I found this neat idea from the Moonlight Quilters Organization:



To make a needle case similar to the one pictured above:

- Cut 8" squares of Muslin, Batting AND printed cotton fabric. You should have 3 squares.
- Use a permanent pen to write the types and sizes of needles you use on the Muslim. (You
  could also draw your lines on a piece of tear away stabilizer and then just tear it away
  when you're finished.)
- Use black thread to stitch the continuous grid you see in the picture. (Note: I'd cheat by making up a simple embroidery design file in my embroidery customizing program so I can stitch these out for my friends).
- Stitch a small piece of Velcro to the right side of the printed fabric. (Moonlight Quilter's
  directions state to add a small piece of ribbon to sides, but I think the Velcro is a better
  idea as you don't have to fuss with the ribbon ties...you just stick it to your machine with
  the coordinating Velcro piece.)
- Place the printed fabric and batting right sides together on top of the muslin.
- Stitch around all sides leaving a 2" space for turning.
- Clip your corners to reduce bulk prior to turning.
- Topstitch around all sides.

Presto...you have a neat handmade needle case! However, if you are really lazy, you could always use Velcro dots. Just stick a Velcro dot to the needle case of the needle you have in your sewing machine. It doesn't get simpler than that!