



**Bylaws of Modern Quilt Guild, Inc.
A California Nonprofit Public Benefit Corporation**

ARTICLE 1: NAME and OFFICES

SECTION 1: NAME

The name of this corporation is Modern Quilt Guild, Inc. (the "Corporation"). Throughout this document, Modern Quilt Guild, Inc. may also be referred to as "MQG."

SECTION 2: PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business is located in Los Angeles County, California. The Corporation may have such other offices as the Board of Directors may determine or as the affairs of the Corporation may require.

ARTICLE 2: PURPOSES

SECTION 1: OBJECTIVES AND PURPOSES

The primary objectives and purposes of this corporation shall be to provide an educational benefit to the public through the promotion of the art and craft of modern quilting by means of workshops, demonstrations, discussion groups, lectures, exhibits, and the distribution of quilting-related information through written media and the Internet.

ARTICLE 3: DIRECTORS

SECTION 1: GENERAL POWERS; DELEGATION

The activities, property, and affairs of the Corporation shall be managed by its Board of Directors.

The Board of Directors (also referred to as "Board" or "Directors") may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by law, by the Articles of Incorporation, or by these Bylaws, unless otherwise expressly provided herein.

The Board of the Corporation shall have at least three (3) directors and shall consist of persons who are current individual or guild members of the MQG, who have been members for at least one year, and have skill sets that benefit the MQG. All board members shall be nominated and elected as per Article 3, Sections 12 and 13 of these bylaws.

SECTION 2: DUTIES

It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation of this corporation, or by these bylaws;
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties, and fix the compensation, if any, of all officers, agents, and employees of the corporation;
- (c) In collaboration with the president and Executive Committee, supervise the Executive director of the Corporation to assure that their duties are performed properly;
- (d) Meet at such times and places as required by these bylaws;
- (e) Register their email addresses with the Secretary of the Corporation and notices of meetings sent to them at such addresses shall be valid notices thereof.

SECTION 3: TERMS OF OFFICE

Each director shall hold office for three years, at which point the term may be renewed for one additional consecutive term, as determined by the majority of the remainder of the Board.

SECTION 4: COMPENSATION

Directors shall serve without compensation except that they shall be allowed reasonable advancement or reimbursement of expenses. A director may be compensated as an employee of the corporation, according to the conflict-of-interest policy.

SECTION 5: PLACE OF MEETINGS

Meetings shall be held at the principal office of the corporation unless otherwise provided by the Board or at such place within or without the State of California that has been designated from time to time by resolution of the Board of directors.

Any meeting may be held by conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at that meeting so long as all directors participating in the meeting are able to hear one another.

Participation in a meeting through use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply:

- (a) Each director participating in the meeting can communicate with all of the other directors concurrently;
- (b) Each director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation; and
- (c) The Corporation adopts and implements some means of verifying that all persons participating in the meeting are directors of the Corporation or are otherwise entitled to participate in the meeting, and
- (d) that all actions of, or votes by, the Board are taken and cast only by directors and not by persons who are not directors.

SECTION 6: REGULAR AND SPECIAL MEETINGS

The Board of Directors will hold at least one meeting a year. Regular meetings of the Board will be held at such times and places as may be selected by resolution adopted by the Board and communicated by emailed notice to all directors. Except as otherwise provided by law, by the Certificate of Formation, or by these bylaws, any and all business may be transacted at any regular meeting.

Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. A person or persons authorized to call special meetings of the Board of Directors may select any place as the place for holding a special meeting. The person calling a special meeting will notify the secretary of the information required to be included in the notice of the meeting. The secretary or their designee will give notice to the directors as required in the bylaws.

SECTION 7: NOTICE OF MEETINGS

At least two (2) days written notice must be given to all directors of any meeting of the Board of Directors. Notice of meetings may be given by electronic transmission (i.e., e-mail). Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to a meeting not properly called.

SECTION 8: QUORUM FOR MEETINGS

The directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the directors present may adjourn and reconvene the meeting one time without further notice.

SECTION 9: MAJORITY ACTION AS BOARD ACTION

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors, unless the articles of incorporation or bylaws of this corporation, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233), and indemnification of directors (Section 5238e), require a greater percentage or different voting rules for approval of a matter by the Board.

SECTION 10: PROXY VOTING

Proxy voting is permitted.

SECTION 11: VACANCIES

Vacancies are to be filled using the regular voting procedures. A meeting can be called to fill a vacancy, or the President can elect to hold the election at the next regularly scheduled meeting. Those elected to fill vacancies will hold that position for up to three years, at the discretion of the President, and are eligible for reelection per the guidelines set forth in Article 3, Section 3 of these bylaws.

