



Local Guild Membership Information Packet

Table of contents:	Pages
Membership Checklist	2
Membership FAQs	3 - 7
501 (c)(3) information	8 - 11

Check List for your MQG to become an official MQG

The online application, to be filled out by your MQG's leadership, is available on the MQG website. Please expect to spend an hour to complete your application.

You will need the following items to complete the application:

- Your membership roster containing first name, last name, and email address of your members. Once you have registered them, they will get an email to complete their enrollment in the worldwide guild.
- The names of your elected officers and their positions.
- A copy of your bylaws and/or constitution amended with the "Requirements to be exempt as an organization described in Section 501 (c)(3) of the Internal Revenue Code."
- Financial Information made up of your profit & loss statement or balance sheet. An excel spreadsheet is fine.
- A copy of your EIN number/letter.

Note: International guilds do not need to provide the following:

- EIN Number
- Financial Information

How do we pay?

You pay the membership fee with credit card or debit card.

When do we pay?

You will pay upon signing up your MQG through the website.

I would like to join the MQG as an individual. How do I do that?

You can join as an individual member via the MQG website. From the home page, click JOIN. The fee is \$30.00 per year.

Membership FAQs

The Big Picture

Q: What is the mission statement of the Modern Quilt Guild?

A: Our mission is to support and encourage the growth and development of modern quilting through art, education, and community.

Q: Why has membership to the MQG been formalized?

A: The MQG has grown exponentially since it was founded in Los Angeles in October 2009. Through blogs and the Internet, word spread quickly and soon guilds started popping up everywhere. The original founders of the MQG provided support and guidance to these new groups.

In 2010, the founding members brought together a group of dedicated guild members from across the country to form the initial MQG Board. The goal was simple: determine what local guilds wanted and needed from an international organizational structure.

The feedback came via member surveys, social media, the MQG leadership forum and a pilot membership program made up of five local MQGs. The priorities emerged: members wanted community connections and communication, education, a better way to manage membership, support in forming and running local guilds, and American guilds wanted an easy way for their guild to acquire 501 (c) (3) non-profit status.

QuiltCon 2013 emerged as the vehicle by which the organization could fund the work and infrastructure needed to meet these objectives.

The board was expanded to bring on expertise in the areas of accounting, software, and industry relations. An attorney was engaged to continue the 501 (c) (3) application process for American guilds, a new website was born, and a membership program has been rolled out to formalize the structure of the organization.

Work is ongoing to support the efforts of local MQGs and build a strong, thriving international organization that supports the MQG's mission.

Q: What are the basic requirements for a local group to join the MQG?

A: A local guild will need to develop and adopt a set of bylaws, elect officers, acquire an EIN, and open a bank account. In addition, the fiscal year must match the MQG's fiscal year of January 1 to December 31 and the bylaws must contain some specific language (outlined in a separate document). These are also the prerequisites to qualify for 501 (c) (3) tax-exempt status through the MQG's group exemption.

Q: How much are dues?

A: Individuals not affiliated with a local guild can join the MQG for \$30 per year. Local MQGs pay a flat annual fee based on the number of members in their group as of December of the current year or the date of application. The dues structure is:

10 - 15 members:	\$ 180
16 - 25 members:	300
26 - 35 members:	480
36 - 45 members:	660
46 - 55 members:	840
56 - 65 members:	1020
66 - 75 members:	1200
76 - 90 members:	1380
91 - 110 members:	1530
111 – 130 members:	1740
131 – 150 members:	1920
151 – 170 members:	2100
171 – 190 members:	2280
191 – 210 members:	2460
211 – 230 members:	2640
231 – 250 members:	2820
251+ members:	3000

Dues are prorated each month so these costs drop each month as all guild dues renew in the January – March 31 renewal period each year.

Q: Our guild is just starting out and we only have 7 members. How much will we pay in dues and will we be able to access the MQG website to manage our guild?

A: A guild with fewer than 10 members is classified as a Starter Guild. A Starter Guild has two years to meet the minimum number of members (10), elect officers, establish bylaws and meet the other requirements to become a dues-paying guild. During the start-up period the Starter Guild will have access to the MQG website and associated tools. They will also be able to call themselves a MQG. They will not be eligible for 501(c)(3) status through the MQG group exemption option.

Q: What if my guild signs up with 23 members for 2019 and adds 5 members before the end of the year? How will our dues increase?

A: Your dues will increase the next enrollment period in January of the following year. You can add and remove members over the course of the year without any changes in cost.

Q: How was the amount of dues determined? Why are they so reasonable? Why are they so expensive? (We've gotten both of these questions!)

A: Dues represent about 10-15% of the projected income of the MQG in a given year. Remaining expenses are currently funded from revenue generated by activities like QuiltCon. The goal was to make dues both reasonable and affordable while still providing needed funding for the operational budget of the organization.

