



Not-for-Profits (NFPs) and Charities

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By Tory Auld



Hello! I'm Tory

I am a lawyer who specializes in corporate and real estate law.

I run a virtual law firm based in Milton, Ontario.

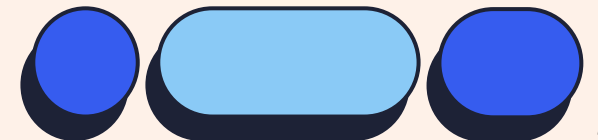


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01

What is a
NFP?





NFP

Not for Profit

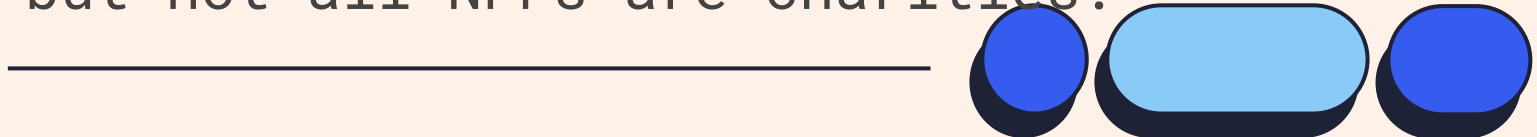
Carry on activities without the purposes of making a profit

An Organization

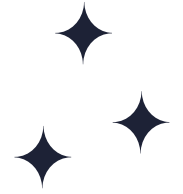
The organization can be incorporated or unincorporated.
We will be working off the assumption that you are or will be incorporated

NFP or a Charity

A charity is a NFP, but not all NFPs are charities.



Differences



NFP

- Purposes are not as restrictive
- Can be for private groups
- Incorporation only (no further application required)
- **Cannot issue donation receipts**
- **No Disbursement Quota**

Charity

- One of Four Purposes Required
- Must promote the public
- Application to CRA post-incorporation
- **Can issue donation receipts**
- **Disbursement Quota**



Management Team



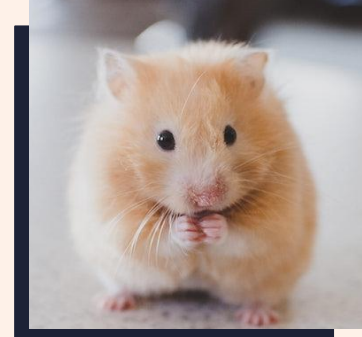
Members

Appoint the Directors, and approve of Fundamental Decisions (articles of amendment, Bylaw changes, etc)



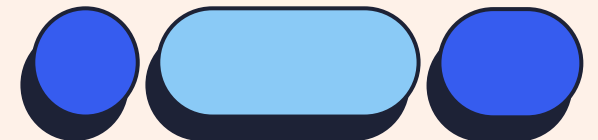
Directors

Overseeing the affairs of the organization and ensuring it operates in accordance with its mission, values, and legal requirements.



Officers

Appointed by the board and operate the day-to-day of the organization





02

Examples of NFP and Charities






NFPs

- Non-profit organizations are associations, clubs, or societies that are not charities and are organized and operated exclusively for social welfare, civic improvement, pleasure, recreation, or any other purpose except profit





NFPs

- 
- Social, recreational, or hobby groups (bridge clubs, curling clubs, and golf clubs)
 - Certain amateur sports organizations (hockey associations, baseball leagues, and soccer leagues)
 - Certain festival organizations (parades and seasonal celebrations)





Charities

- 
- Registered charities must have charitable purposes that fall into one of four categories
 - 1) Relief of poverty (food banks, soup kitchens, and low-cost housing units)
 - 2) Advancement of education (colleges, universities, and research institutes)
 - 3) Advancement of religion (places of worship and missionary organizations)
 - 4) Purposes beneficial to the community (animal shelters, libraries, and volunteer fire departments)
- 

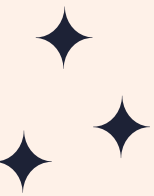


like no other.



