

Chapter Dissolution - Canadian Chapters

When it seems that your chapter should dissolve you should contact key District leaders to work with you to ensure that dissolution is the best path forward. If there is agreement to do so, then notify the District President of the decision. (president@loldistrict.org)

Because of the Society's non-profit status there are IRS rules that apply to the Society and all Chapters, therefore, the President will assign a Facilitator who will work with you and help guide you through the process. Reference: Canada Not-for-profit Corporations Act - Part 14, Liquidation and Dissolution. Key elements of the process include:

1. A meeting of the chapter members must be called for the purpose of acting on the proposal to dissolve the chapter and agreement to dissolve.
2. At the meeting, provided that a quorum is present, two thirds of the members present and voting **must adopt a resolution to dissolve the chapter and surrender the charter**. Copies of the minutes of such meeting must be recorded.
3. Gather the following information:
 - a. Legal name of the Chapter as Incorporated and also the Corporation number.
 - b. Find the original Chapter Charter from Society.
 - c. Make an inventory of tangible assets - risers, uniforms, music, other
 - d. Bank information and account balances.
4. After the above is completed the Facilitator will notify Society Hdqtrs in Nashville as well as the Society Governance and Bylaws committee of the proposed dissolution.
5. Instructions for dissolving a non-for-profit corporation can be found on the their Web site at: **Canada Not-for-Profit Corporations Act**. Include the following:
 1. Legal name of Chapter and IES number.
 2. Date of meeting at which the resolution to dissolve was approved.
 3. A statement that the dissolution to dissolve was approved by the members.
5. Proceed with the following. It is suggested two Officers do this.
 - a. Collecting, debts due or owing to your chapter.
 - b. Paying your chapters debts, obligations, and liabilities.
 - c. Selling, transferring for otherwise disposing of the chapters property and assets.
 - d. Return any assets the chapter may have borrowed, rented or leased.
 - e. Pay any costs associated with the dissolution including attorney fees.
 - f. Music/uniforms/risers and other remaining tangible assets must be disposed of and/or may be offered to other chapters, or non-profit music or theater groups. All remaining items must be disposed of in an appropriate manner.
6. Any current members must be transferred either to another chapter or to the LO'L Frank Thorne chapter (Chapter # H000).
7. After satisfying all debts and obligations of the chapter notify the Bank to close the account(s).

8. Canadian Chapters shall pay all outstanding bills and turn over their assets to a registered Canadian Charity. This may be another Canadian Chapter. Canadian Chapters file Provincial form T2.
9. The Chapter Charter along with copies of all documents filed should be given to the Facilitator who will send them to Society Governance and Society Hdqtrs..
10. Upon completion and verification of the above the Society will remove the Chapter from its rolls.

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