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Ontario Not-for-profit Corporations Act (ONCA)

a conversation about ONCA and considerations for the Christian
Reformed Churches in Ontario



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Introduction

Your hosts,

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Christian Reformed Church in North America

&

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Welcome

ZOOM protocols

- please MUTE
- PARTICIPANT - first & last name, church name & city
- Zoom session to be recorded - for notes and follow up purposes
- post questions in CHAT



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Disclaimer

- For information and discussion purposes
- Not legal advice



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Agenda

1. Timeline & steps
2. Articles of Amendment & Bylaws
3. Key Issues
 - membership
 - directors
 - audit requirements
4. Q&A



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The Ontario Business Registry

- The Ontario Business Registry (OBR) allows businesses and not-for-profit corporations to complete a variety of corporate transactions online, including registering, incorporating, and updating their information.
[Ontario Business Registry](#)
- 117 Christian Reformed Churches including several Classes are registered as active not-for-profit corporations in Ontario.



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Ontario *Not-for-Profit Corporations Act, 2010* (ONCA)

- The Ontario *Not-for-Profit Corporations Act, 2010* (ONCA) originally received Royal Assent in October 2010, but was not enacted.
- ONCA underwent a number of changes over the next 11 years
- October 19, 2021, ONCA came into force
- October 19, 2024 is the ONCA implementation deadline



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Ontario Not-for-Profit Corporations Act (ONCA)

- 15 months remaining of the transition period
- review and update corporation documents (articles & bylaws), as needed
- Articles of incorporation are the documents that created the not-for-profit corporation
- Bylaws are the rules that govern the activities or affairs of the corporation.



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Ontario Not-for-Profit Corporations Act (ONCA)

Articles of Incorporation (Letters Patent)

- corporation name
- corporation's purpose
- address of the corporation's registered office
- classes of members and voting rights

- if a corporation's articles conflict with ONCA, the provisions of ONCA take priority

- for existing not-for-profit corporations previously governed under the Corporations Act, letters patent under the Corporations Act become articles of incorporation under ONCA



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Ontario Not-for-Profit Corporations Act (ONCA)

Bylaws

- Bylaws set out the rules and procedures for how the corporation should manage day-to-day activities, such as board meetings and elections
- set out the rights and responsibilities of the members, directors and officers
- set out the procedures for decision-making
- provide further details about the corporation's structure
- Bylaws do not need to be filed with the Ontario government



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Ontario Not-for-Profit Corporations Act (ONCA)

Step #1

Does ONCA apply to my church?

- YES, if your church is incorporated as nonprofit under the Ontario Corporations Act, then ONCA applies to your church



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Step #2

When does my church need to act?

- the deadline is October 18, 2024 to review, update, and file your governing documents
- the existing articles and bylaws continue to be valid in the meantime
- if your documents are not updated, the provisions of ONCA will automatically apply



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Step #3

What does my church need to do, where do we start?

- assemble a team and assign the task
- consider if/when a lawyer might assist in the process
- assemble your governing documents:
 - articles of incorporation (letters patent)
 - bylaws
 - any amendments to the articles and bylaws
 - other documents including minutes, lists of directors and officers, director consent forms, member lists, annual revenue



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Ontario Not-for-Profit Corporations Act (ONCA)

Step #4 - Review

Articles of Incorporation

- ONCA replaces the term “*letters patent*” with “*articles of incorporation*”
- review the stated purpose to ensure that it still reflects what you do as an organization
- it is advantageous to not make changes to your purposes as it correlates with your charitable purpose (objects) upon which registered charity status was granted by CRA
- changes to the purposes require approval by:
 - Canada Revenue Agency (CRA)
 - Ontario Public Guardian and Trustee (PGT)



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Step #4 - Review

Members

- the articles set out the criteria for membership
- ie professing members
- preferably, one class of members
- the basic rights of members include:
 - right to vote
 - elect the directors
 - receive the financial statements
 - approve articles and bylaws and amendments



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Step #4 - Review

Directors

- minimum of 3, articles can specify the min and max
- maximum term of 4 years, bylaws specify the length
- can be required to be a member, as specified in bylaws
- cannot be an employee, as a registered charity
- sign a consent letter to legally become a director



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Step #4 - Review

Officers

- chair (president), vice-chair (vice-president), clerk (secretary), treasurer, as determined by the directors
- officers can be directors



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Step #4 - Review

Audit Requirements

- as a registered charity, a church is considered to be a public benefit corporation
- based on annual revenue
- see the following table



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Audit Requirements

Type of corporation	Amount of revenue per financial year	Type of financial review
Public benefit corp	\$100,000 or less	Waive*
Public benefit corp	More than \$100,000, but less than \$500,000	Review engagement*
Public benefit corporation	\$500,000 or more	Audit

*Approval to waive an audit or to waive both an audit and review engagement requires an **extraordinary resolution**, which is approval from at least 80 per cent of the votes cast at a special members' meeting where there are enough members to take a vote or if all voting members consent in writing.



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Step #4 - Review

Other considerations:

- annual member's (congregational) meeting
- director (board or council) meetings
- voting and quorum
- dissolution - as a charity, assets are given to another registered charity with a similar purpose



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Step #5 - Update Bylaws

- member roles and responsibilities
- election of directors and terms
- appointment of officers and responsibilities
- director and member meetings notice requirements and procedures
- finances
- adoption and amendments of bylaws
- ONCA reduces the need for detailed bylaws because there are detailed rules in the Act
- updated bylaws are internal and are not required to be filed for ONCA
- updated bylaws are required to be filed with CRA



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Step #6 - Amended Articles

- amended articles are required to be filed for ONCA
- file with ServiceOntario via the Ontario Business Registry



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Resources to help learn more about ONCA:

[Rules for not-for-profit and charitable corporations](#)

An overview of the act and the transition process.

[Plain-language guide to ONCA](#)

A more detailed overview of the act.

[Transition considerations](#)

A list of things you should keep in mind when transitioning to ONCA.

[Community Legal Education Ontario \(CLEO\)](#)

Dedicated ONCA tools and support which also hosts a [directory of non-profit or charity lawyers](#) in Ontario who are knowledgeable about ONCA.