

YOUR UPDATED **QUICK GUIDE TO**

ONCA

(Ontario Not-for-Profit Corporations Act)

WHAT IS ONCA?

The Ontario Not-for-Profit Corporations Act (ONCA) is the new legislative framework to which all Ontario not-for-profit corporations must comply. Ontario not-for-profits and charities will now be governed by ONCA, rather than part III of the Ontario Corporations Act (OCA).



OVERVIEW OF THE NEW ONCA RULES

- Classes of membership will be outlined in the articles of incorporation and the bylaws
- New conflict of interest disclosure rules for directors and officers
- New financial reporting requirements for different types of not-for-profits and charities
- Proxy and electronic voting are allowed for meetings of members
- New eligibility criteria for directors
- Minimum number of directors and maximum terms for directors
- Ex-officio directors are allowed
- Codification of statutory duties of directors
- Offences for contravening ONCA, misleading statements, misuse of membership

TIMELINES

Not-for-profits and charities have until October 18, 2024.

NOTE: We recommend that not-for-profits and charities begin the transition process **now** since they are already subject to ONCA and there may be significant gaps in their current governing documents. The transition process may take some time, as it will likely involve the review and revision of governing documents such as letters patent and by-laws.



TRANSITIONING TO ONCA: 6 STEPS



STEP 1: IDENTIFY ALL CORPORATIONS

Any not-for-profit or charity that has been incorporated in Ontario will be subject to ONCA. This includes foundations, housing corporations, and other similar entities.

Each corporation will need to update their respective governance structure.

STEP 2: REGISTER FOR THE ONTARIO BUSINESS REGISTRY

Start by creating a company key. Then follow the instructions to set-up your online account with the **Ontario Business Registry**.

The screenshot shows the ServiceOntario website interface. At the top, there is a green header with the text "ServiceOntario". Below the header, the text "Search for a business" is displayed. Underneath, a sub-header reads "To get a Company Key, you will need to search for the business or not-for-profit corporation." Below this, the text "Search by using one of these:" is followed by a bulleted list of search criteria: "Registered business name", "Ontario Corporation Number (OCN)", and "Business Identification Number (BIN)". Each item in the list has a small question mark icon next to it. At the bottom of the search area, there is a white input field and a blue button labeled "Search now".

VISIT: www.ontario.ca/page/ontario-business-registry

STEP 3: REVIEW AND/OR AMEND ALL GOVERNING DOCUMENTATION:

This includes letters patent, any supplementary letters patent, by-laws, and governance policies.

We recommend striking a governance committee to help with this process.

STEP 4: GET APPROVAL OF THE AMENDMENTS ON ALL DOCUMENTS

BY THE BOARD

The Board should approve any changes to the letters patent (via Articles of Amendment) and any changes to the by-laws. The Board may also establish governance policies.

BY THE MEMBERS

Current members must approve any amendments to the letters patent or by-laws, even if it means removing themselves from membership. Members do not need to approve governance policies.

STEP 5: FILE ARTICLES OF AMENDMENT UNDER ONCA

"Articles of Amendment = a form used to amend, add, change or remove provisions in your articles of incorporation or letters patent."

We recommend using this form to transfer some items from your by-laws to articles under ONCA.