Vacancies on the Board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased. The Board of directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following of the California Nonprofit Public Benefit Corporation Law.

- (a) Resignation: Any director may resign at any time by delivering written notice to the Secretary or President of the Board of Directors. Such resignation shall take effect upon receipt or, if later, at the time specified in the notice.
- (b) Removal: Any director can be removed, for one or more of the reasons listed below, by the affirmative vote of a majority of the directors present at any meeting of the directors at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the director proposed to be removed. Notification of a pending vote must be provided to the director proposed to be removed at least 30 days prior to the vote. The President of the board may choose to waive notice in serious cases, at which point the vote to remove the director must be a unanimous vote of the directors present at the meeting at which quorum is present.
 - a. The board member has not completed their basic responsibilities (through negligence or blatant recklessness).
 - b. The board member has violated policies of the organization, including the MQG Code of Conduct, or acted unethically or criminally.
 - c. The board member is causing divisions or dysfunction within the board.

SECTION 12: NOMINATIONS OF DIRECTORS

The Board of Directors shall appoint a Nominating Committee, which shall seek out applications from all regions of the international body of local MQGs and individual MQG members, to review and recommend qualified members for election to the Board of Directors. All candidates must be apprised of, and agree to, all duties and responsibilities of Board membership. For regional elections, such slate of Directors shall be made known to all MQG individual and local guild members in the appropriate geographical region at least one month prior to the vote.

The Nominating Committee shall also seek appropriate candidates for approximately one-half of the board that is elected by the Board. The Nominating Committee will manage applications and present all candidates to the Board.

SECTION 13: ELECTION OF DIRECTORS

Approximately one-half of the board is comprised of member-elected directors, maintaining regional representation, and voted on by MQG individual and local guild members through online elections managed by the Nominating Committee.

In order to determine if there is a need to adjust regional representation, every six years, or as required, the geographical distribution of the membership will be assessed by the Board.

Approximately one-half of the Board is elected by the Board of Directors.

SECTION 14: NON-LIABILITY OF DIRECTORS

The directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

SECTION 15: INDEMNIFICATION BY CORPORATION OF DIRECTORS, OFFICERS, EMPLOYEES, AND OTHER AGENTS

To the extent that a person who is, or was, a director, officer, employee, or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative, or investigative proceeding brought to procure a judgment against such person by reason of the fact that he or she is, or was, an agent of the corporation, or has been successful in defense of any claim, issue, or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceeding.

If such person either settles any such claim or sustains a judgment against them, then indemnification against expenses, judgments, fines, settlements, and other amounts reasonably incurred in connection with such proceedings shall be provided by this Corporation but only to the extent allowed by, and in accordance with the requirements of, Section 5238 of the California Nonprofit Public Benefit Corporation Law.

SECTION 16: INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Corporation (including a director, officer, employee, or other agent of the Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of Section 5238 of the California Nonprofit Public Benefit Corporation Law.

ARTICLE 4: OFFICERS

SECTION 1: NUMBER OF OFFICERS

The elected officers of the Corporation shall include a President and a Secretary and may include one or more Vice Presidents and/or a Treasurer, as may be determined from time to time by the Board. These officers shall be known as the Executive Committee.

SECTION 2: QUALIFICATION and TERM OF OFFICE

Candidates for office must meet the following qualifications:

- a) Demonstrate a clear understanding of the Guild's purpose and mission;
- b) Have been an active member of the MQG, either as a local guild member or an individual member or some combination thereof, for at least three (3) consecutive years immediately previous to the beginning of their officer term;
- c) Attendance at two (2) of the most recent four (4) QuiltCon events is strongly encouraged.

In addition, candidates for the offices of president and vice-president must meet the following additional qualifications:

- a) Have demonstratable executive-level experience for a membership-based nonprofit (appropriate experience with a local MQG guild will serve to meet this requirement);
- b) Have served at least two years as a member of the Modern Quilt Guild Board of Directors
- c) Attended at least 75% of the regular Modern Quilt Guild board meetings during the two years immediately preceding their election.
- d) Have served on at least two (2) MQG committees and served as chair or co-chair of at least one (1) MQG committee in the last two (2) years.

Officer terms shall be as follows:

- a) President, Vice-President, and Secretary: two years;
- b) Treasurer: three years.

