

**G C A**  
**G O V E R N A N C E**  
**C H A N G E S**

AS A RESULT OF NEW  
ONTARIO NOT FOR PROFIT  
LEGISLATION



GLEBE COMMUNITY ASSOCIATION



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## ○ Background

- The Ontario Not-for-Profit Corporations Act, 2010 (“ONCA”) was proclaimed into force on October 19, 2021 and automatically applies. Even more updates made since, came into effect Oct 1, 2023.
- 3 years to bring letters patent (now called articles of incorporation –”articles”) and by-laws into compliance with ONCA – *i.e.*, until October 18, 2024
  - Some rules are mandatory (cannot override these)
  - Some apply by default unless state otherwise
  - Some rules are optional and only apply if you make changes or are already in bylaws
- To get there:
  - Make necessary changes to articles and bylaws and seek approval of the board and then our members at the 2024 AGM
  - Restate articles of incorporation and bylaws in updated form

**If do nothing**

- Articles and bylaws that are inconsistent will be deemed amended. Others will apply where our bylaws are silent – messy and uncertain

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## Introduction to ONCA and Key Issues

A modern regulatory regime for not-for-profit corporations in Ontario	Enhanced corporate governance, transparency and accountability	Makes incorporation process for new corporations more efficient	Reinforces rights of members and their participation in meetings
Increases protections for directors and officers <ul style="list-style-type: none"> <li>• Clarifies director duty of care</li> <li>• Includes a due diligence and good faith defence</li> </ul>	Distinguishes between public benefit corporations (“PBCs”) and other not-for-profit corporations (non-PBCs)	Simplifies review of a corporation’s financial records	Provides electronic document filing through the online Ontario Business Registry, which was also launched on October 19, 2021



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## GCA Governance – Key Elements



The GCA is incorporated as a not-for-profit corporation

It is not a registered charity



The GCA has been membership based since its inception: a point of pride and key to our success and credibility

Members elect and can replace the board, attend special meetings and have rights to vote on proposals at member meetings which may be put into effect



Membership is semi-open: must reside or work in the Glebe and have paid an annual membership fee (with some founding members being the exception)

Open membership is considered more accountable and more transparent than other forms of membership, with greater access to volunteers and fundraising through donations or membership sales



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## ○ Reasons to make the changes now

- Complying is a legal requirement in Ontario
  - Deemed changes are the government’s way of forcing compliance
- Confusion and uncertainty:
  - Having to check the Act and articles and bylaws is time-consuming, confusing and appears disorganized
  - Much is outdated or not legally compliant, inconsistencies between articles and bylaws and in some cases neither reflects our actual practice
- Accountability:
  - To our membership to govern properly
- Good governance:
  - An opportunity to refresh our articles and by-laws

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## Proposed Approach

- Comply fully with the ONCA. Remove provisions that no longer apply and avoid where feasible, the messy process of “deemed changes”. Make changes that can be easily followed and will stand the test of time and which also respect our values and traditions.
- Opportunity for the GCA to modernize its governance and related systems and practices
- Include accompanying process changes: e.g. how membership information is gathered and accessed, ensuring director consent each year, undertake audits when required, keep records in a central spot etc
- And, reflecting small budget, small number of resources, available time:
  - AVOID a fundamental rethink about the organization or bylaw/ articles changes requiring significant legal review, time consuming or controversial changes that are not necessary
  - DO make necessary changes required by the ONCA and permissible changes to reflect traditions or practice (where these don’t align with our articles/ bylaws)

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## ○ Who is doing what?

