

# **Constitution and Bylaws of NAME OF QUILT GUILD**

**Date Adopted November 1, 2023**

## **ARTICLE 1 – NAME, PURPOSES, POWERS, AND OFFICES**

### **1.1 Name**

The name of this Guild is PALM BEACH MODERN QUILT GUILD (the “Guild”).

### **1.2 Purposes**

The Guild is organized and will be operated exclusively for charitable, and educational, purposes, including, for such purposes, the making of distributions to organizations that qualify under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

This Guild is additionally organized to do any and all lawful acts that may be necessary, useful, suitable, or proper for the furtherance of accomplishment of the purposes of this Guild. Notwithstanding any other provision of these articles, 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 the 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 the corresponding section of any future federal tax code.

**The Guild is an affiliate member of the Modern Quilt Guild Inc. Through a group exemption with the Modern Quilt Guild Inc., the Guild is a 501(c)3 tax-exempt organization.**

**Within the scope of these purposes, the Guild is organized and operated to**

- **Develop and encourage the art of modern quilting,**
- **Work with other guilds and groups with a similar purpose,**
- **Encourage new quilters and other fiber artists interested in non-traditional and non-art fiber projects,**
- **Offer educational opportunities through classes, workshops, and sharing of information, and**
- **Support and provide opportunities for “charity” or other works that provide back to the community through the use of modern quilting skills.**

The assets and property of the Guild are hereby pledged for use in performing its exempt purpose.

### **1.3 Offices**

The Guild may have such other offices, as the Board of Directors may determine or as the affairs of the Guild may require from time to time.

### **1.4 No Private Inurement**

No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, 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 in Article 1.2.

## ARTICLE 2 – GUILD ACTIVITIES FOR MEMBERS

**2.1 Membership:** Guilds may set activities for members and may formalize a membership policy. Membership may be granted to anyone residing in the state ages 18 years or older upon completion of membership application and payment of dues. Members must adhere to the code of conduct to remain in good standing and maintain membership.

**2.2 Dues:** The annual dues amount will be set by the Board of Directors. If a member withdraws from the Guild, dues will not be prorated or refunded. Dues must be received by the first annual meeting to remain in good standing.

**2.3 Meetings:** The Guild will hold at least one meeting a year for the Membership, as determined by the Board of Directors. At such meetings, each member in good standing receives one vote in appropriate matters.

**2.4 Revoking of Membership:** Membership may be revoked in cases of actions that threaten the charitable status of the Guild, or as determined by the Board of Directors.

## ARTICLE 3 – BOARD OF DIRECTORS

### 3.1 General Powers; Delegation

The activities, property, and affairs of the Guild shall be managed by its Board of Directors, which may do all such lawful acts and things as are permitted by law or by these Bylaws, unless otherwise expressly provided herein.

### 3.2 Number and Qualifications

The Board of Directors shall consist of at least three (3) directors.

### 3.3 Term of Office

Directors shall serve a 1 year term, and until such director's successor is elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office. Any director may be re-elected to serve consecutive terms of office.

### 3.4 Nomination of Directors

The Board of Directors will nominate candidates for successor directors. At any meeting at which the election of a Director occurs any member may nominate a person with the second of any other member. In addition to nominations made at meetings, a nominating committee may consider nominees.

### 3.6 Election of Directors

A person who meets any qualification requirements to be a Director and who has been duly nominated may be elected as a Director. Directors shall be elected by a majority vote of those Directors at a Board meeting at which a quorum is present. Each Director shall hold office until a successor is elected and qualified. A Director may be elected to succeed himself or herself as Director.

### 3.7 Duties of Directors

Directors will perform their duties in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Guild. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the performance of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports, or statements, including

financial statements and other financial data, concerning the Guild or another person that were prepared or presented by a variety of persons, including officers and employees of the Guild, professional advisors, or experts such as accountants or attorneys. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted.

