

Prepared for the



Toolbox

# **TOWARDS THE LAUNCH AND THE OPERATION OF A NON-PROFIT ORGANIZATION**

Canada



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# I. Get involved, become a volunteer!

Do you have a cause that is important to you? A committee or group interested in organizing a party, a special annual day or a cultural festival? A group of people come together to fill a community need. **In short, three crucial ingredients are needed: people, money, and a decision-making structure.**

This booklet outlines each step necessary to incorporate your group, meet the legal requirements and follow the procedures necessary to make decisions and operate democratically.

It is important to note that there is no legal requirement to incorporate in Nova Scotia, especially if you are an informal group with no rules to follow and no formal membership. In most cases, this type of group has a specific short-term goal. For example: five (5) people are interested in raising \$3,000 for a hospital foundation by holding a fundraising event such as a 30 km marathon. This is a short-term goal, no formalities, no employees, no members. When the targeted amount is obtained, the five organizers have completed the marathon and are not interested in pursuing another activity. In another situation, five people come together to address a long-term societal need and want to pursue numerous fundraising and awareness activities.

To protect themselves, it would be wise to register and incorporate with the Registry of Joint Stock Companies in the province of Nova Scotia as a non-profit organization (NPO).

There are several steps that must be taken before a non-profit organization can be established. For example, you must choose a name that is unique and approved by **the Registry of Joint Stock Companies in the province of Nova Scotia** **BEFORE** you begin the incorporation process.

Next, you need to determine your choice of legal structure as there are many choices from a non-profit cooperative, a non-profit corporation, a social enterprise and so on.

This booklet will be useful for community leaders as well as those working with non-profit organizations.

**Happy reading!**

*The Conseil de développement économique de la Nouvelle-Écosse (CDENE)’s Community Economic Development Team*

## II. CDÉNÉ

# Executive Management's Message

### Equipping volunteers

Non-profit organizations (NPOs) are created to fill a need, regardless of profit for individuals. There are several models of non-profit organizations. As such, it is important to choose the model that best meets the organizational needs and legal requirements of the group. This booklet is intended as a reference tool and does not replace the advice or opinions of accounting or legal professionals.

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In Canada, according to Statistics Canada's 2018 General Social Survey, over 24 million Canadians volunteered five (5) billion hours or the equivalent of 2.5 million full-time jobs. In Nova Scotia, 48% of the population or 377,000 people volunteer 47 million hours with over 5,900 non-profit organizations in the province.

Most groups, not-for-profit organizations, businesses, and enterprises operating in Nova Scotia must be registered and follow the regulations of not only the **Registry of Joint Stock Companies** but also the requirements and conditions of government funding agencies and programs. It is the Board of Directors, once established, that will be responsible for ensuring that the governance documents comply with municipal, provincial and federal legislation. If the organization wants to become a charity, it must submit its objectives and bylaws to the Canada Revenue Agency (CRA) to determine its eligibility. It is important to note that recognition as a charity adds more regulations and requirements from the CRA.

We hope that this document will be useful to anyone who wishes to establish a non-profit organization and is interested in contributing to the quality of community life that is rewarding and beneficial to the whole.

#### ***The Executive Management***

Conseil de développement économique de la Nouvelle-Écosse



# III. Definitions

The following words are defined as follows unless otherwise specified in this booklet.

**Canada Revenue Agency (CRA):** The agency responsible for administering the taxation laws for the Government of Canada and most provinces and territories.

**Articles of Incorporation:** a document submitted to the Registry of Joint Stock Companies that informs the reader of an organization's purpose, objectives, location and current bylaws.

**Annual General Meeting:** a meeting held annually for members to review the previous year's activities, the previous year's financial statements, the election of directors and executive as provided for in the bylaws, and finally, to discuss such matters as the members deem appropriate.

**Auditors:** an external entity appointed to perform an audit of the accounts.

**Code:** Nova Scotia Labour Code R.S., c 246.

**Independent Contractor:** An independent person (no legal relationship with the organization) contracted to perform services and who is not an employee of the organization.

**Dividends:** funds intended for the shareholders of a business, enterprise or a member of a social enterprise or a member of a for-profit cooperative.

**Incorporation Document:** a document used to submit to the Registry of Joint Stock Companies containing, among other things, the purpose and objects of a non-profit organization (NPO).

