

Notes from Table Group Sessions at the HNN Learning Session on the New Ontario Not-for-Profit Corporations Act (June 25, 2012)

Following a presentation made by Lynn Eakin of the Ontario Nonprofit Network on the new Ontario Not-for-Profit Corporations Act, participants met in small groups to respond to the following questions:

1. Given what you have learned about the new Ontario Not-for-Profit Corporations Act this morning, what major challenges do you see for your nonprofit in becoming compliant with the new Act?
2. What resources would you find helpful in responding to the requirements of the new Act?
3. Is there a role for the Halton Nonprofit Network in assisting nonprofits to respond to the new Act?

Notes were taken at each table, and these are reproduced below.

Challenges to nonprofits present at the session:

Group A:

- Organization currently not-for-profit seeking charitable status; transition issues
- Why don't we dissolve an incorporated not-for-profit? Could compromise funds rec'd from outside sources
- Question – do we need to be incorporated? Advantages? Any disadvantages with not being incorporated?
- Definition of member – members that are minors; can they vote (minor shareholders can vote by proxy)?
- Organizations that have own local membership but are also a part of larger, provincial or national organization – does it make a difference if parent is incorporated federally?
- What is a substantive change?
- How to get word out to other affected organizations?

Group B:

- Limited in acting on behalf of organization due to proxy vote
- “membership” definition needs to be refined in order to specify responsibilities of members
- Having all the pertinent information to be transparent/compliant, e.g. ByLaws, articles, audited financials
- Sometimes Ministries of the government make asks/requests that are outside the current legislation

- Having to rewrite your Letters/Articles of Incorporation may jeopardize agencies that may not be functioning for the current government's view of "important purpose"
- Dealing with the CRA, satisfying their requirements - costly to the organization (legal expenses, staff time)
- We do not trust CRA from professional experience / personal experience

Group C:

- "Much Ado..."
- How to define a "member"
- Cost of contacting members for voting/proxy
- Not in Federal Act

Group D:

- Expenses involved – lawyer, etc
- Length of time and manpower (possibly strike new committee from Board to review ByLaws)

Group E:

- ByLaws and Articles of Incorporation will need to be reviewed by lawyer
- Timing-wise, staying on top of what is current
- Not being too far ahead – so that you do not make changes before interpretation is out
- Makes it more difficult to recruit Board members

Group F:

- Ensuring ByLaws and administrative policies are in line
- Determine whether or not to pursue charitable status (community group)
- Gain a better understanding of the act and its implications for nonprofit organizations
- Proxies – if e-mailed, if have been given notice is that sufficient?
- Proxies – may answer questions provided in advance – what about other questions/issues raised?
- Is there anything in the Act that will recognize or impact on community groups (i.e., membership lists) now or in the future (amendments)

Resources nonprofits at the session would like to have:

Group A:

- Guidance document in plain language
- Top 10 things you must have in your Articles or By-laws by Dec. 31, 2012
- Obligations with deadlines – what needs to be done by a certain date to stay in compliance with Act
- Contact people at ONN/HNN

- Overview/comparison with corresponding federal legislation (helpful where you have a choice as to incorporation)
- Guidance on board obligations, need for director indemnification and risks for directors in the face of member proposal
- HNN should work with ONN to bring the above resources to membership
- Smaller non-profits don't have \$\$ for individual legal representation – can there be a joint legal session/grant application to Trillium for like organizations to get legal guidance?

Group B:

- Information – more training, continued webinars, e-learning modules
- HNN to continue workshopping this issue – we'd appreciate examples of what these changes will influence in our organizations
- Invite person from CRA to speak on their support on this transition
- Comparative chart comparing changes to current legislation to highlight the changes

Group C:

- Need a section on HNN website where Questions and Answers are posted (frequent or non-frequent) and a comments sections

Group D:

- Smaller workshops with professionals speaking to changes
- Sectoral specific
- Charity specific
- More information on CRA requirements – Federal and Provincial
- Invite MPPs, politicians who would be appropriate

Group E:

- Opportunities to hear and understand as things roll out – as things are interpreted and agreed upon / common understanding
- Get information on best practices – how have others responded to the challenges

Group F:

- Today's presentation on the HNN website
- Comparative chart of existing legislation versus new act
- Guide to the new act that highlights actionable items (what needs to be prioritized?)
- Information session to go through the Guide
- Questions/answers posted on the HNN website
- Determine when/where guides will be available (how would we acquire one)
- Resources on ONN website

Role for HNN:

Group B:

- HNN as an escalation vehicle as to how to deal with CRA
- HNN to connect with ONN to represent the sector to CRA
- Form a delegation of member organizations to visit Kevin Flynn, Jane McKinnon and Ted McMeekin
- Halton letters to all Ministers / Ministries
- Workshops, workshops, workshops

Group C:

- Direct line to the MPPs and MPs and ability to show support
- Trainers for the Trainers

Group D:

- Set up workshops – suggest Lunch and Learns
- Pay for professionals, e.g., lawyer, to cover CRA
- Insurance requirements between ByLaws and CRA requirements - liability
- Update information on website
- As a group do advocacy on behalf of charities
- Support Lynn and her work

Group E:

- Best practices – ongoing opportunities to find out what others are doing
- Maintain opportunity to work through “kinks”

Group F:

- Copy of today’s presentation on the HNN website
- Copy of guide on the HNN website
- Information session to review the guide (like today’s session)
- Updates via e-mail or forum on website
- How does Federal Act impact Provincial Act?
- If there are organizations who have made changes as per the new Act – share best practices