant until the end of the serving President's term and the Executive Board shall appoint Chairpersons for the Nominating and Financial Audit Committees from the general membership of the W-E SOI PTO.~~

Section 7: **BOARD MEETINGS** --The Executive Board shall meet monthly during the school year, or at the discretion of the President.

Section 8: **QUORUM** -- Four Executive Board members present constitute a quorum for the purpose of the Executive Board voting. Board voting may also be conducted online and via e-mail. ~~**DELETE:** "In the absence of a Past-President position, three members shall constitute a quorum"~~.

Section 9: **COMMITTEES** -- The Executive Board may create committees as required, to carry out the work of the W-E SOI PTO. The President and Vice Presidents will be *ex officio* members of all Committees except the Nominating Committee. The Executive Board shall approve the appointment of committee chairpersons, or co-chairpersons.

Section 10: **REMOVAL** -- An officer may be removed from office in one of the following ways:

a. **Removal by Executive Board:** An officer can be removed from office for failure to fulfill his/her duties. The officer must first receive a written notice of corrective actions needed and be placed on a one-month probationary period. The written notice must be signed by three members of the Executive Board. If, after the conclusion of the probationary period, the officer is still not fulfilling his/her duties, the officer may be removed from office by a majority vote of the Executive Board.

b. **Removal by Membership:** An Officer can be removed from office with or without cause by a two-thirds vote at a general W-E SOI PTO meeting. Advance notice of the removal vote must be given to the membership at least 14 calendar days before the meeting.

Section 11: **VACANCY** -- All officer vacancies shall be filled by a majority vote of the membership in a special election. Nominees for office shall be slated following the procedures for special elections in accordance to Article IV Section 4. a. ii, under duties of the Nominating Committee. The Executive Board shall fill chairperson vacancies in the standing committees by appointment from the general membership of the W-E SOI PTO.

## ARTICLE IV: COMMITTEES

Section 1: **STANDING COMMITTEES** -- The following shall be standing committees of the W-E SOI PTO: Nominating Committee, Financial Audit Committee, Social Committee. (~~DELETE:~~ and Spirit Wear Committee). The Chairperson or Co-Chairpersons of each standing committee shall be appointed annually by the Executive Board. Volunteers from the general membership of the W-E SOI PTO shall comprise the rest of each committee body. Additional standing committees may be created by majority vote of the Executive Board or majority vote of the general membership of the W-E SOI PTO.

Section 2: **SPECIAL COMMITTEES** -- The Executive Board may also, as needed, create special committees that shall exist for a specific purpose and a finite period of time not to exceed one year. The Chairperson or Co-Chairpersons of each special committee shall be appointed annually by the Executive Board.

### Section 3: **COMMITTEE CHAIRPERSONS** --

a. **Duties:** The Chairperson of each standing or special committee shall keep a written record of the activities of his/her committee in a manner that will allow these records to be passed along to future chairpersons. The records shall be turned over to the (~~DELETE:Recording Secretary~~) in coming chairperson upon request at the end of each academic year. ~~DELETE:~~ the Recording Secretary shall maintain copies of these records and make them available for future chairpersons.

b. **Contracts & Purchases:** No Committee Chairperson shall enter into any contract in the name of the W-E SOI PTO without prior written approval from the W-E SOI PTO President. Whenever possible, the W-E SOI PTO President should be the signatory on all contracts involving the W-E SOI PTO.

~~DELETE:~~ c. **Term of Service:** A person may not serve as the Chairperson or Co-Chairperson of the same committee for longer than two (2) consecutive years.

c. **Reports:** Committee Chairpersons shall submit a report, either in person or in writing, of their committee's activities at each monthly Executive Board and general W-E SOI PTO meeting.

d. **Committee Members:** Chairpersons may solicit and appoint additional members to serve on their respective committees as necessary.

### Section 4: **DUTIES OF STANDING COMMITTEES**

a. **Nominating Committee:** ~~DELETE:~~The nominating shall be chaired by the Past-President. Four additional.