Queen's UNIVERSITY



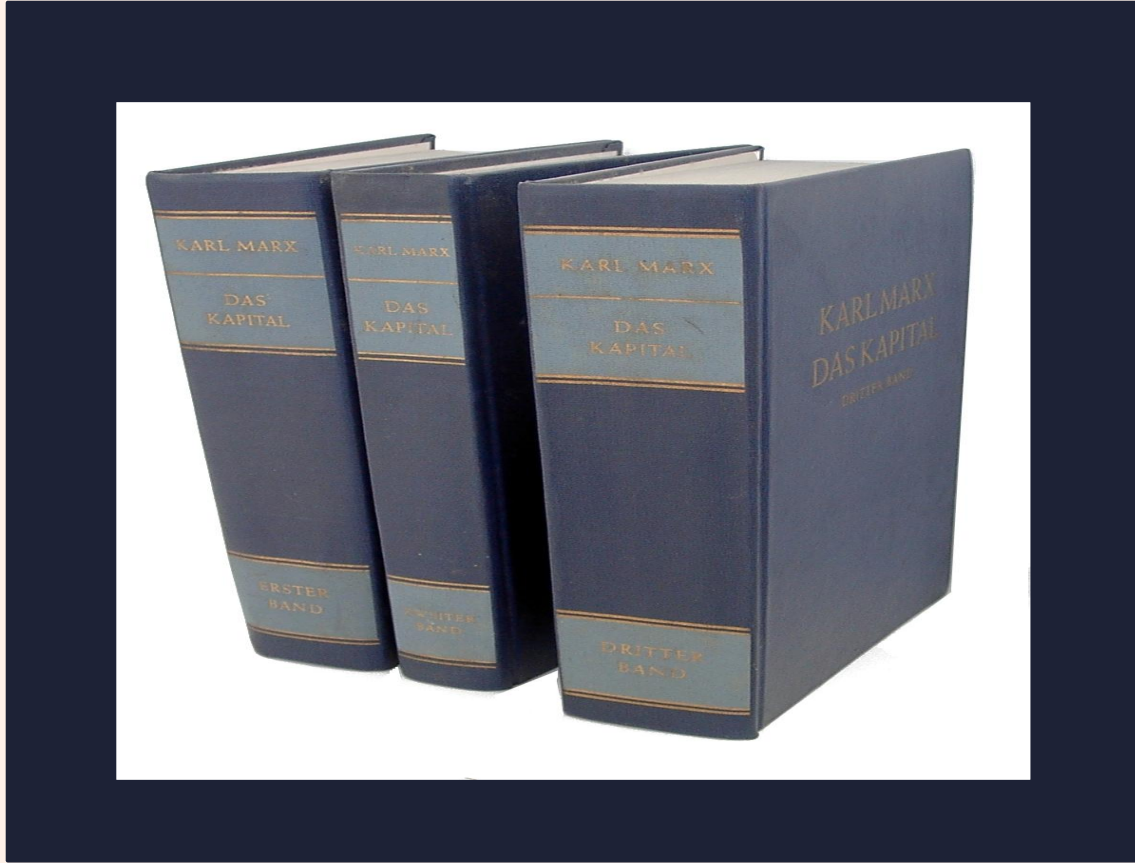


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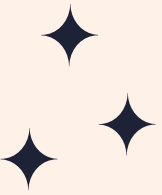
Corporate Law

Requirements of NFPs and Charities





You are
required to
have a
minute book
for your
corporation.



What's in a Minute Book?

Articles of
Incorporation

Bylaws

Annual
Resolutions

Membership
Application

Director Consent

Ledgers





Directors must consent to the role.

Directors must be at least 18,
"capable", not a corporation, and
not bankrupt.





Importance of a Minute Book

Compliance


It's required by
corporate law
and Charity Law

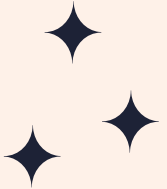
Clarity

Provides record
of who operates
the organization

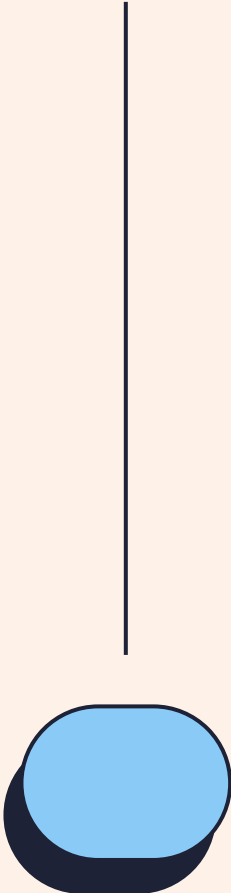
Third Party Requests

Institutions
giving grants or
loans

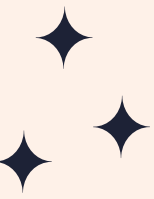




The NFP must
notify the
government of
any changes.








05

Practice Issues






Common Inquiries

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- Paying director/officer.
 - Transition to ONCA




Common Inquiries Cont.

- 
- Transition to *Not-for-Profit Corporations Act, 2010* (“ONCA”)
 - Charities working closely with other organizations.



Common Inquiries Cont.

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- Should I incorporate federally or provincially?
 - What name should I choose?



Did you know?

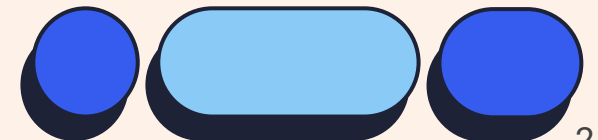
Incorporating your business is fast and easy.

\$200 Government fee (Federal) + NUANS

\$155 Government fee (Provincial) + NUANS


Incorporations take 1-2 days.

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Common Inquiries Cont.

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- What information do I need to provide on the charity application?



Common Inquiries Cont.

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- Why would my charity get revoked?




06

Professional Assistance





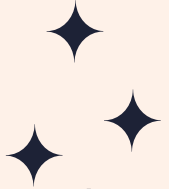
Professional Assistance

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- Accountants
 - NFP and Charity annual tax/information returns
 - Insurance
 - Grants
 - Licenses



Lawyers can help structure your business, keep your minute book organized, and protect your business.



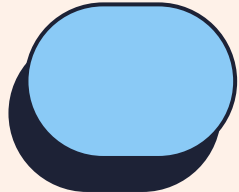


Q &

A!

Anything you want to ask?

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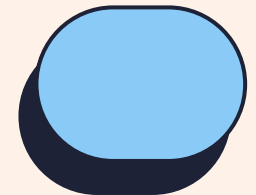
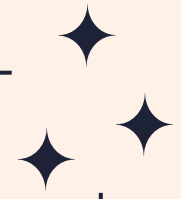




Thank **you!**

Ready to incorporate your not-for-profit?
Reach out!

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Credits.

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Sample Images: [Unsplash](#)

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