**Governance Documents:** documents that specify the bylaws and obligations of a non-profit organization and include the governing documents or articles of incorporation.

**Employee:** an individual paid by the organization to perform work on its behalf and who is subject to the Nova Scotia Labour Code.

**The Human Rights Act:** the Canadian Human Rights Act.

**The Societies Act:** the legislation governing non-profit corporations in Nova Scotia.

**Objectives:** the purpose of a non-profit organization.

**Quorum:** The number of members or directors who must be present to hold an official meeting of an organization.

**Purpose:** the objectives or purposes of a non-profit organization.

**Registry:** Nova Scotia's Registry of Joint Stock Companies.

**Bylaws:** a set of articles that guide the decision-making process of a non-profit organization.

**Special Resolution:** a motion or resolution passed by a majority of at least 2/3 of the votes of the members present in respect of a specific motion/resolution.

**Non-profit:** a non-profit organization (NPO) established for a specific purpose or goal, other than profit.

## IV. Incorporation Models

One of the steps involves choosing an incorporation model. The Province of Nova Scotia requires that groups wishing to incorporate follow the rules set out in section 5 of the Companies Act. You must have a minimum number of signatory members, submit a governing document as per Step 2 (page 18) and bylaws that have been approved by the members by resolution, signed by the first directors (full names, addresses, occupations and term of office, address of head office and name and contact information of the official agent), and pay the fees associated with the incorporation. Otherwise, your application will be rejected. Therefore, to incorporate, you will have to choose the legal structure best suited to your initiative.

The following choices are available

### NON-PROFIT MODEL

**Non-profit Cooperative:** A non-profit cooperative is an association founded by three members and legally incorporated. It is controlled by its members who adhere to the «one member, one vote» principle.

**Non-profit organization:** an organization composed of at least five volunteer members who unite in the public interest and adhere to its constitution.

### MODEL OF A PRIVATE NATURE

**Profit cooperative:** A profit cooperative is founded by at least three members and is owned by its users who adhere to the principle of «one vote per member»

**Sole proprietorship:** This is a business owned by one person. It is unincorporated and bears the name of the individual.

**Community Interest Company or Social Enterprise:** Incorporated under the Community Interest Company Act, this type of business must invest a portion of its profits in a social, cultural or environmental cause in the province.

**General partnership:** A general partnership has at least two partners. It is not incorporated. A partner may be a real person or a company.

**Corporation:** A corporation is a legal entity separate from its owners. It has all the rights, powers and privileges of a person.

# V. What's the next step?

Is it necessary to incorporate? The answer is «yes» because the laws in Nova Scotia require it, with a few exceptions. Businesses, companies, groups and organizations must **register with the Registry of Joint Stock Companies in Nova Scotia**. It is also important to consider other valid reasons for incorporation such as the potential to do things for which you could be held liable in the event of property damage or injury to a person in the event of an accident or failure to make payments to the Canada Revenue Agency, fraud, etc.



## **TIP #1: Clarify your Group's Purpose and Objectives**

Clarifying the purpose of a non-profit organization can be complex but essential. One must think about the mission or ultimate goal of the organization and who will benefit from its products or services. The Companies Act states that a company may incorporate for the purpose of promoting volunteerism, charitable fundraising, religion, arts and culture, education, social, professional, or athletic development and any other useful purpose but not for the purpose of carrying on a trade, business or industry.

So, your group should not aim to make a profit for its owners or members but to contribute to the quality of community life or to fight inequalities in society. Therefore, identifying who will benefit from the products or services becomes essential. For example, your group wants to provide personal development opportunities for youth aged 12 to 18 in the Municipality of Argyle by creating leadership internships. This example specifies (i) the geographic area (Municipality of Argyle), (ii) the age group (12 to 18 years old) and (iii) the product or service (leadership internships) offered by your organization to youth in this area.

It is also important to provide concrete examples of how the group plans to promote its goals and purpose. Does the group plan to deliver these leadership internships to eventually diversify the leadership pool in Argyle?