### **3.8 Filling of Vacancies**

Any vacancy occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification, or removal from office of any director will be filled by the affirmative vote of a majority of the directors present at any meeting of the directors at which a quorum is present. Any director elected or appointed to fill a vacancy will hold office for the remainder of the vacated term and until such director's successor is elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

### **3.9 Removal**

Any director can be removed, either for or without cause, 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.

### **3.10 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.

### **3.11 Directors' Compensation**

Directors will not receive any salaries or other compensation for their services, but, by resolution of the Board of Directors, may be reimbursed for any actual expenses incurred in the performance of their duties for the Guild, as long as a majority of disinterested directors approve the reimbursement. The Guild shall not loan money or property to, or guarantee the obligation of, any director.

## **ARTICLE 4 – NOTICES**

### **4.1 Notice**

At least five (5) days written notice must be given to all Directors of any regular or special meeting of the Board of Directors. Notice of meetings may be given by electronic transmission (i.e., e-mail) if all directors individually and collectively consent in writing. 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.

## **ARTICLE 5 – MEETINGS**

### **5.1 Place of Meeting**

Meetings of the Board of Directors will be held at such places as determined by the Board of Directors or as specified or fixed in the respective notices or waivers of notice.

### **5.2 Regular & Special Meetings**

The Board of Directors will hold at least one meeting a year.

Regular meetings of the Board of Directors will be held at such times and places as may be selected from time to time by resolution adopted by the Board and communicated by written 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 within Texas 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 will give notice to the directors as required in the Bylaws.

### **5.3 Quorum and Manner of Acting**

A majority of the number of directors then in office will constitute a quorum for the transaction of business at any meeting of the Board of Directors. 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. In case of a tie in voting on any manner, the President has a tie-breaking vote.

### **5.4 Proxy Voting Prohibited**

Proxy voting is not permitted.

### **5.5 Written Consent of Directors**

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by the number of directors or officers whose vote would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted, as the case may be. Such consent must be filed with the minutes of proceedings of the Board of Directors or of the committee. Such consent shall have the same force and effect as a vote at a meeting where such directors or officers were present and voted and may be stated as such in any document.

### **5.6 Electronic Meetings**

Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board of Directors or members of any committee designated by the Board may, unless otherwise restricted by statute, by the Certificate of Formation or by these Bylaws, participate in and hold any meeting of the Board of Directors or committee by using conference telephone or similar communications equipment, or another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination, if the telephone or other equipment system permits each person participating in the meeting to communicate with all other persons participating in the meeting. If voting is to take place at the meeting, reasonable measures must be implemented to verify that every person voting at the meeting by means of remote communications is sufficiently identified and a record must be kept of any vote or other action taken. Participation in a meeting pursuant to this Section 5.6 shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

## **ARTICLE 6 – COMMITTEES**

## **6.1 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.

## **ARTICLE 7 – OFFICERS**

### **7.1 Elected Officers**

There will be a minimum of 3 Officers for the Guild. Additional Officers may be added in increments of 2, so that there is always an odd number of Officers for voting purposes. The elected officers of the Guild may include a President, Vice Presidents and/or Secretary and Treasurer to be determined from time to time by the Board. Any two (2) or more offices may be held by the same person.

### **7.2 Election**

Officers will be elected by the Board of Directors, so far as is practicable, at each annual meeting.

### **7.3 Appointed Officers**

The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and assistant officers and agents as it shall from time to time deem necessary, who will exercise powers and perform duties as set forth in these Bylaws or determined from time to time by the Board.

### **7.4 Term of Office; Removal; Filling of Vacancies**

Officers shall hold a 1 year term.

### **7.5 President**

The President shall:

- Supervise and control the affairs of the Guild and shall exercise such supervisory powers as may be given by the Board.
- Preside at all board meetings.
- Serve as an ex-officio member of all standing committees, unless otherwise provided by the Board or these Bylaws.
- Set the agenda for each meeting of the Board.
- Have the general authority to execute bonds, deeds, and contracts in the name of the Guild; to cause the employment or appointment of such employees and agents of the Guild as the proper conduct of operations may require and to fix their compensation; to remove or suspend any employee or agent; and in general to exercise all the powers usually appertaining to the office of president of a Guild, except as otherwise provided by law, the Certificate of Formation or these Bylaws.

