



SOCIETIES ACT INCORPORATION PACKAGE



Five or more persons may apply to incorporate a society under the *Societies Act* for any benevolent, philanthropic, charitable, religious, provident, scientific, artistic, literary, social, educational, sporting or other useful purpose other than the carrying on of a trade or business.

There are several advantages to incorporating a society. An incorporated society exists as a legal entity apart from its members. As a corporation the society is entitled to acquire property, borrow money and otherwise deal with its property as an individual would deal with their property. Generally, the individual members of the incorporated society are not liable for the debts or obligations of the society.

Along with these advantages come certain obligations. The operations of an incorporated society must be more structured than those of unincorporated organizations. Both the bylaws of the society and the *Societies Act* must be adhered to. The *Societies Act* provides that any society that contravenes the Act is guilty of an offence and liable to a fine of \$100.00. The Act also provides that the property of a society cannot be distributed to its members during the legal existence of the society.

Each year, a society is required to file the following documents with the Registrar of Societies within 14 days after its annual general meeting:

1. financial statements signed by the society's auditor (or by two directors if there is no auditor) containing the assets and liabilities of the society in the form of a balance sheet and a statement of the receipts and disbursements of the society during the fiscal year; and
2. a list of its directors including their names, addresses and occupations signed by a director or other authorized officer of the society.

In addition, the society must have an address within the Northwest Territories to which all communications and legal notices may be sent and it must file notice with the Registrar of any changes in this address.

Please note that incorporation under the *Societies Act* does not relieve anyone from obtaining any necessary licences, permits, or certificates, or from otherwise complying with the laws in force in the Northwest Territories.

What is the First Step for Incorporation?

The application and bylaw must be originally signed by five applicants and each signature must be witnessed. These documents must be submitted to the Registrar of Societies, together with a notice of registered office and the incorporation fee of \$50.00, payable to the

Government of the Northwest Territories. If the application and bylaws comply with the *Societies Act*, the Registrar will issue a certificate of incorporation. Notice of the incorporation will be published in the Northwest Territories Gazette.

A sample application form is included in this package, along with sample bylaws. These will serve as a guide to the matters that must be dealt with in the application and bylaws and the manner in which the application and bylaws must be dated and signed.

How Do You Fill Out the Application?

The application form should be completed with:

- ◆ the name of the society, which should be as short and meaningful as possible. The name must not be similar to that of any other society. Once a name is chosen, the exact name must be used in all legal documents.
- ◆ the objects of the society, which should clearly outline the main objectives of the association. The objects must not suggest that the society is carrying on a trade or business.
- ◆ the chief locality of operations of the society within the Northwest Territories. While a specific community must be listed (usually the community within which the registered office is located) this does not restrict the operations of the society to that community.

The application form setting out the name, objects and locality of operations of the society becomes the constitution of the new society.

What Should be Included in the Bylaws?

The attached sample bylaws have been drafted to satisfy the basic requirements for incorporation and we would recommend their use. A society drafting its own bylaws should use the following checklist to determine if its proposed bylaws meet all the requirements of the *Societies Act*. The bylaws of a society **must** make provision for all of the following:

- ◆ the terms of admission of members and their rights and obligations;
- ◆ the withdrawal of members and the manner, if any, in which a member may be expelled;
- ◆ the method and time of calling general and special meetings of the society, the quorum at any such meeting, and the voting rights of members at such meetings; *Note: a “quorum” is the number of persons required to be present before a meeting can proceed. It should be low enough to be practical. It may be set as a percentage of the total number of members in order to ensure that it is always possible for the society to properly function, no matter how low or high the membership may be.*
- ◆ the appointment and removal of directors and other officers and their duties, powers and remuneration;
- ◆ the exercise of borrowing powers;
- ◆ whether or not an audit of accounts is required;

- ◆ the preparation and custody of minutes of meetings of the society and of the directors and other books and records of the society;
- ◆ the time and place, if any, at which the books and records of the society may be inspected by its members; and
- ◆ the date on which the fiscal year of the society shall come to an end. *Note: in order to provide sufficient time for the preparation of the financial statements, the annual general meeting cannot be held within 30 days of the fiscal year end. It is suggested that the annual general meeting be held within a reasonable period of time after this 30 day period.*

How do You Register as a Charity?

Many societies wish to be registered as a charity for income tax purposes. Once registered as a charity, a society will be exempt from paying tax on income and can issue receipts to donors for donations. Certain societies that do not qualify for registration as a charity for the purpose of issuing receipts for donations may still qualify for registration as non-profit organizations exempt from the payment of tax.

It is not necessary to incorporate in order to be registered as a charity. Also, not all societies incorporated under the *Societies Act* will qualify for charitable status for income tax purposes. The onus is on a society wishing to register as a charity to establish objectives which qualify.

Applications for registration as a charity can be obtained from the Canada Revenue Agency. Any further questions regarding registration as a charity should also be directed to the Canada Revenue Agency.

Where can we be contacted?

REGISTRAR OF SOCIETIES, DEPARTMENT OF JUSTICE
GOVERNMENT OF THE NORTHWEST TERRITORIES
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