



CLEO

Community Legal Education Ontario
Éducation juridique communautaire Ontario



Nonprofit Law Ontario
Rules and tools for organizations

ONCA is Finally Here!

What's new in the ONCA?

What steps do nonprofits need to take?

How can CLEO help?

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Steps to Justice

Your guide to law in Ontario



Justice pas-à-pas

Votre guide de droit en Ontario

COVID-19: Updates on the law and legal services



Nonprofit Law Ontario

Rules and tools for organizations



Disclaimer

This presentation is:

- general legal information – it isn't legal advice tailored for your specific situation.
- a high-level overview of ONCA – it isn't comprehensive and it doesn't address other areas of law, such as charity law.
- about law not best practices. Just because something is legal doesn't mean it's a good idea.
- about law not funder expectations.



Land Acknowledgement

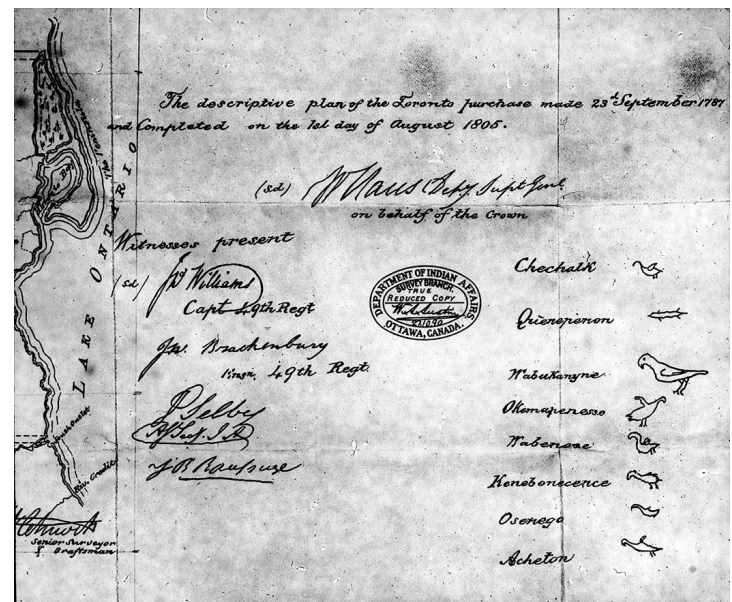
We acknowledge that since time immemorial the land on which we live and work has been the home and traditional territory of Indigenous Peoples, including the Mississaugas of the Credit, Haudenosaunee and Wyandot, and is now home to many diverse First Nations, Inuit, and Métis relatives. CLEO's work is also carried out across the many traditional territories of this land that is also known as Ontario. We acknowledge our privilege as well as our role in the systems of colonization.

CLEO staff are learning to be better allies by participating in training about the systemic nature of anti-Indigenous racism in Canada. We are strengthening ties to Indigenous-serving organizations in order to produce information and resources that reflect the experience of Indigenous Peoples and develop training that is more relevant for and accessible to Indigenous Peoples.

Dish With One Spoon v Treaty 13



Vs.





Key Terms

ONCA

Governing Documents

- Letters patent
- Bylaws
- Policies

Key people

- Members
- Directors
- Officers



Why Care About the ONCA?

- 1) Opportunity to revisit your governance**
- 2) Some new things are possible**
- 3) Funders may ask**
- 4) Avoid confusion later on**

Two reasons you do not need to worry:

- There are no ONCA police
- It is not a major overhaul



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What's new in the ONCA?

Public Benefit Corporations

Financial Review Standards

Ontario Business Registry



Public Benefit Corporations (PBCs)

A nonprofit is a PBC if it (s.1):

- is a charity, or
- received more than \$10,000 last year in:
 - **grants or financial assistance** from the government
 - **gifts or donations** from sources other than members, directors, officers, or employees

Additional rules for PBCs:

- Restricted property distribution upon dissolution (s.150(1)(b)(i))
- Max. 1/3 of directors can be employees (s.23(3))
- Higher standard of financial review (s.76(1))

Financial Review Standards

Annual revenue	Public benefit corporation	Not a public benefit corporation
\$0-\$99,999.99	You can pass an extraordinary resolution that says you don't need to do an audit and a review engagement	You can pass an extraordinary resolution that says you don't need to do an audit and a review engagement
\$100,000-\$499,999.99	You can pass an extraordinary resolution to have a review engagement	You can pass an extraordinary resolution that says you don't need to do an audit and a review engagement
\$500,000+	You must have an audit	You can pass an extraordinary resolution to have a review engagement

Default

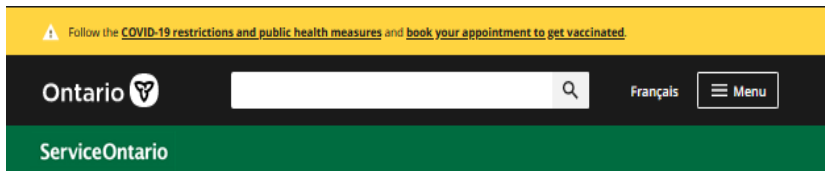
All nonprofits get an audit each year

Extraordinary Resolution

You can pass an extraordinary resolution with:

- 80% of votes at members' meeting, or
- Unanimous written resolution of all voting members

Ontario Business Registry



[Home](#) > [ServiceOntario](#) > [Business services](#)

Ontario Business Registry

The new Ontario Business Registry allows businesses and not-for-profit corporations to complete over 90 transactions online, including registering, incorporating, and updating their information.