Members shall be selected from the general membership of the W-E SOI PTO. Nominating Committee members shall not be applying for election to the Executive Board. The Nominating Committee shall create or revise an application form to be utilized by all members wishing to seek executive office.

i. For **annual general elections**, the Nominating Committee shall publicly announce the application deadline for executive office and shall distribute the application form to the W-E SOI PTO membership at least 30 calendar days prior to the application deadline. The Nominating Committee shall meet at least once after the application deadline to review all applications and create a proposed slate of officers for presentation at the March general meeting.

ii. For **special elections due to vacancy** in an Executive Board office, the Nominating Committee shall publicly announce the application deadline for executive office and shall distribute the application form to the W-E SOI PTO membership at least 14 calendar days prior to the application deadline. The Nominating Committee shall meet at least once after the application deadline to review all applications and create a proposed slate of officers for presentation at least 7 calendar days prior to the scheduled special election date.

b. **Financial Audit Committee:** The Financial Audit Committee shall be ~~DELETE:~~ chaired by the outgoing Past-President and its membership shall be made up of the outgoing Executive Board officers, the incoming Executive Board officers, and three general members of the W-E SOI PTO who do not currently serve on the Executive Board. The Financial Audit Committee shall audit the financial records of the W-E SOI PTO and prepare a fiscal year-end audit report for presentation to the membership at ~~(DELETE: the September)~~ a general meeting.

c. **Fundraising Committee:** The Fundraising Committee shall research options, plans and anticipated profits and expenses for any fundraising projects and present suggestions to the Executive Board. The Committee shall also prepare and execute fundraising projects as approved by the Executive Board. The Committee shall, with the Treasurer, maintain confidential records of all contributions and report all fundraising activities, expenses, and profits to the Executive Board each month.

d. **Events Committee:** The Events Committee shall plan and implement all not-for-profit social activities for SOI students and their families.

## **ARTICLE V: MEETINGS**

Section 1: **GENERAL W-E SOI PTO MEETINGS** -- General meetings shall be held to conduct the business of the W-E SOI PTO. Meetings shall be held monthly at the same time and place during the school year, as determined by the Executive Board. ~~The schedule of meetings shall be posted on the school's website, SOI PTO's website,~~

Facebook group, and parent newsletters or e-mails. **DELETE:** The Secretary shall notify the members of the meetings via e-mail at least 14 calendar days prior to scheduled meeting and notice on the website calendar.

Section 2: **ANNUAL W-E SOI PTO MEETING** -- Will be held at a general meeting before the end of the fiscal year. (**DELETE: at the April**). The annual meeting is for receiving reports, electing officers, and conducting other business that should arise. **Notice of the meeting should be via-email, social media posting, and/or newsletter at least 7 calendar days prior to scheduled meeting.**

Section 3: **SPECIAL W-E SOI PTO MEETINGS** -- Special meetings may be called by the President; any two members of the Executive Board; or five general members of the W-E SOI PTO in good standing submitting a written request to the Secretary. The objective(s) of such Special Meeting must be set forth and presented to the W-E SOI PTO membership via e-mail, **via-email, social media posting, and/or newsletter** at least **7** calendar days prior to scheduled meeting and notice on the website calendar.

Section 4: **VOTING** -- Each voting member, as defined in Art. II, Sec. 1.i. of these Bylaws, in attendance at a W-E SOI PTO meeting is eligible to vote. If dues are charged, a member must have paid his or her dues at least 14 calendar days before a meeting to be considered a member in good standing with voting rights. (*amended 9/28/1025*)

Section 5: **QUORUM** --Ten (10) members of the W-E SOI PTO present, including Executive Board Members, constitute a quorum for the purpose of voting. **In the event that meetings are broadcast/streamed live through a public platform that identifies the members viewing and allows questions and comments, then the number of online viewing membership shall count towards the ten members needed for a quorum.**

## **ARTICLE VI: FINANCIAL POLICIES**

Section 1: **FISCAL YEAR** --The fiscal year of the W-E SOI PTO begins August 1 and ends July 31 of the following year.

Section 2: **BUDGET** -- The newly elected Executive Board shall meet at least once between July 1st and the first W-E SOI PTO meeting of the upcoming fiscal year for the purpose of preparing a balanced budget proposal which shall be presented at that first general W-E SOI PTO meeting of the school year. A vote shall be taken at the first general W-E SOI PTO meeting as to either accept or amend the Executive Board's proposed budget.

Section 3: **BANKING** -- All funds raised for the W-E SOI PTO must be documented and submitted to the W-E SOI PTO Treasurer within 10 days of receipt. All funds received by Treasurer must be deposited into the W-E SOI PTO bank account within 4 days of receipt by the Treasurer. Separate deposit receipts should be maintained for funds



received from each unique fundraising event. All funds shall be kept in a checking account in the name of W-E SOI PTO and held at a local financial institution. The board shall approve all expenses of the organization. For expenditures over \$1000 (change from \$200), Two authorized signatures shall be required on either the check or on a "Request for Reimbursement or Vendor Payment" form. Authorized signers on checks shall be the President ~~DELETE:~~ , Vice President and Treasurer. Authorized signers on a "Request for Reimbursement or Vendor Payment" form shall be any two Executive Board members other than the authorized member signing the check.