At the conclusion of their initial term, an officer may choose to run for reelection or they may step down. If they choose to run for reelection, the election shall be a regular officer election held in the manner specified in these bylaws. Time served as an officer shall count towards the maximum number of years the director may serve on the Board.

SECTION 2.1: NOMINATING COMMITTEE AND NOMINATION PROCESS

A Nominating Committee will convene no later than September 1 of the year in which an officer election is to be held. The committee shall consist of three (3) or five (5) director members. The Nominating Committee Chairperson must have completed at least one (1) year of membership in good standing on this Board. The Executive Director of the MQG shall serve as an ex officio member of the Nominating Committee each year.

All members who wish to be considered should express their wishes to a member of the Nominating Committee between the time the Nominating Committee is formed and the beginning of the meeting during which the election is being held. Members may self-nominate or nominate other members with their permission during this time.

SECTION 2.2: ELECTION OF OFFICERS

Officers will be elected by the directors at the regularly scheduled November meeting unless a majority of directors present at a regularly-scheduled or valid* special meeting vote to hold the election at another time. (See Rules and Procedures for process). Newly-elected officers will begin their terms on January 1 following their election unless otherwise specified by the Nominating Committee.

*In order to be considered valid, any special meeting must be announced per Article 3, Section 7 of these bylaws.

SECTION 3: SUBORDINATE OFFICERS

The Board of Directors may appoint such other officers or agents as it may deem desirable, and such officers shall serve such terms, have such authority, and perform such duties as may be prescribed from time to time by the Board of Directors.

SECTION 4: REMOVAL AND RESIGNATION

Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Corporation.

Any Officer can be removed, for one or more of the reasons listed below, by the affirmative vote of a majority of the directors present at any meeting of the directors at which a quorum is present, if notice of the intention to act upon such matter shall have been given in the notice of such meeting and if such notice is provided to the Officer proposed to be removed. Notification of a pending vote must be provided to the Officer proposed to be removed at least 30 days prior to the vote and notification must include whether the removal is for only an officer position or if it includes the director position as well. The President of the board may choose to waive notice in serious cases, at which point the vote to remove the Officer must be a unanimous vote of the directors present at the meeting at which quorum is present.

- a) The officer has not completed their basic responsibilities (through negligence or blatant recklessness).
- b) The officer has violated policies of the organization, including the MQG Code of Conduct, or acted unethically or criminally.
- c) The officer is causing divisions or dysfunction within the board.

SECTION 5: VACANCIES

Any vacancy caused by the death, resignation, removal, disqualification. or otherwise, of any officer shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of President, such vacancy may be filled according to the guidelines outlined in Article 3, Section 3 of these bylaws. Vacancies occurring in offices of officers appointed at the discretion of the Board may or may not be filled, as the Board shall determine.

SECTION 6: DUTIES OF PRESIDENT

The President shall be the chief officer of the Corporation and shall:

Supervise the Executive Director to ensure staffing is adequate, financial records are in order, and short and long-term goals are realized.

Provide support and advice to the Executive Director to develop a professional development plan and to assist with member issues and concerns.

Work collaboratively with other Board members and the Executive Director to set organizational goals and create a strategic plan with specific, measurable outcomes.

Preside at all meetings of the Board of Directors and of members and work with the Executive Director to set agendas for all such meetings.

Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, they shall, in the name of the corporation, execute or cause to be executed such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the Board of Directors.

In general, perform all duties incident to the office of President and such other duties as may be required by law, by the articles of incorporation of this Corporation, or by these bylaws, or which may be assigned to them from time to time by the Board of Directors.

SECTION 7: DUTIES OF VICE PRESIDENT, if any

In the absence of the President, or in the event of their inability or refusal to act, the Vice President shall perform all the duties of the President, and when so acting shall have the powers of, and be subject to all the restrictions on, the President. The Vice President shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the Board of Directors.

SECTION 8: DUTIES OF SECRETARY

The Secretary, or their designee, shall:

Certify and keep at the principal office of the Corporation or at such other place as the board may determine, the original, or a copy of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the Corporation or at such other place as the board may determine, a book of minutes of all meetings of the Directors, and, if applicable, meetings of committees of Directors and of members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof. Ensure that the minutes of meetings of the Corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (1) the next meeting of the Board, Committee, Membership, or other body for which the minutes, consents, or supporting documents are being recorded, or (2) sixty (60) days after the date of the meeting or written consent.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Together with the Executive Director, serve as custodian of the records and of duly executed documents, the execution of which on behalf of the corporation is authorized by law or these bylaws.