### **7.6 Vice Presidents**

Each Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the President or the Board of Directors.

### **7.7 Secretary**

The Secretary shall:

- Give all notices in accordance with these Bylaws or as required by law.
- Take or ensure that someone takes minutes of all meetings of the committees and Board, and shall keep true copies of all minutes as part of the corporate records.
- Maintain custody of the records.
- Keep a record of the names and addresses of each Director, officer, and employee of the Organization.
- Perform all duties incident to the office of Secretary.

## **7.8 Treasurer**

The Treasurer, if any, shall be the chief accounting and financial officer of the Guild and shall

- Have active control of and shall be responsible for all matters pertaining to the accounts and finances of the Guild.
- Supervise the accounting and auditing practices of the Guild and shall have charge of all matters relating to taxation.

## **ARTICLE 8 – STAFF**

### **8.1 Staff**

The Board of Directors may, upon resolution, appoint staff, including an Executive Director, and/or a management company to serve at the board's discretion and to carry out whatever tasks the board from time to time resolves.

A member of the Board of Directors may serve in an employment position within the Guild, subject to the Conflict of Interest policy in 9.4.

### **8.2 Executive Director and/or Management Company**

The Executive Director and/or management company (“management”) shall be paid a fee set by the Board of Directors. Subject to such supervisory powers as are vested in the Board of Directors, the management shall supervise, direct, and control the business of the Guild and actively manage its business, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these bylaws. The management may engage in negotiations involving commitments of the resources of the Guild or the acceptance of money or resources by the Guild in furtherance of the purposes of the Guild as set out in the Certificate of Formation and these bylaws. The management shall generally be expected to attend all meetings of the Board of Directors and meetings of the general membership, yet does not have a vote on the Board of Directors.

## **ARTICLE 9 – OPERATIONS**

### **9.1 Contracts**

The Board of Directors may authorize any officer or officers, or agent or agents, of the Guild to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Guild, and such authority may be general or confined to specific instances.

### **9.2 Disbursement of Funds**

Management may dispense with the funds of the Guild in accordance with the annual budget approved by the Board of Directors and the purposes of the Guild as set out in the Certificate of Formation and these bylaws. Financial transactions with the value of \$200 or more that are not in the annual budget require majority approval of the Board of Directors, or Executive Committee if a majority of the Board of Directors is not immediately available to vote on the transaction.

### **9.3 Records**

The Guild will keep correct and complete records of account and will also keep minutes of the proceedings of the Board meetings and Committees. The Guild will keep at its principal place of business the original or a copy of its bylaws, including amendments to date certified by the Secretary of the Guild.

### **9.4 Conflicts of Interest**

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

### **9.5 Dividends Prohibited**

No part of the net income of the Guild shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Guild shall be distributed to its directors or officers.

The Guild may pay compensation in a reasonable amount to its officers for services rendered and may compensate and reimburse its directors as provided in Section 3.11.

### **9.6 Loans to Officers and Directors Prohibited**

The Guild will not make loans to its officers and directors. Any directors voting for or assenting to the making of any such loan, and any officer participating in the making thereof, shall be jointly and severally liable to the Guild for the amount of such loan until repayment thereof.

### **9.7 Fiscal Year**

The fiscal year of the Guild will be from January 1 to December 31.

### **9.8 Lobbying**

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 or in opposition to any candidate for public office.

### **9.9 Invalid Provisions**

If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

### **9.10 Powers to Amend**

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 which 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.

### **9.11 Dissolution**

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

## **ARTICLE 10 – INDEMNIFICATION**

### **10.1 Indemnification**

To the extent permitted by law, any person (and the heirs, executors, and administrators of such person) made or threatened to be made a party to any action, suit, or proceeding by reason of the fact that he is or was a Director or Officer of the Guild shall be indemnified by the Guild against any and all liability and the reasonable expenses, including attorney's fees and disbursements, incurred by him (or by his heirs, executors or administrators) in connection with the defense or settlement of such action, suit, or proceeding, or in connection with any appearance therein.