We'd like to think that the MQG's mission alone is reason enough to support the organization but we're realists too. To encourage guilds to join, the board has spent considerable effort in devising a value-packed list of member and guild benefits that far exceed the cost of dues paid. The combination of an awesome mission and a compelling line-up of member activities, opportunities for connecting within the MQG community, and guild benefits like 501(c)(3) status will make the organization strong and ready to spread the word about modern quilting worldwide.

Q: Our guild would like bylaws. Where can we go to get help in creating these?

A: Several samples of MQG bylaws are available to you by emailing info@themodernquiltguild.com or on our Resources page of our Community site. We recommend beginning with a template and modifying it as needed.

Q: Our guild doesn't have an EIN, how do we get one?

A: Your guild can get an EIN from the IRS. Requirements vary from state-to-state. The IRS has information about getting an EIN here: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

Q: Can a current guild join the MQG and still have local dues?

A: Absolutely. Local guilds retain complete ownership of setting local member dues.

Q: By aligning our fiscal year to the MQG do we have to have elections coordinate to that year?

A: No. Your officers can run any start/end dates that you determine to be the best for your local guild.

Q: Are there restrictions regarding use of The Modern Quilt Guild name?

A: The Modern Quilt Guild ® ("Mark") is a registered trademark of The Modern Quilt Guild ("MQG"). MQG grants local guilds nonexclusive, nontransferable licenses to use the Mark during their membership terms. The license terminates automatically when the local guild membership term ends. If a guild does not renew its membership, it must cease to use the Mark and any other marks, tradenames, or other designations that are confusingly similar to the Mark. Therefore, if the local guild uses the term MODERN QUILT GUILD in its name, it must stop using that name and adopt a new name. MQG gives local guilds a three month grace period to adopt a new name.

Q: Will individual members have access to the website to access guild challenges?

A: Yes. Individual members will have all the same benefits as members of local guilds. Our site offers an Individual Members circle specifically for members to connect that are not affiliated with a local guild.

Q: What are additional benefits of joining the MQG?

A: Guild and Individual Members will receive the following benefits:

- access to our monthly free quilt pattern series
- access to our monthly Block Study series
- access to our monthly webinar series

- discounted entry fees for MQG quilt shows
- discounted rates on conferences and events
- priority and early-bird registration for conferences and events
- discounts and special offers with MQG sponsors, legal fees and affiliated companies
- discounted small business and personal insurance
- permission to use the Modern Quilt Guild logo
- access to MQG Leaders only newsletter and forum
- opportunities to participate in inter-guild swaps and challenges
- involvement in MQG fabric challenges
- digital membership cards
- official member blog button
- membership pins

Q: If a member switches guilds mid-year (such as moving) or signs on as an individual and later wants to join a guild, will you offer refunds?

A: If a member switches guilds mid-year, they will need to pay the dues of the guild they are joining, according to the procedures of the specific local guilds. If an Individual Member wants to join a guild, the MQG will refund the cost of Individual Membership within one month of payment. After that, no refunds are available and the member will need to pay the dues of the guild they are joining, according to that guild's procedures.

501(c)(3)

Note: Information entitled Quilt Guilds as Nonprofit, Tax-Exempt Organizations is available on pages 9 to 13 of this document. It covers the essential details of what being non-profit is, how the MQG's tax-exempt status is structured, and how your guild can take advantage of the group exemption being offered by the MQG parent organization.

Q: Can we join without taking advantage of the 501(c)(3) status?

A: Guilds that already have federal non-profit status in place will not be required to file under the parent organization's group exemption option. Remaining guilds located in the United States are required to take part in the 501(c)(3) group exemption. Guilds located outside of the United States are exempt from this requirement. Since membership fees cover the vast majority of operational costs beyond 501(c) there is no discount for guilds who already have non-profit status in place.

Q: How quickly will our guild have 501(c) status after sending in our dues and application?

A: We plan to process membership as quickly as possible, preferably within 5 business days, but it should be no longer than 21 business days depending on volume. At that point, you can function as a non-profit and we input you into the group exemption with the IRS.

Online Membership Database

The online membership database system will allow guild leaders the ability to track membership and communicate with your guild through a social circle. In addition, the social media hub will facilitate guild-to-guild communication for planning meet ups and swaps, sharing photos of work, asking for advice, and getting information about MQG challenges and happenings.

Q: Will we need to maintain our own websites?

A: Not necessarily. The MQG website will provide your guild with a public web page where you can provide a contact email address, basic info on meetings, or links to external websites (blogs, Facebook, Instagram, etc).

Q: Will it have e-newsletter capabilities?

A: This is not available on the current system.

Member Information

Q: How will the MQG use and protect the personal information of members?

The MQG will never share or sell member's information with another organization or company.