Section 4: **REPORTING**—All financial activity shall be recorded in a computer-based or manual accounting system. The Treasurer shall reconcile the account(s) monthly and report all financial activity monthly. The Financial Audit Committee shall independently review and audit the financial records of the W-E SOI PTO each year. *(amended 9/28/2015)*

Section 5: **NON-BUDGETED EXPENSES** -- The Executive Board with a majority vote may approve non-budgeted expenditures of no more than \$1000. Non-budgeted expenses of more than \$1000 must be approved by a majority vote of the W-E SOI PTO members at the next scheduled meeting. *(amended 9/28/2015)*

Section 6: **REIMBURSEMENTS** -- Shall be made only after receipts for the expenditures have been audited, documented, and approved by the W-E SOI PTO Treasurer. Reimbursement requests should be submitted to the W-E SOI PTO Treasurer within 30 days of the incurred expense or by three weeks prior to the end of the fiscal year, whichever comes first, and must be accompanied by a receipt. Any cash advance to cover expenses prior to a purchase must be documented in detail. All unused funds must be returned to the W-E SOI PTO Treasurer immediately following the purchase.

Section 7: **ENDING BALANCE** --The organization is authorized to carry over funds for the following fiscal year as recommended by the Executive Board. The annual carryover amount shall not exceed \$50,000. The exception to this carry-over limit is a "Special Project" that may require multiple years of funding. In these cases with the Executive Board and general membership approval a "Special Project Fund" can be established for a specific project/purpose, time period, and amount. Funds deposited into this account can be set aside and not included in the \$50,000 carry-over limit.

Section 8: **CONTRACTS** -- Authority to sign contracts is limited to the President or the President's designee.

## **ARTICLE VI: BYLAWS AMENDMENTS**

The bylaws may be amended at any general meeting by two-thirds vote of the members present, provided that the proposed changes have been presented for discussion at the previous meeting and that written notification of the bylaw as it will read if the amendment is adopted and the proposed vote has been given at least 14 calendar days in advance of the meeting at which the amendment(s) are to be voted upon. The

amendments become effective immediately.

#### **ARTICLE VII: DISSOLUTION**

The organization may be dissolved with previous notice of 14 calendar days and a two thirds vote of those present at a general meeting. In the event of dissolution of the W-E SOI PTO, any funds remaining shall be used to pay any outstanding bills and the remainder donated to benefit Willoughby-Eastlake School of Innovation.

#### **ARTICLE VIII: PARLIAMENTARY AUTHORITY**

The authority for this organization shall be Robert's Rules of Order Newly Revised when they are not in conflict with the organization's bylaws.

#### **Article IX – STANDING RULES**

Standing rules may be approved by the Executive Board, and the Secretary shall keep a record of the standing rules for future reference.

#### **Article X– CONFLICT of INTEREST**

Section 1 **PURPOSE** -- The purpose of the conflict of interest policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

#### Section 2 **DEFINITIONS** --

a. **Interested Person:** Any director, principal officer, or member of a committee with governing board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

b. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

i. An ownership or investment interest in any entity with which the organization has a transaction or arrangement;

ii. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement; or

iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Section 3 **PROCEDURES** --

a. **Duty To Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board-delegated powers who are considering the proposed transaction or arrangement.

b. **Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide whether a conflict of interest exists.

#### c. **Procedures for Addressing the Conflict of Interest:**

i. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

ii. The Chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

iii. After exercising due diligence, the governing board or committee shall determine whether the organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

iv. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

#### d. **Violations of the Conflict of Interest Policy:**

i. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

ii. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines that the

member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4 **RECORDS of PROCEEDINGS** -- The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest; the nature of the financial interest; any action taken to determine whether a conflict of interest was present; and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of the discussion; including any alternatives to the proposed transaction or arrangement; and a record of any votes taken in connection with the proceedings.

Section 5 **COMPENSATION** --

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Section 6 **ANNUAL STATEMENTS** -- Each director, principal officer, and member of a committee with governing board-delegated powers shall annually sign a statement which affirms that such person:

- Has received a copy of the conflict of interest policy;
- Has read and understood the policy;
- Has agreed to comply with the policy; and
- Understands that the organization is charitable and that in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax- exempt purposes.

Section 7 **PERIODIC REVIEWS** -- To ensure that the organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

a. Whether compensation arrangements and benefits are reasonable, are based on competent survey information, and are the result of arm's length bargaining.

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

**Section 8 USE of OUTSIDE EXPERTS** -- When conducting the periodic reviews as provided for in Section 7, the organization may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.