### **10.2 Limits on Indemnification**

Notwithstanding the above, the Guild will indemnify a person only if he or she acted in good faith and reasonably believed that his conduct was in the Guild's best interests. In the case of a criminal proceeding, the person may be indemnified only if he had no reasonable cause to believe his conduct was unlawful.

## **CERTIFICATION**

The undersigned, being the duly elected and qualified President of the Guild, hereby certifies that the foregoing initial Bylaws of the Guild were duly adopted by the Board of Directors of the Guild effective November 1, 2023.

*Susan Skatoff*

---



## **Palm Beach Modern Quilt Guild Policies and Procedures**

Effective January 1, 2024 - referred to as "PBMQG," "Palm Beach MQG," or "the Guild"  
Below:

The purpose of this document is to supplement the Palm Beach Modern Quilt Guild By-Laws. Changes to this document can be made by a vote of the Board of Directors as needed; changes do not require a formal vote of the general membership.

### **1. Mission Statement**

The mission of PBMQG is to support and encourage the growth and development of Modern Quilting through education and skill building in the art of quilt making. We are a collaborative and member-driven group that meets monthly, welcoming everyone, beginners and experienced quilters alike.

### **2. About PBMQG**

We believe in-person meetings and workshops are effective in building valuable skills and relationships. Therefore, we gather in the spirit of community and art to provide a space where everyone is safe and feels free to explore and share their creativity. We believe our members are the life of the Guild. We encourage everyone's participation through monthly opportunities to lead, teach and share. Our Guild will grow and thrive with member involvement and commitment to our organization.

### **3. Code of Conduct**

All members of PBMQG, including Board of Directors Members and Officers, shall:

- a. Abide by the Guild's Bylaws, Policies and Procedures.
- b. Treat other Members and Non-Members of the Guild with respect and consideration
- c. Participate in Guild events to the best of their ability
- d. Encourage other Guild members and be willing to share skills and knowledge to the best of their ability
- e. Vote and participate in the making of decisions which affect the Membership

**Violation of Section 3 above of the Guild Policies & Procedures will be met with immediate dismissal from the Guild**

### **4. Dues**

Annual Dues shall be decided by a majority vote of the Board of Directors.

To remain a Member in Good Standing, Dues shall be paid in full and on time, before the end of January for the upcoming calendar year. Members joining after June 1st shall pay half of the published yearly rate.

If a member leaves the Guild (or is asked to leave the Guild due to Code of Conduct Violation), dues will not be prorated or refunded. Membership is not transferable to a different guild.

## **5. Membership**

As a Member in Good Standing, Members can participate for free at any regular meeting, educational, and/or charitable quilting activities the Guild offers. **EXCEPTION:** Workshops or events where additional fees are needed to supplement speaker fees, projects, or if attendance is limited due to space.

## **6. Special Access**

As a Member in Good Standing your membership in PBMQG includes membership in the Modern Quilt Guild (MQG). This entitles members to all MQG programs and resources offered on their website, such as online free quilt patterns, articles, interviews and webinars, early registration to QuiltCon along with early access to in-person classes and lectures. See [www.themodernquiltguild.com](http://www.themodernquiltguild.com) for specific details.

The Guild's website has a Member Only section where Members can review meeting minutes and access content exclusive to the PBMQG membership.

## **7. Non-Members**

- a. First-time attendance to a general guild meeting for a non-member is free.
- b. Second-time attendance to a general guild meeting is \$10 and will NOT be applied towards membership to The Guild.
- c. Third attendance requires a commitment to full membership and dues to the PBMQG.

## 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 PBMQG has a transaction or arrangement
  - A compensation arrangement with the PBMQG or with any entity or individual with which the PBMQG 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 PBMQG 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 in line 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 PBMQG 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 PBMQG's best interest and for its own benefit and whether the transaction is fair and reasonable to the PBMQG. The PBMQG 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 PBMQG 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 PBMQG 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 PBMQG 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 PBMQG 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 position(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: \_\_\_\_\_