Exhibit at all reasonable times to any Director of the Corporation, or to their agent or attorney, on written request therefore, the bylaws, and the minutes of the proceedings of the directors of the Corporation.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the articles of incorporation of this Corporation, or by these bylaws, or which may be assigned to them from time to time by the Board of Directors.

SECTION 9: DUTIES OF TREASURER, if any

Subject to the provisions of these bylaws relating to the "Execution of Instruments, Deposits, and Funds" (Article 6), the Treasurer shall:

Convene and provide leadership to the Finance Committee. The Finance Committee should consist of the Treasurer, at least one other Board Member as appointed by the President, and the Executive Director. This committee should meet at least quarterly.

Provide guidance and support to the Executive Director on budget and financial matters.

Provide financial statements and reports to Board at least quarterly.

Prepare, or cause to be prepared, and certify, or cause to be certified, any and all financial statements and tax returns as required by law.

Work with the auditor/audit committee and report the results to the full Board, in the event that the organization is required by law to be formally audited.

Additionally, the Treasurer must exhibit, at all reasonable times, the books of accounts and financial records to any director of the Corporation, or to their agent or attorney, upon request.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, by the articles of incorporation of the Corporation, or by these bylaws, or which may be assigned to them from time to time by the Board of Directors.

ARTICLE 5: COMMITTEES

SECTION 1: COMMITTEES OF DIRECTORS

The Board of Directors may establish one or more committees, may delegate specified authority to a committee, and may appoint or remove members of a committee. A committee shall include one or more directors and may include persons who are not directors. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of directors.

SECTION 2: ADVISORY BOARDS OR COMMITTEES

Advisory boards or committees not having and exercising the authority, responsibility, or duties of the Board of Directors in the management of the Corporation may be designated by a resolution adopted by the directors. Except as otherwise provided in such resolution, members of each advisory board or committee need not be directors of the Corporation. The President shall appoint the members of advisory boards or committees. Any committee member may be removed by the President whenever, in the President's judgment, the best interests of the Corporation shall be served by removal.

ARTICLE 6: EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

SECTION 1: EXECUTION OF INSTRUMENTS

The Board of Directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

SECTION 2: CHECKS AND NOTES

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Corporation shall be signed by the Treasurer or Executive Director of the corporation.

SECTION 3: DEPOSITS

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

SECTION 4: GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise (within reason) for the charitable or public purposes of this Corporation.

ARTICLE 7: CORPORATE RECORDS, REPORTS, AND SEAL

SECTION 1: MAINTENANCE OF CORPORATE RECORDS

The Corporation shall keep at its principal office in the State of California:

- (a) Minutes of all meetings of directors, committee reports of the Board, where applicable, and, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- (b) Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
- (c) A record of its members, if any, indicating their names and email addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
- (d) A copy of the Corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

SECTION 2: DIRECTORS' INSPECTION RIGHTS

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation.

SECTION 3: ANNUAL REPORT

The board shall cause an annual report to be furnished not later than one hundred and twenty (120) days after the close of the Corporation's fiscal year to all directors of the Corporation and, to any member who requests it in writing, which report shall contain the following information in appropriate detail:

- (a) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year;
- (b) The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- (c) The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, for the fiscal year;
- (d) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year;
- (e) Any information required by Section 7 of this Article.

The annual report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

If this Corporation has members, then, if this corporation receives twenty-five thousand dollars (\$25,000), or more, in gross revenues or receipts during the fiscal year, this Corporation shall automatically send the above annual report to all members, in such manner, at such time, and with such contents, including an accompanying report from independent accountants or certification of a corporate officer, as specified by the above provisions of this Section relating to the annual report.

ARTICLE 8: FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year.

ARTICLE 9: CONFLICT OF INTEREST AND COMPENSATION APPROVAL POLICIES

The Corporation shall adopt a conflict-of-interest policy in the form attached hereto as Schedule A.

ARTICLE 10: EXECUTIVE DIRECTOR

SECTION 1: EMPLOYMENT

There shall be an Executive Director of the Corporation whose employment shall be at the pleasure of the Board.

SECTION 2: DUTIES

The Executive Director shall manage, supervise, and direct the operations of the Corporation, subject to the authority of the Board, and shall be an ex-officio director without a vote on the Board.

ARTICLE 11: PARLIAMENTARY AUTHORITY

All meetings and other actions of the Corporation, its Board, and Committees, Sub-Groups, Task Forces, Working Groups, and Councils shall be governed by these Bylaws. In matters of parliamentary procedure, decisions shall be made in accordance with the latest edition of Robert's Rules of Order, insofar as such rules are not in conflict with the Articles of Incorporation and Bylaws of the Corporation.