**Stop, stop!!! It's complicated!**

**Let's go step by step!!!**

# Choose your Group's Name and reserve it with the Registry of Joint Stock Companies - Nova Scotia

## Step 1

Once the purpose and objectives of your group are written down, it will be time to choose a name for your organization. A group name must be approved by the **Registry of Joint Stock Companies of Nova Scotia** **BEFORE** it is used. The name must be unique, contain descriptive and distinctive elements and a legal word.

### DESCRIPTIVE ELEMENT

The name should describe the purpose of the organization, e.g., *Par-en-Bas Cultural Centre* is the descriptive element of the organization's purpose.

### DISTINCTIVE ELEMENT

The name should distinguish the organization from others. The name «Par-en-Bas» identifies the place and is distinct from other organizations. It may be important to obtain special permission to use a place name (Par-en-Bas) in its distinctive element.

### UNIQUE

The name must not confuse or mislead the public. For example, if the name *Par-en-Bas Cultural Centre* already exists to identify another organization, your proposed name will not be accepted by the Registry of Joint Stock Companies since it is not unique and could confuse or mislead the public. It is important to be as unique as possible, although it may share similar elements.

### A NECESSITY

Finally, the name must contain a legal name. In Nova Scotia, not-for-profit organizations must have the word **«Companies»** or **«Association»** at the beginning or end of their name. Otherwise, the applicant must apply to the Registry of Joint Stock Companies for special approval. In the case of a **cooperative**, this word must be included in the group name. You can use the name **«foundation,»** however the Registry of Joint Stock Companies will need bank proof that you have at least \$50,000 in the bank.

for more information about name reservation and registration, please visit

④ <https://beta.novascotia.ca/programs-and-services/registry-joint-stock-companies>

at

④ [www.rjsc.ca](http://www.rjsc.ca)

The guide to reserving a name can be found at

④ <https://beta.novascotia.ca/reserve-name-your-business-or-non-profit>

and the page

④ <https://beta.novascotia.ca/fr/>

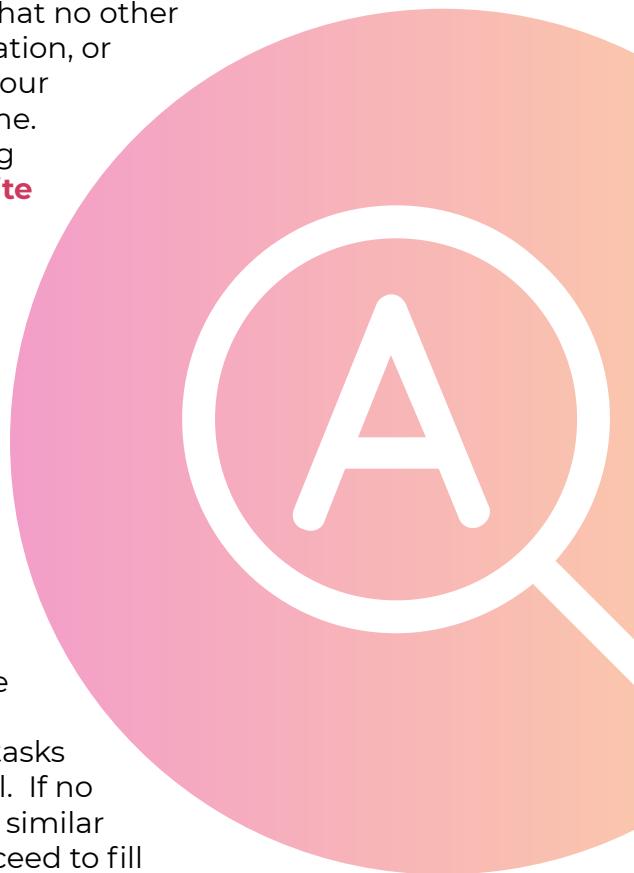
search for information posts in the corporate register or non profit organization for more information.

Essentially, you need to conduct a search to confirm that no other corporation, association, or company is using your proposed legal name.

This involves visiting the **Registry website**

and requesting a search of the database for the existence of a group with a similar name. If there is one, you will need to propose another name. The next step is to search the NUANS system to compare the proposed name with the names of organizations and tasks at the national level. If no group or task has a similar name, you can proceed to fill out the name reservation request

form (on the Registry website) or obtain it from a provincial access centre. There is no fee associated with the name reservation process. This step may take, on average, two or more days and your name reservation will be valid for 90 days.