For some events we will offer the option to share email addresses of event registrants only. This will be clearly marked as an option to approve or decline your participation. You must opt-in for this; we will not share your email address without your permission.

The guild makes sure all of its communications are in compliance with the CAN-SPAM Act as well as protecting members' personal information as a top priority in our emails.

Future Plans of the Modern Quilt Guild

Q: What does the MQG have planned for the future?

A: The following events are currently scheduled and happening:

- QuiltCon 2019 – Nashville, TN
- QuiltCon 2020 – Austin, TX
- Quilt Market & Festival Showcase
- QuiltCon 2021 – Atlanta, GA

Organizational Structure

Q: How many people work for the guild?

A: In September of 2012 the MQG gained its first employees with Alissa Haight Carlton as the Executive Director and Heather Grant as the Director of Marketing and Programming. Since then we have added Elizabeth Dackson as our Events Manager, Riane Menardi Morrison as our Communications Manager, and Amanda Hines as our Member & Sponsor Manager. We also have a bookkeeper and part-time administrative assistant.

Q: Will the annual financials be made available? What about minutes from board meetings?

A: Yes. This is a requirement of being a 501 (c) (3) non-profit organization and an annual report is available to anyone who requests it.

Q: Will board members be elected by the membership in the future?

A: Yes, the Governance Committee and the Nominating Committee organized and rolled out a process to elect five Regional Representative seats on the MQG Board. As of January 2015, these positions are filled and voted on by members.



MODERN QUILT GUILD

QUILT GUILDS AS NONPROFIT, TAX-EXEMPT ORGANIZATIONS

What is a Nonprofit? What is Tax-Exempt Status?

The word “nonprofit” generally is used to describe organizations that work to serve a public purpose, rather than to provide a financial benefit to any particular individual or group. Most nonprofits are organized around a particular mission or community goal. This charitable mission is what distinguishes it from a for-profit corporation.

Groups such as Quilt Guilds can become nonprofit corporations by applying with their state. Becoming a nonprofit corporation does not forbid the organization from making a profit; however, any profit earned must be invested back into the operations of the organization and cannot inure to any person or board member.

Many nonprofits apply to be exempt from paying taxes from the Internal Revenue Service (IRS) and/or their state. This tax-exempt status means an organization does not pay corporate income tax on income generated from charitable activities. It also means that donations to the organization may be tax-deductible to the donor. These groups are often called 501(c)(3)s, because that refers to the tax category.

What business form is the Modern Quilt Guild, Inc.?

The Modern Quilt Guild, Inc. is organized as a California nonprofit corporation and obtained 501(c)(3) tax-exempt status from the IRS. Moreover, it will be authorized to serve as a parent organization to other subsidiary quilting guilds around the country that want to be a part of a “group tax-exemption” and share the same tax status.

Can our Guild be Tax-Exempt? How Do We Get Started?

Yes. Your Guild can be organized as a nonprofit, tax-exempt entity. Setting up your Guild as a 501(c)(3) organization offers many benefits, including:

- No taxes on charitable activities
- Receive tax-deductible donations from all types of donors (individuals, corporate, foundations, grants; note that membership dues not tax-deductible)
- Discounts on postage and other expenses, no state sales tax on certain items
- Reassurance to potential donors, board members, and the general public
- Permanence of organization
- Separate entity – the guild will be a legal entity separate from the individuals who founded it or who manage it.

A Guild in the United States wishing to become a nonprofit, 501(c)(3) tax-exempt organization can do so one of two ways.

1. A Guild can become an independent, nonprofit organization and apply for 501(c)(3) federal tax exemption on its own, or
2. A Guild can become a subsidiary organization under the Modern Quilt Guild Inc.'s

group exemption.

Option 1: To become an independent nonprofit Guild with tax-exempt status you will apply for nonprofit status in your state, draft bylaws, complete an application for IRS 501(c)(3) status (called IRS Form 1023), provide a fee to the IRS (approximately \$400), and wait up to 9 months for the IRS to review the application and make a determination about whether or not to grant the Guild's tax exemption. [More information on how to do this.](#)

Option 2: One of the many benefits of Modern Quilt Guild Inc. membership is the opportunity to obtain 501(c)(3) tax-exempt status with the Internal Revenue Service (IRS) under the Modern Quilt Guild Inc.'s group exemption.

Option 2: How Can Our Guild Obtain Tax-Exempt Status Under the Modern Quilt Guild Inc.'s Group Exemption?

Become a Modern Quilt Guild Member.

Guilds in the United States set-up as legitimate organizations can be eligible for tax-exempt status through the Modern Quilt Guild Inc.'s group exemption with the IRS. The Modern Quilt Guild Inc. will review applications, and reserves the right to reject any organization in the group exemption if it believes that a Guild does not meet the requirements of being a Guild. Please contact the Modern Quilt Guild Inc. with questions.