ARTICLE 12: DISSOLUTION OF CORPORATION

Upon the dissolution or winding up of this Corporation, the Corporation's assets shall be applied and distributed as follows:

- (a) All liabilities and obligations of the Corporation shall be paid, satisfied, and discharged, or adequate provision shall be made therefor;
- (b) Assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirements; and
- (c) Remaining assets shall be distributed to one or more regularly organized and qualified charitable, educational, scientific, or philanthropic organizations to be selected by the Board.

ARTICLE 13: AMENDMENT OF BYLAWS

These Bylaws may be amended or repealed, or new bylaws may be adopted at any annual or special meeting of the Board of Directors at a quorum is present by the affirmative vote of a majority of the directors present at the meeting, provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the directors from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting.

Changes made to the bylaws and approved per the above paragraph are effective immediately upon approval, unless stated otherwise during the approval process.

Dated: 09/14/2022

MQG Bylaws Schedule A: Conflicts of Interest and Code of Ethics

GENERAL INFORMATION

When an individual joins the Board of Directors, the law requires that the best interest of the organization prevail over any director's personal or business interests. Conflicts of interest have both legal consequences and public perception consequences.

DEFINITIONS

- 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.
- Financial Interests: Financial interests include, but are not limited to the following:
 - An ownership, investment interest, or compensation arrangement with any entity with which the MQG has a transaction or arrangement
 - A compensation arrangement with the MQG or with any entity or individual with which the MQG has a transaction or arrangement
 - A potential ownership, investment interest, or compensation arrangement with any entity or individual with which the MQG is negotiating a transaction or arrangement, including a commission or fee, share of the proceeds, the prospect of promotion or profit, or any other form of financial reward

PROHIBITED TRANSACTIONS

- Loans to Directors: There is an absolute prohibition on paying dividends or lending the money of the MQG to a director or employee.
- Private Inurement: In order for an organization to be recognized as a public charity by the IRS, no part of the net earnings of the organization may inure to the benefit of a private individual. Violations of this restriction may result in severe penalties and substantial legal problems for the nonprofit and for directors approving the transaction.

PERMITTED TRANSACTIONS

- Reasonable Compensation for Services: A nonprofit may pay reasonable compensation to a director for services the director provides on behalf of the nonprofit. The amounts of the compensation must be inline with payments made for similar services to other individuals who are not directors. All payments to directors (other than reimbursements for incurred expenses) are disclosed on the organization's 990 form.
- Interested Director Transactions: Some states may permit transactions with directors under certain circumstances. The three things to remember with regard to an interested director transaction are:
 - Disclose material facts;

- Ensure that the transaction is fair to the nonprofit; and
- Document the decision-making process.

Any transaction with an interested director should be carefully documented in the minutes of a meeting at which the transaction is considered.

PROCEDURES

1. Duty to Disclose: In connection with the actual or potential conflict of interest, an interested person must disclose the existence of their financial interest and all material facts to the directors considering the proposed transaction or arrangement and shall abstain from voting on such matters.
2. 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, the interested party shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.
3. Addressing a Potential Conflict of Interest:
 - a) An interested person may make a presentation at the board or committee meeting, and after such presentation, they shall leave the meeting during the discussion of, and vote on, the transaction or arrangement that results in the conflict of interest.
 - b) The president shall appoint a disinterested person or persons to investigate alternatives to the proposed transaction or arrangement. If the president is the interested person, the vice president shall appoint the investigative party.
 - c) After exercising due diligence, the board shall determine whether the MQG can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the MQG's best interest and for its own benefit and whether the transaction is fair and reasonable to the MQG. The MQG shall make its decision as to whether to enter into a transaction or arrangement in conformity with such determination.
4. Potential Violations of the Conflict of Interest Policy:
 - a. If the Board has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

RECORDINGS AND PROCEEDINGS

The minutes of any board meeting where potential conflicts are discussed shall contain:

- 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 board's decision as to whether a conflict of interest existed; and
- 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 therewith.

GIFTS, COMPENSATION

- Any qualified member of the Board of Directors may be hired to provide lecture , program, or workshop instruction or pattern design services so long as they have applied and been selected through the same process as individuals who do not serve on the Board of Directors.
- Any Board member who is hired by the MQG into an hourly or salaried position, be it either temporary or permanent, is prohibited from voting on matters of compensation during the time of employment.
- Directors and employees of the MQG may not receive a gift, or a series of gifts, valued at more than \$100 from contractors or businesses who have performed services for the MQG within the past 12 months without prior approval of a majority vote of disinterested directors.

