



Pine Needles Quilt Guild Dispatcher



PO Box 2800, Wrightwood, CA 92397

September 2014

2014 Board

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The next meeting is Tuesday, September 9. The guest speaker is Katsy Chappell. Katsy is a family-friendly comedienne whose jokes grow from green and clean. Katsy is that funny next-door neighbor you giggle with across the clothesline. Her endeavors to leave less of her carbon print have become some of her and her audience's favorite jokes. Katsy is a quilter who has been published in The Quilters Newsletter magazine, crafter, soaper and nurturer. Katsy has performed worldwide including comedy tours to Iraq, Bahrain, Kuwait and Djibouti Africa for the troops. Voted Entertainer of the Year by the Bob Hope USO Shows, our nation's Armed forces have called her Vivacious, Bodacious and Outrageous...and SHE IS!!!

Plans for the home tour are underway. A couple of months ago, we had a discussion at the guild meeting about a guild booth in the boutique. Guild members are asked to make small quilted items to sell at the boutique. Think table runners, place mats, small quilted wall hangings - in the price range of \$15 - 25. All proceeds will go to the guild. Any items not sold will be returned to the maker. Icky Orr has agreed to chair that part of the boutique, so start sewing!

The next board meeting is Monday, October 6 at 5:30 at Pizza Factory.

September Refreshments

Harriet McGlothlin
Stephani Neal
Leonor Ferris
Elisa Gurley

September Door Prize

Darlene Packard-Mossman

September Birthdays

Kim Small	Sept 4
Betty Ann Fudala	Sept 12
Mary Bell	Sept 30

New Quilt Shop in Palmdale

The Stitchin' Studio
530 Commerce Ave, Ste A
Palmdale, Ca 93551
661.267.1909

Owner: Lola Newman

Studio hours: Tuesday-Saturday, 10am-4pm. The shop carries Marcus Fabrics, Andover and Blank Fabrics (Civil War). She also carries floss by Dyeworks, Threadworx, Cosmo, and DMC.

www.facebook.com/TheStitchinStudio

www.stitchinbytheriver.com

501(c) (3) Application

We are making progress with our 501(c) (3) application working with Legal Filings, Inc. They have amended our bylaws to be in compliance with Federal and state laws. We will be voting on them at the next meeting. Please read the attached four pages!!

**AMENDMENT TO BY-LAWS
OF
PINE NEEDLES QUILT GUILD**

Hereby Article II of the By-Laws is amended to state as follows:

Article II

Pine Needles Quilt Guild is a non-profit organization and is not organized for the private gain of any person. The Guild is organized and shall be operated exclusively for charitable and educational purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

The specific purposes of this organization are:

- A. To contribute to the knowledge and appreciation of quilts and quilting.
- B. To sponsor and support quilting activities.
- C. To encourage quilt making and collecting.
- D. To contribute to the knowledge of quilting techniques, textiles, patterns, and history through education meetings, workshops, travel and friendship.
- E. To pursue charitable works within the community.

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

Hereby Article IX of the By-Laws is amended to state as follows:

Article IX

Upon the dissolution or winding up of this organization, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable, educational and/or religious purposes and which has established its tax-exempt status under Internal Revenue Code section 501(c)(3).

Hereby the following articles are added to the By-Laws of Pine Needles Quilt Guild to adopt a conflict of interest and compensation approval policy:

Article X

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. 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 elected officer, appointed officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, 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:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation 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 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the Board of Directors or appropriate committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance 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 Board of Directors and members of committees with governing board delegated powers 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 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 if a conflict of interest exists.
- C. **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the 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. The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board of Directors or committee shall determine whether the corporation 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. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in the corporation'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 Conflicts of Interest Policy.** If the Board of Directors 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. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines 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 Board and Board Committee Proceedings

The minutes of meetings of the Board of Directors 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 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 Approval Policies

A voting member of the Board of Directors who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for officers, employees, and contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the Board of Directors or a duly constituted compensation committee of the Board shall also comply with the following additional requirements and procedures:

- a. The terms of compensation shall be approved by the Board of Directors or compensation committee prior to the first payment of compensation;
- b. All members of the Board of Directors or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each Board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 4. has no material financial interest affected by the compensation arrangement; and
 5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the Board or committee member.
- c. The Board of Directors or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the Board of Directors or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the Board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the Board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each Board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the Board of Directors or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the Board or committee shall record in the minutes of the meeting the basis for its determination;

5. If the Board of Directors or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the Board or committee meeting;
6. any actions taken with respect to determining if a Board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
7. The minutes of Board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next Board or committee meeting or 60 days after the final actions of the Board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the Board of Directors and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next Board or committee meeting following final action on the arrangement by the Board of Directors or committee.

Section 6. Annual Statements

Each officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation 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, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation'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.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Article XI

Elected and appointed officers of the Guild shall serve without compensation. However, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to elected and appointed officers shall be approved in advance in accordance with this corporation's conflict of interest policy as set forth in Article X.

ADOPTION OF THE AMENDMENT

I, the undersigned, certify that I am the presently elected and acting Secretary of Pine Needles Quilt Guild, and the above amendment to By-laws, consisting of six pages, was approved by 2/3 vote of the members present at a general meeting held on _____.

Carol Gaines

Date