# Writing a Constitution

## (Governing document)

A constitution is a document that describes the purpose, objectives and activities (why and what) of the new association. It also identifies the 5 or more people who want to create an association. It describes the powers of the decision-making levels and its democratic functioning. Please note that the name constitution is sometimes known as «governing document,» «bylaws,» etc.

It is important to note that a non-profit organization **cannot** pursue objectives that are:

- a) commercial, industrial or business;
- b) to issue shares, distribute dividends, transfer interests or properties to its members.

The constitution or governing document must be drafted, at a minimum, in the following manner and contain the following information in the Memorandum of Association and bylaws:

1. The name of the non-profit company.
2. The objectives of the non-profit company.
3. Geographic location from which the activities will be organized «The activities of the company will continue in the village, region, county in the province of Nova Scotia.»
4. The location of the company 's head office: postal and street address, city, province.
5. «We, the undersigned persons whose names, addresses and occupations are set forth below desire to form a company in furtherance of this Memorandum of Association:
  - a. Name 1: address \_\_\_\_\_, occupation \_\_\_\_\_, in the county of\_\_\_\_\_;
  - b. Name 2: address \_\_\_\_\_, occupation \_\_\_\_\_, in the county of\_\_\_\_\_;
  - c. Name 3: address \_\_\_\_\_, occupation \_\_\_\_\_, in the county of\_\_\_\_\_;
  - d. Name 4: address \_\_\_\_\_, occupation \_\_\_\_\_, in the county of\_\_\_\_\_;
  - e. Name 5: address \_\_\_\_\_, occupation \_\_\_\_\_, in the county of\_\_\_\_\_;

Certification (witness) of the above signatures:

- f. Name of witness:  
address \_\_\_\_\_,  
occupation \_\_\_\_\_,  
in the county of\_\_\_\_\_

You must also choose the classification below that most closely represents the associations purpose:

- a) **Culture and recreation:** these are organizations that focus on media and communications, arts in all its forms, sports, recreation, and finally social clubs.
- b) **Health:** This category includes hospitals, long-term care facilities, mental health organizations, health promotion and/or intervention societies.
- c) **Social services:** child welfare, family services, refugee assistance and senior services.
- d) **Research and education:** pre-school, elementary, secondary, and post-secondary education, medical research, science and technology.
- e) **Environment:** promotion of environmental protection, control measures, environmental beautification, animal protection and welfare and conservation.
- f) **Housing development:** social development, economic development, housing assistance, community and neighbourhood housing organizations.
- g) **Policy, law or advocacy:** this category includes interest groups, advocacy organizations, legal services, and support for victims of crime.
- h) **Promotion of volunteerism, fundraising, etc.** includes charitable foundations, fundraising organizations, and the promotion of volunteerism.

- i) **International exchange, friendship, and cultural programs:** this category includes disaster relief organizations and international human rights efforts.
- j) **Religion:** religious congregations as well as religious associations.
- k) **Professional associations:** representative associations of professionals.

In drafting an incorporation, it will be important to **follow the rules in section 5 of the Companies Act.** An incorporation file must have the following information:

- 1) **5 or more people interested in** signing the incorporation of the company.
- 2) A **draft constitution** written according to the above guidelines.
- 3) The **company's classification** (the eligible areas above).
- 4) The **proposed bylaws** of the corporation.
- 5) The **list of directors** and officers.
- 6) The **name of the official agent**, the member responsible for relations with the Registry.
- 7) The **location of the head office**.

# Bylaws

The proposed organization must have rules of governance. The bylaws describe, among other things, the operation of the corporation, the powers of each level of decision-making (executive, board of directors, AGM, special meeting), the authority of directors, the organization and number of board meetings, the rules for membership, minutes taking, the use of the corporate seal, the completion of contracts and financial instruments, etc. At a minimum, the bylaws should contain the following information:

1. The conditions of admission of members as well as their rights and obligations.
2. The reasons, steps and procedures required to suspend, terminate, or expel a member.
3. The method and rules for calling an Annual General Meeting or a Special Meeting of the Company, the number of members required for a quorum and the voting rights.
4. The appointment or removal of directors and other officers and their terms of office, powers and in some cases their fees.