ANNUAL STATEMENT

Each Director, officer, and committee member with board-delegated powers shall annually sign a statement that affirms that such person:

1. Has received a copy of the Conflicts of Interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands that the MQG is a charitable corporation and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

PERIODIC REVIEWS

To ensure the MQG 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:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to MQG'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 in an excess benefit transaction.
- When conducting the periodic reviews, the MQG may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Conflict of Interest Disclosure Questionnaire

To be completed by officers, directors, key employees, and members of Board committees

The Conflict of Interest Policy adopted by the Board of Directors of the MQG requires disclosure of certain Interests. It is not uncommon to have these interests, but it is very important to make them known to the MQG. Use this questionnaire to disclose where you or your family members have certain affiliations, interests or relationships, and/or have taken part in transactions that, in light of your relationship to the MQG, might possibly give rise to an actual, apparent, or potential conflict of interest.

NAME: _____

In accordance with the purposes and intent of the Conflict of Interest policy adopted by the Board of Directors of the MQG, a copy of which has been furnished to me, I hereby disclose that I or my family members have the following affiliations, interests or relationships, and/or have taken part in the following transactions:

1. I hold the following positions(s) and/or have the following relationship(s) with the MQG:
 - a. ____ Board of Directors director member
 - b. ____ Board of Directors officer
 - c. ____ Other (please specify _____)

2. Do you or any family member hold, directly or indirectly:
 - a. An ownership or investment interest in a company that does or may do business with, or that competes with, the MQG? (If yes, please explain)

 - b. A compensation arrangement with any company that does or may do business with, or that competes with, the MQG? Examples: compensation for employment or independent contractor services, consulting fees, board stipends or fees, advisory committee fees, honoraria, etc. (If yes, please explain) _____
 - c. A director, trustee, officer or board committee position with any other company that does or may do business with, or that competes with the MQG (including competition for grants or donations)? (If yes, please explain) _____
 - d. Any personal loans, advances or other indebtedness to or from anyone who also does or may do business with any the MQG? (Note: You may exclude charge cards and personal or mortgage loans at market rates

from financial institutions) (If yes, please explain)

3. Do you or any family member provide managerial, consultative, or other services to or on behalf of any other company that does or may do business with, or that competes with, the services of the MQG? (If yes, please explain)
-

4. Do you or any family member employ or otherwise retain any MQG personnel for work on non-MQG business done outside of the MQG? (If yes, please explain)
-

5. Have you or any family member used MQG property to conduct business that is not corporate business, without prior approval of the executive director of the MQG? (If yes, please explain)
-

6. Do you or any family member know of any recent or pending actions, suit or proceeding in which you have an interest adverse to the interests of, or are a party adverse to any the MQG? (If yes, please explain)
-

7. Have you or any family member attempted to influence the MQG concerning the employment or retention of any immediate family member or other individual with whom you have a business or personal relationship? (If yes, please explain)
-

8. Have you or any family member accepted gifts, or other favors from any person or company under circumstances from which someone might think that such action was intended to influence you in the performance of your duties on behalf of the MQG? Note: This does not prohibit the acceptance of reasonable items of nominal value that are clearly tokens of respect or friendship and not related to any particular transaction or activity when the value of such entertainment or items does not exceed One Hundred Dollars (\$100.00). (If yes, please explain)
-

9. Have you or any family member accepted any gifts, favors or benefits valued in excess of One Hundred Dollars (\$100.00) from customers, suppliers or agents of the MQG? (If yes, please explain)
-

10. In the space below, please disclose any other interest, activities, investments or involvement that you think might be relevant for full disclosure of all actual, apparent or possible conflicts of interest. If none, indicate "none." [Use additional pages as necessary.]

AFFIRMATION

I acknowledge that:

1. I have received a copy of the Board's Conflict of Interest Policy and Code of Ethics;
2. I have read and understand the Policy;
3. I agree to comply with the Policy;
4. I understand that the MQG is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes;
5. I agree to report to the appropriate person
 - a) any change in the responses to each of the foregoing questions that may result from changes in circumstances
 - b) any further financial interest, situation, activity, interest or conduct that may develop before completion of my next annual questionnaire
6. The information contained in this questionnaire is true and accurate to the best of my knowledge and belief as of the date below.

Signed: _____

Date: _____