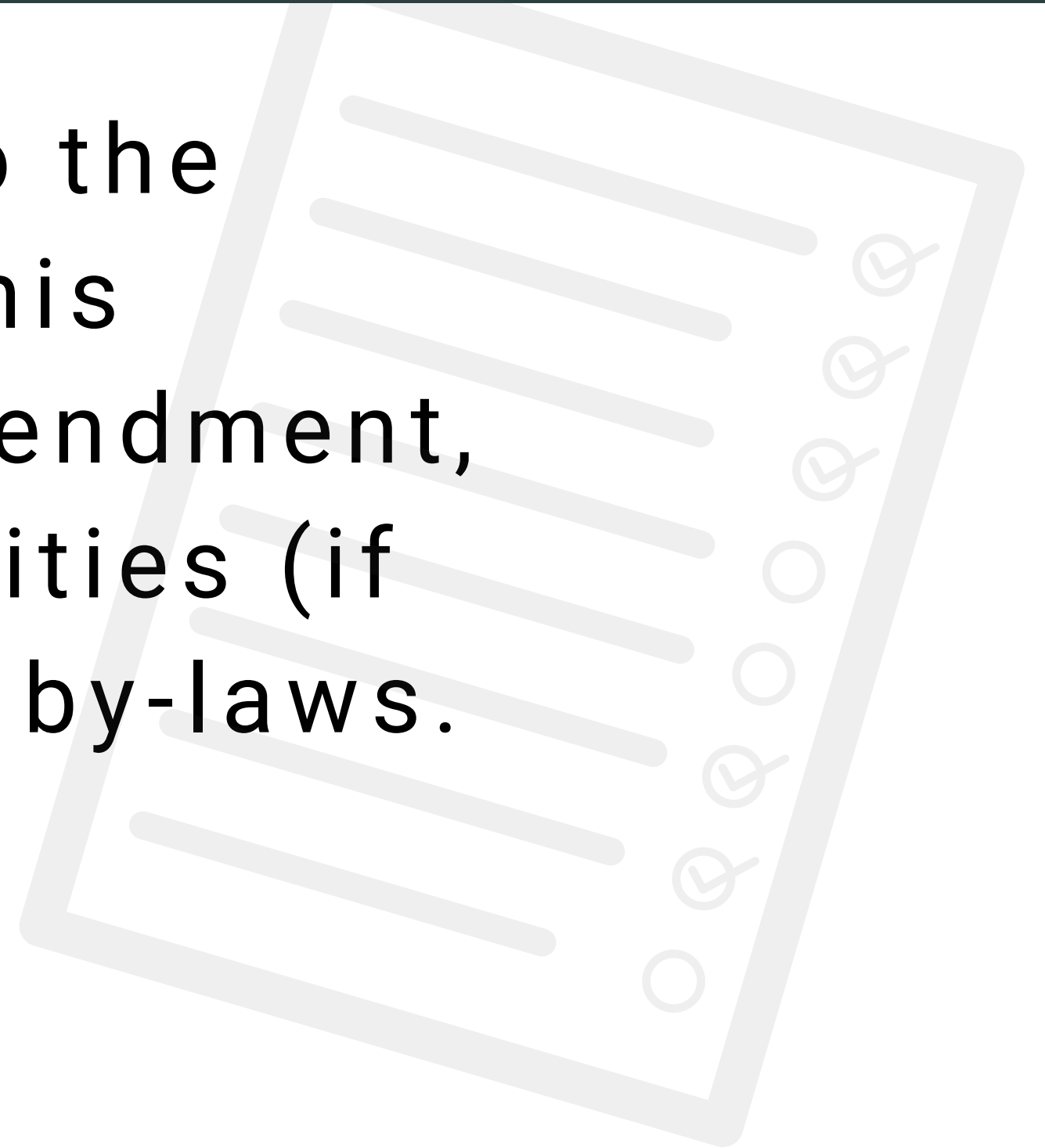
STEP 5: FILE ARTICLES OF AMENDMENT UNDER ONCA - CONTINUED

Articles of Amendment can be submitted online via the Ontario Business Registry or by mail. You may need the following information:

- Ontario Corporation Number and contact information
- Company key (9-digit number) (see Step 2)
- Nuans Name Search (a formal search and reservation of the corporation's name)
- Revised purposes
- Number of directors
- Certified copy of incorporating document and consent to use the corporate name.
- Special resolution of members authorizing the Articles of Amendment
- \$130 fee (to Ministry of Finance)

STEP 6: EXTRA STEP FOR CHARITIES

Send updated documents to the Canada Revenue Agency. This includes the Articles of Amendment, revised description of activities (if applicable) and the revised by-laws.



END RESULTS

Once a corporation has completed the transition to ONCA, it will end up with some or all of the following documents:

1. Articles of Amendment to ONCA
2. Revised purposes (if applicable)
3. Revised description of activities (if applicable)
4. Revised by-laws
5. Revised governance policies

NEED HELP?

If you require legal assistance, or help with transitioning to ONCA, reach out to:
Brendon Pooran or Saquiba Rahman



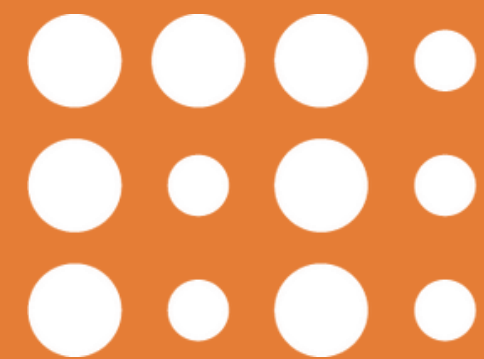
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