5. Borrowing powers.
6. The appointment of the persons responsible for the accounting audit.
7. Custody and usage guidelines for the company's seal.
8. Rules for making, amending, or revoking bylaws.
9. The drafting and custody of the minutes of the proceedings of the company's meetings and of the directors and other company files.
10. The time and place where the minutes/records of the meetings of the corporation shall be available for inspection by the members.
11. The method and conditions of completion of contracts, property deeds, exchange notes and other financial instruments, as well as the company's documents.

NOTE: It is important that all of the above articles and statements are included in your incorporation, otherwise the Registry of Joint Stock Companies may refuse your incorporation. See Appendix 1 for examples of decision levels. The author suggests that the company's organizers obtain a copy of their incorporation documents from other long-established organizations for reference.

# General

## RECOGNIZED / OFFICIAL AGENT

All corporations must appoint an official agent and submit the form with their name to the Registry. The agent must be a resident of Nova Scotia. This person will receive all communications from the Registry and will receive legal documents in the event of a legal challenge against the company. The form must contain the following information about the designated official agent: first name, first initial, last name, street and mailing address and any other required contact information. The form must be signed by a director.

## COMPANY'S HEAD OFFICE

Every incorporated company must submit the appropriate form in case of a change of address of the registered office of the company. The new location of the registered office must be entered with the full address and the name, street address and telephone number of the individual (official agent) who is willing to answer the **Registry's** questions on the form.

## Minute Book / Minutes of Meetings

It is important for the company to have a book (binder) containing the minutes and other documents from the meetings. It is suggested that one binder be set aside for each year of operation. It is recommended that the meeting book include the certificate of incorporation from the Registry, the certificate of registration of the registered legal name, the minutes of the meetings of the directors, the members, the AGM, any motions, resolutions, wishes recorded in the minutes, the record of the directors and officers (name, street address, date of entry into office and date of end of their terms) during the year of operation.

## Constituent and Incorporation Documents File

This book/binder of incorporation and governing documents should be kept on file. The file should contain the history of the organization and be kept up to date if there are any modifications or changes. It will contain the governing documents, bylaws, any legal documents pertaining to the incorporation, the annual list of board members and their duties.

## DISSOLUTION

Although you become a legally incorporated entity with all the obligations and responsibilities, it is possible that the group may decide to dissolve itself so that it is no longer a legal entity. Reasons for doing so may include:

- a) the company has met its goals and objectives and its work is done;
- b) Insufficient or lost members on the Board of Directors or lack of staff;
- c) loss of funding;
- d) inability to meet financial obligations or other needs.

In the case of dissolution, forms must still be submitted to the **Registry** either:

- i. the special motion of dissolution by the members approving the dissolution of the corporation;
- ii. statement of income and expenses including the total amount obtained, the amounts of funds obtained and expenses such as insurance, salaries, etc.;
- iii. the financial balance sheet including the company's assets and liabilities;
- iv. the petition for surrender of the certificate of incorporation filed with the **Registry** must include the date of incorporation, a statement that all debts and creditors have been paid, or if not, that the creditors agree to the dissolution. The original certificate of incorporation must be included in this petition.

# Certificate of Incorporation

The company has met all the statutory requirements and receives its certificate of incorporation and certificate of registration from the **Registry**. Therefore, the company is now a legal person. A legal person is a group of people (community, territory, society, association, etc.) that has rights and duties. The legal person has the right to sue and be sued. The corporation can now:

- 1) Acquire and receive gifts, land, personal property; sell, trade, obtain contracts; enter into contracts and agreements; erect structures and buildings; improve, develop.
- 2) Be sued or prosecuted on its behalf.
- 3) Use funds and properties to achieve its purpose and objects.
- 4) Borrow.
- 5) Issue a promissory bill which is permitted under the regulations.
- 6) Adopt by special resolution: change the name, change its objects, become a member of another non-profit corporation, etc.
- 7) Impose limits on the liability of individual members to become responsible for the debts or other liabilities of the corporation.

