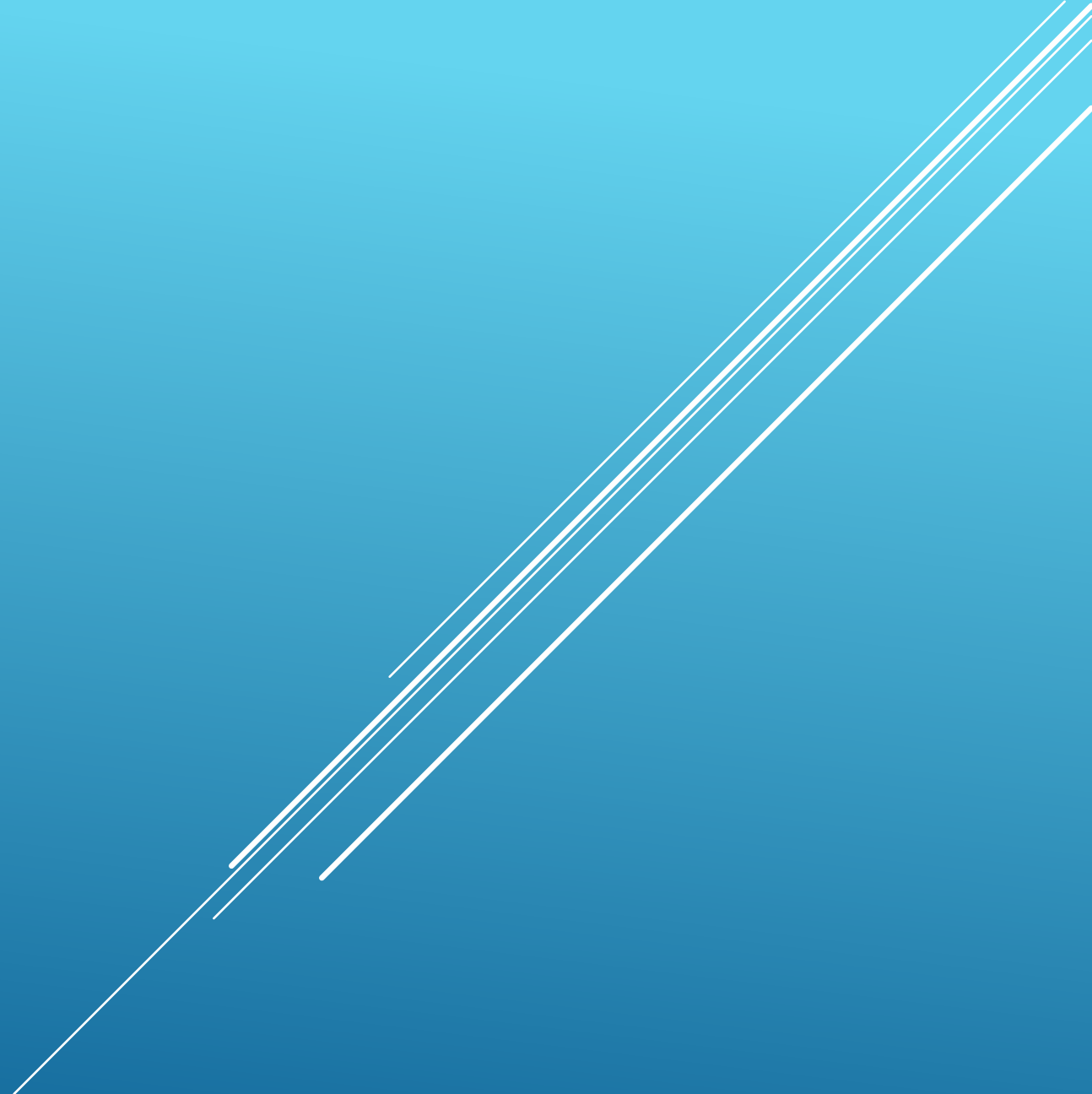


TAN FORUM ON INCORPORATION

June 15, 2020





Pros and
Cons



Steps to
Incorporating



(When) will
we need a
lawyer?



Post
incorporation

By-Laws
Reporting
Requirements



Discussion



Links

OVERVIEW

Pros

- Sustainability
 - Clarify and formalize your operations
- Protect directors
- Credibility
- Financially:
 - Applying for Bank credit
 - Applying for funding

Cons

- Too early – still lots to work out about how you want to operate
- May be more formal than your group wants to be
- Reporting requirements
- Costs

WHY INCORPORATE?