- Colette Downie (VP): lead analysis of current governance documents and practices against ONCA, engaging and interfacing with lawyer, facilitating board and executive decision-making, revising documents
  - Will use GCA executive as initial informal sounding board for changes
- Maggie Gorman-Velez (Membership Committee chairs): leading ONCA implications for membership record keeping, membership drive, and member communications, updating practices accordingly, communicating changes to members [with Colette, Carol McLeod, Jenna Rinaldi and Elspeth Tory]
- Dave Kelly (Treasurer): advising on and implementing any financial process changes (eg required audit for 2023-24)
- Janet Sutherland (Secretary): maintaining/ updating Google Drive for GCA Board, implementing related processes
- Committee chairs: implementing any changes specific to their committee (e.g. minutes and record keeping)

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## ○ Progress to Date

- Review of ONCA and updates (213 provisions), accompanying guide and other on-line resources and model bylaws, FCA info session and decks, initial lawyer consultations
- Reviewed GCA bylaws and articles/ letters patent against ONCA requirements: key gaps and process changes identified.
- Reviewed GCA governance practices against bylaws: initial gaps and changes identified. Changes will be extensive
- Timeline/ workplan completed and meetings with membership Committee/ Chair held to discuss implications

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## ○ Next Steps

- Seek Board agreement on overall approach and priority (October – today) and authority to retain a lawyer
- Finalize quotes from lawyers and engage to support our work (October)
  - Validate identified gaps/ necessary changes and confirm processes with lawyer
  - Least expensive, most straightforward option: replace current bylaw text completely
- Initial board discussion of membership-related process changes (November)
- Finalize full list of required changes and any optional ones to align with our practice (February)
  - Present to Board (February) for substantive discussion with draft bylaw changes (if straightforward/ possible) (February)

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## ○ Proposed Timeline

- *Timing will be tight to table revisions at AGM in June 2024 – else new board will need to reapprove and special AGM will be required in Sept 2024 to make Oct deadline*

Decision Maker	Content	Timing
Board of Directors	<ul style="list-style-type: none"> <li>• Initial Discussion</li> <li>• Membership Discussion</li> <li>• Outline changes/ review to lawyer in Nov]</li> <li>• Second substantive discussion. Table draft amended by-laws</li> <li>• Board approval of bylaw and other changes</li> </ul>	Oct 2023 (today) Nov 2023  Feb 2024 Mar/ April 2024
Members	<ul style="list-style-type: none"> <li>• Notice of AGM/ bylaw and other changes - include audited financial statements, directors slate</li> </ul>	May 2024 (FCA recommends lengthy notice period for member-related changes)
Members	<ul style="list-style-type: none"> <li>• AGM – approve Board approved changes to bylaws AND changes to articles, financials</li> <li>• Approve audit results/ recommendations and audit engagement for 2024-25, if required</li> </ul>	June 2024
Province	<ul style="list-style-type: none"> <li>• Refile articles, updates etc</li> </ul>	Summer 2024

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## ○ Motion

- Be it resolved that the GCA:
  - Will complete updates to its bylaws and articles as a result of changes to the ONCA in time for consideration at the GCA AGM in spring 2024. In order to do so, the GCA will seek to:
    - Comply fully with the ONCA.
    - Make changes that can be easily followed and will stand the test of time and which also respect our values and traditions.
    - Implement, where feasible accompanying process changes including to the way membership information is gathered, accessed and stored.
    - Avoid a fundamental rethink about the organization or bylaw/ articles changes requiring significant legal review, time consuming or controversial changes or changes that are not necessary.
  - Retain a lawyer and spending up to \$7,000 for legal advice to support the transition to the ONCA.
  - Mandates the chair of the Membership Committee, working with others, to lead work to implement the ONCA as it relates to the GCA's membership drive and record-keeping practices

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## ○ Annex:

### ○ Examples of some *potential* bylaw changes to be considered

- includes required changes from ONCA or updates to reflect our current practice
- some changes are gaps others for clarity

- Not surprisingly, given the centrality of members to not for profits, the most impactful changes likely to relate to membership, for example:
  - Corporations must keep an up-to-date membership list.
  - Setting a “record date” for membership to identify who must be notified of members meetings, ability to confirm membership at AGMs to validate quorum, allow for voting
- Others are a mix of process changes, clarifications and other updates, a few examples:
  - Align Board quorum requirements in letters patent (1/3 of directors) and bylaws (12 directors)
  - Requirement for Board to name a “chair”
  - Consider specifying that in certain cases, where private information to be discussed the board can limit attendance at meetings (eg discussions of harassment allegations). Bylaws now say all meetings open to the public

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