# CHECKLIST

- i. Is the proposed name of your organization unique, descriptive of your purpose, distinct from other organizations?  
**YES or NO**
- ii. Does the proposed name contain the word **Company** or **Association**?  
**YES or NO**
- iii. Have you conducted a search of the **Registry** database and the NUANS system to confirm that no other corporation, association, or company is using this name?  
**YES or NO**
- iv. As a result of your research, have you reserved the proposed name for the **Registry**?  
**YES or NO**
- v. Is the purpose (ultimate objective) and mission of your group accepted and shared by the 5 members who signed the proposed governing document?  
**YES or NO**
- vi. Have you appointed an official agent to receive notices from the Registry and completed the form for this purpose?  
**YES or NO**

- vii. What are your products and/or services? Are they mentioned on page 20?  
**YES or NO**  
**Please provide details**\_\_\_\_\_
- viii. Will profits from activities be used to further your mission?  
**YES or NO**
- ix. Does the proposed governing document follow the guidelines in Appendix A and contain the name, objectives, geographic location of your territory of operation, street address of the head office, names, street addresses, occupations, and signatures of the five members?  
**YES or NO**
- x. Did you follow the rules of Section 5 of the Companies Act?  
**YES or NO**
- xi. Do the bylaws describe how the company proposes to operate and treat members?  
**YES or NO**
- xii. Have you had a third party verify your proposed governing document and bylaws?  
**YES or NO**
- xiii. Have you included the fees associated with your incorporation application?  
**YES or NO**
- xiv. Have you received the approval of the Registry and the Certificate of Incorporation?  
**YES or NO**

## V.I

# THE OPERATION OF A NON-PROFIT ORGANIZATION

Your group is now incorporated and the work begins! You must now follow the rules in your governing document.



**1) The Board of Directors** The Constitution and Bylaws address the role and responsibilities of the Board of Directors. Among other things, the Board of Directors is responsible for:

- responding to members' actions;
- hire staff as required;
- choose or recommend the choice of an accountant and lawyer;
- approve Executive Management's strategic plan and work plan, as required;
- approve the annual budget;
- focus on the company's purpose and objects;
- regularly review the governing documents and bylaws to ensure that they meet the changing needs of the company.

**2) A nominating committee** may exist in the bylaws, or the directors may establish a nominating committee. The committee's mandate is to oversee the recruitment of new board members with skills and/or experience relevant to the organization. In addition to skills and commitment to the organization's mission, a nominating committee may also consider factors such as cultural and regional diversity, financial or legal expertise, etc.

**3) Selection of Board members:** Directors are usually elected, ratified (confirmed) or recommended by the nominating committee at the annual general meeting.

**4) Assignment of duties to other individuals or committees:** The bylaws may provide for the ability of directors to assign duties or responsibilities to other members who may or may not be on the Board of Directors.

**5) The Executive Committee:** This committee is usually composed of the president, vice-president, secretary and treasurer or a combination of positions. The Executive Committee often has powers that are found in the bylaws or are obtained from the Board of Directors.

**6) Directors' liability** is one of the advantages of incorporating because it limits individual liability, should an organization be exposed to such civil cases. Generally, it is the organization that is subject to legal proceedings and not the directors directly. However, it is possible for a director to be identified personally if he or she has acted contrary to the **governance documents (policies)** or the director has been seriously negligent in the performance of his or her duties. In the case of an unincorporated non-profit organization, the legal case will be brought against the individuals who manage the group since there is no legal entity present. The above information demonstrates the importance of developing and following internal and governmental policies and procedures in the performance of your duties.

**7) Insurance:** It is possible to obtain insurance to protect directors and officers against liability. However, the cost of purchasing such coverage can be expensive. It is important to speak to an insurance agent about options such as general liability insurance, environmental liability insurance, directors' liability insurance, etc.

**8) A conflict of interest** may arise when a director stands to benefit directly or indirectly from a financial or other decision of the organization. Also, he or she may be a member of another organization that competes or conflicts with the work of the organization. In the event of a conflict, the director must inform the other directors of the actual or potential existence of his or her conflict and withdraw from voting and discussion. If it is difficult or impossible for the director to do so, he or she should seriously consider resigning from the Board.

**9) Staff Hiring Laws:** Over time, the organization may grow and need to hire staff. If so, the *Employment Acts* will need to be followed to hire staff or contractors. A contractor can be a separate entity and not an extension of the employer. Regardless of the type of employment, the obligations of the Nova Scotia Labour Code and the administration of Canada Revenue Agency deductions, etc. must be followed.