On this page

- [1. Overview](#)
- [2. Access the registry](#)
- [3. Notices of filing requirements](#)
- [4. Service providers](#)
- [5. Law, accounting, and search firms](#)
- [6. Co-operatives](#)
- [7. Annual returns](#)
- [8. Company information](#)
- [9. Contact us](#)

Overview

Online government services are critical, not only to individual citizens, but also to businesses and not-for-profit corporations of all sizes.

To serve Ontario better, we have launched the Ontario Business Registry, which offers simpler, faster, and more convenient access for organizations that are registered, incorporated, or licensed to carry on business in Ontario.

This new online registry is available 24 hours a day, 365 days a year, and makes it easy to interact with the government. Businesses and not-for-profit corporations can complete a wide range of transactions through the new online registry, including registering a new business and dissolving an existing one.

Is your company information up-to-date?

It is the responsibility of the business or not-for-profit corporation to keep their information on the public record accurate and up-to-date. [Find out more and update your information now.](#)

Related

[Notices of filing requirements](#)

[Fee structure](#)

[Mail-in or email forms](#)

[Terms and Conditions](#)

[Create/log into ServiceOntario account](#)

Order a corporate profile: check address and directors

Allows you to file:

- notice of change
- annual return
- articles of amendment

Not a replacement for t3010

There are glitches so watch out!



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What steps do nonprofits need to take?

- Step 1: Figure out whether ONCA applies to you
- Step 2: Figure out when you need to act
- Step 3: Get your books in order
- Step 4: Review your bylaws and articles
- Step 5: Approve changes to your bylaws and articles
- Step 6: File articles of amendment



Step 1: Figure out whether ONCA applies to you

ONCA applies to nonprofits incorporated under:

- Ontario's Corporations Act
- Most special Acts - in case of conflict, special Act applies

Disclaimer: Tax status and corporate status are different.

ONCA does **not** apply to nonprofits incorporated under:

- Canada Not-for-Profit Corporations Act
- Co-operative Corporations Acts
- Non-incorporated entities (e.g. unincorporated associations or programs of municipal government)



Step 2: Figure out when you need to act

Oct 19, 2021	Oct 19, 2021- Oct 18, 2024	Oct 19, 2024 -
ONCA took effect	ONCA applies, but Old governing documents continue to be valid	Governing documents automatically changed to be compliant with some exceptions.

Exceptions:

- number of directors
- member classes and voting rights
- dissolution clauses

Typical timeline 6-12 months.

- Age of governing documents
- Capacity
- Consensus
- Ease of members meetings



Step 3: Get your books in order

Collect the following documents:

- Letters patent and supplementary letters patent
- Bylaws
- Minute books (can be virtual)
- Special resolutions
- Directors and officers register
- Members register (must have complete)
- Director consent forms
- Annual revenue

Make sure the government has your right address (NOT a PO box)



Step 4: Review your bylaws

Examples of what you might need or want to change:

- Appoint a **chair**
- **Corporations can be members**
- **If multiple member classes**
 - how to join the class
 - how membership ends
 - how to withdraw or transfer classes
- can set percentage of vote required to **demand members meeting** (max. 10%)
- Can allow **proxy voting**



Step 4: Review your articles

Examples of things that might need to change:

- **Purposes:** Do they reflect your organization's goals?
- **Number of Directors:** Minimum 3. Can be a range.
- **Membership classes and voting rights:** If you have more than one class
- **Restrictions on nonprofit's powers:** borrowing, selling key assets



Steps 5: Approve changes to bylaws and articles

Disclaimer: Follow procedure in bylaws. Members must approve.

A **typical** process includes:

- 1) Proposal to board:** from director, committee, lawyer, etc.
- 2) Board approval:** effective as of that date unless otherwise stated
- 3) Member approval:** AGM or special meeting
 - 1) Notice**
 - 1) default 10-50 days in advance
 - 2) Sufficient detail to form reasoned opinion
 - 3) Sent individually to members
 - 2) Quorum** (default 50%+1)
- 4) Registered charities only:** File bylaws with CRA



Step 6: File articles of amendment

Filing Method	Required Credentials	Where to access them
Ontario Business Registry	<ul style="list-style-type: none">• CompanyKey• ONe-Key• ServicesOntario Account	OBR website
Mail	CompanyKey	Ontario Forms Repository
Third Party	Login	OBR website

How to order a CompanyKey

1. Verify your address and directors
2. Order on OBR website
3. Wait 3-5 weeks
4. Only order once!



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How can CLEO help?

Nonprofit Law Ontario

CLEO's Bylaw Builder

Sample Bylaws With Options

CLEO's Guide to Adjusting Existing Bylaws

Lawyer Directory

Glossary

Email us your questions



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Thank you for joining us!

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<https://nonprofitlaw.cleo.on.ca>