- ▶ Members, not shareholders
- ▶ Members cannot personally gain – all profits are used to promote the corporation's objects
- ▶ Not for profit corporations must operate within their objects

NOT FOR PROFIT VS FOR PROFIT CORPORATIONS - DIFFERENCES

ARE YOU CONSIDERING INCORPORATION...

- ▶ Do you have a Vision/Mission, Guiding Principles?
- ▶ Do you have a stable committee committed to ongoing service?
- ▶ Do you already have By-Laws, policies, a distinct culture?
- ▶ Is there an issue driving you towards incorporation – banking, funding, insurance?

- ▶ Provincial or Federal? **Download the appropriate application (links at end)**
- ▶ **Undertake a Name Search** (NUANS)
- ▶ **Prepare and Submit Application**, with cheque and signatures
 - ▶ Objects - what you plan to do/mission statement
 - ▶ Special Provisions -

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.
 - ▶ Head Office
 - ▶ Minimum of 3 Directors

Note: Incorporating to register as a charity requires some different considerations

WHERE TO START?

This space is for
Ministry Use Only
Espace réservé à l'usage
exclusif du ministère

Ontario Corporation Number
Numéro de la société en Ontario

5014403



Ministry of Government
and Consumer Services

Ontario

LETTERS PATENT

This application constitutes the charter
of the corporation which is issued by
these Letters Patent dated this

MARCH 12 MARS, 2019

Ministère des Services
gouvernementaux et des
Services aux consommateurs

LETTRES PATENTES

La présente demande forme la charte de la
société constituée en personne morale
par lettres patentes daté le

Minister of
Government and
Consumer Services

per/par

Barbara Ashitt

Director / Directrice

Le ministre des Services
gouvernementaux et
des Services aux
consommateurs

**APPLICATION FOR INCORPORATION OF A CORPORATION WITHOUT SHARE CAPITAL
REQUÊTE EN CONSTITUTION D'UNE PERSONNE MORALE SANS CAPITAL-ACTIONS**

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)

Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT)

T	H	I	R	D	A	G	E	B	A	R	R	I	E	L	I	F	E	L	O	N	G	L	E	A	R
N	I	N	G	A	S	S	O	C	I	A	T	I	O	N											

2. The address of the head office of the corporation is:

Adresse du siège social:

65 Cedar Pointe Drive, Suite 309

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)

(Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

WAIT FOR
YOUR
APPROVED
LETTERS PATENT

WHILE YOU WAIT

- ▶ By-Laws are required to ensure you operate according to the legislation
- ▶ Download the draft By-Law (Ontario) or By-Law Builder (Federal)
- ▶ Develop by-laws to reflect your historical operations approach, or discuss changes to be made...
- ▶ It's a good time to review everything

BY-LAW CONTENT

Corporation (Letters Patent, Mission, Legislation)

Members

Directors and Officers

Board Operations

Signing Authority

Notices

Code of Conduct

Committees, Planning

Financial Management

Adoption and Amendments

To be approved by Directors, then confirmed by Members at the first AGM or special meeting.

POST INCORPORATION

- ▶ CRA will automatically provide you with a Business Number
- ▶ Within 60 days, submit Form 1 with the names and addresses of all Directors and Officers, including date they were elected; subsequently, report any change in directors, officers, or head office within 15 days
- ▶ Set up banking, insurance, credit as needed
- ▶ Submit T2 Short form to Canada Revenue 6 months after year end
- ▶ Set up your first AGM within 18 months of incorporation, 15 months thereafter
- ▶ Operate within your objects. If you want to operate outside the objects, you must apply for **Supplementary Letters Patent**

WHEN TO CALL THE LAWYER

- ▶ Incorporating with intention of registering as a charity
- ▶ A history of complicated arrangements, membership or partnering, or practices that will have to change to meet the legislation
- ▶ Difficulties with the name search
- ▶ Lack of consensus among the committee members
- ▶ Ensure that your By-Laws include all the mandatory clauses, so you are adhering to the legislative requirements
- ▶ Once the Ontario Not-for-Profit Corporations Act (ONCA) is proclaimed, to transition your By-Laws to meet the new legislation

- ▶ <https://www.ontario.ca/page/incorporating-not-profit-corporation>
- ▶ https://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not_for_Profit_Incorporators_Handbook_EN.html
- ▶ <https://www.ontario.ca/page/not-profit-corporations-act-default-organizational-law>
- ▶ Part III, Ontario Corporations Act, currently in effect:
<https://www.ontario.ca/laws/statute/90c38>
- ▶ <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs04970.html>
- ▶ <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/frm-eng/NGRR-8AFNVX>
(Federal By-Law Builder)

LINKS TO RESOURCES