Steps Include:

1. Organize a Guild that has a similar mission and purpose to the Modern Quilt Guild, Inc., which is *"The Modern Quilt Guild, Inc. supports and encourages the growth and development of modern quilting through art, education, and community."*
2. Set your fiscal year to match the Modern Quilt Guild Inc.'s fiscal year of January 1 to December 31.
3. Adopt a set of bylaws to govern your Guild. Member Guilds are encouraged to use the Modern Quilt Guild Inc. sample bylaws as a template for creating their own bylaws. If your Guild already has Bylaws, please see suggestions for editing your bylaws.
4. Obtain a federal employer identification number (EIN) through the IRS. Your Guild needs this number even if you do not have employees. [Learn how to apply for an EIN number.](#)
5. Elect a board of directors of no less than three unrelated individuals on an annual basis.
6. Send the Guild's bylaws, EIN number, and the Application to the Modern Quilt Guild Office. The Application should be signed by an officer of your organization. Your Guild's complete application will include the following information:
 - Your Guild's federal employer identification number
 - Your Guild's official name and address
 - A statement that your Guild is not a private foundation
 - A statement that your Guild has not previously applied and been rejected for tax-exempt status.
 - A statement that your Guild agrees to abide by the policies set forth by the Modern Quilt Guild, Inc. and the IRS tax-exempt organizations
 - A statement that "No substantial part of the activities of your Guild shall be to carry on propaganda, or otherwise attempt to influence legislation. The Guild or event MAY NOT participate in or intervene in any political campaign on behalf of any candidate for public office."

- A statement of purpose for your organization. Your statement of purpose must be similar to the Modern Quilt Guild, Inc. that states: *The Modern Quilt Guild, Inc. supports and encourages the growth and development of modern quilting through art, education, and community.*

Upon receipt of the application, bylaws, and EIN copy, you will receive a confirmation letter stating that your Guild is exempt from federal tax under our group exemption. You will also receive a copy of the Modern Quilt Guild Inc.'s federal nonprofit determination letter for your records. Your Guild may use both letters to demonstrate tax exemption when working with local governmental agencies or corporate entities.

The group exemption does not apply to state or local taxes. Each cub must review the tax requirements of their state and comply with these tax requirements. Make sure to inquire about your states tax exemption filing requirements and sales tax exemption rules.

How Does Our Guild Maintain Our Status Through the Group Exemption?

1. Renew your Modern Quilt Guild Inc. membership by January 1st of each year. Non-renewed Guilds will be dropped from the group if they fail to renew during a 12-month period. Lapsed membership may affect your ability to access tax-exempt status in the future.
2. Ensure you have independent, individual members elected to your board of directors. Contact information for each board member should be updated annually with the Modern Quilt Guild Inc. National Office.
3. File all applicable tax reports for your organization in a timely manner.

How Does Our Guild Explain Our Status Through the Modern Quilt Guild Inc. Group Exemption?

If your Guild receives 501(c)(3) tax-exempt status through the Modern Quilt Guild Inc.'s Group Exemption, the proper way to articulate this relationship or to communicate this to your members or local community is:

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

This statement explains your tax-exempt affiliation with the Modern Quilt Guild Inc. It is important to explain that you are a member of the Modern Quilt Guild Inc. *group exemption* when communicating about your tax-exempt status.

Does Our Guild Have to File Tax Reports?

Most nonprofit organizations are required to file annual reporting returns with the IRS. Even though tax-exempt nonprofit organizations do not *pay* federal taxes (*that is what "tax-exempt" means*), most do have to file an informational return with the IRS called a Form 990. Your Guild will be responsible for this filing this report by May 15 of each year.

The type of Form 990 to be filed by an organization depends on the filing year and the gross receipts of the organization. The different forms include Forms 990, 990-EZ and 990-N. Learn more [here](#) to see which forms to file.

State tax filing requirements for nonprofit organizations vary from state to state, and a tax advisor should be consulted to determine the filing requirements of each individual Guild.

The Modern Quilt Guild, Inc. does not file tax returns on behalf of any Guild.

What About Charitable Solicitation Registration and Independent Audit Requirements?

Certain states require nonprofit organizations that solicit contributions to file charitable solicitation registration forms. Information about state charitable registration can be found at multistatefiling.org.

The Modern Quilt Guild, Inc. will file the charitable solicitation registrations for members taking advantage of the group tax exemption. Although the Modern Quilt Guild, Inc. files the master paperwork, some states require affiliate organizations of a parent organization to file an annual financial report as well. Check with your state to understand charitable solicitation registration rules.

Guilds that do not take advantage of the Modern Quilt Guild, Inc. group exemption status should visit the site above to learn more about the topic and ensure compliance for your organization. If your organization receives funds from a government entity you may be required to have an annual independent audit.