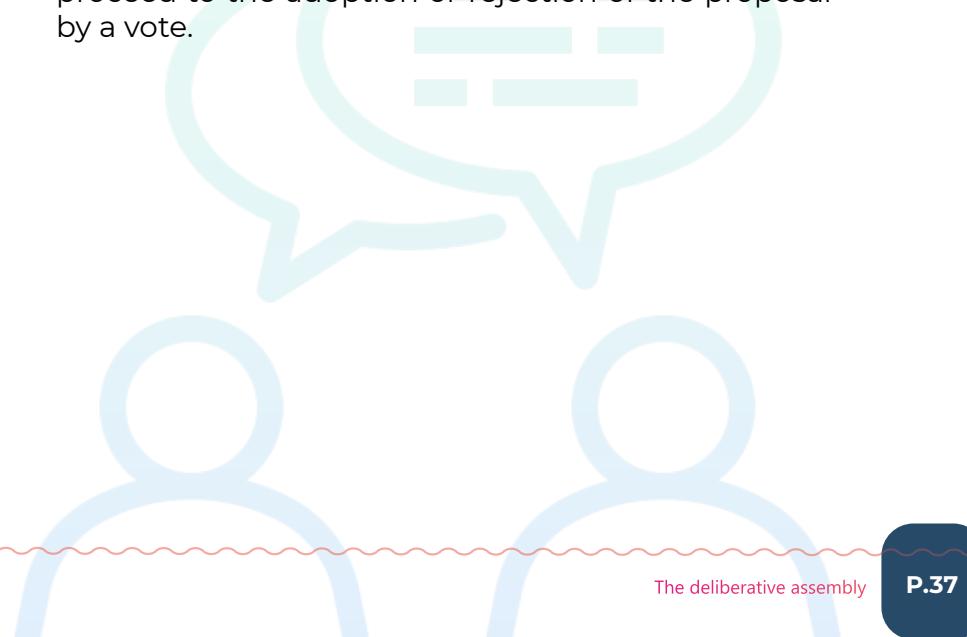
**10) Policies:** It will also be important to establish policies on a variety of topics and ensure that employees are aware of the employer's expectations and standards. Policies can include confidentiality, privacy, risk mitigation, vendor purchasing policies, etc.

**11) Working conditions:** it will also be important to specify that the working conditions must respect the laws, codes, including a directive and procedures against harassment in the workplace, the dress policy, parental leave, sick leave and bereavement, unpaid leave, compensation (salary), deductions, vacation pay, overtime, holidays, and termination.

**12) The financial information** of the Company shall be tabled and approved annually at the Annual General Meeting (AGM) of the members and thereafter filed with the **Registry**.

## VII. THE DELIBERATIVE ASSEMBLY

The deliberative assembly is constituted when a minimum number of people meet at the same time and in the same place for the purpose of discussing common interests, seeing to the conduct of their affairs, and making decisions. The deliberative assembly is "a meeting of people who wish to study, discuss, debate and decide on matters of common interest" (Francine Girard, "Deliberative Assemblies"). The debate is conducted by a chairperson following a motion made and seconded. The minutes are taken by a secretary. During the meeting, all participants inform themselves, argue for or against the proposal and, when they feel able to take a position, they proceed to the adoption or rejection of the proposal by a vote.



- 1) The “mover” introduces the motion and why he/she believes the motion is necessary.
- 2) Each member present is entitled to 5 minutes of speaking time and 2 additional minutes.
- 3) The “mover” will have 2 minutes to close the debate after deliberation.
- 4) “Question? Question?” The vote is called for decision.

### COMMITTEE OF THE WHOLE

Allows members to deliberate openly with no time limit for discussion of the topic. The Chair may request, with the majority agreement of the members, to return to a deliberative assembly.

### IN CAMERA COMMITTEE

An in-camera session deals with matters of a confidential nature such as court case, staff.

**The Chair of the meeting must follow the rules according to the type of motion being proposed. Below are the rules of order for each type of motion and the rules to be followed by the authors of the rules of order.**

TYPE OF MOTION	INTENTION	NEED FOR A SECONDER	NEED FOR DEBATE	CAN BE AMENDED	REQUIRES A VOTE
Table a motion	Set aside the motion at a later date or indefinitely	Yes	No	No	Majority 50% + 1
Proposed amendment	Improve / modify the motion	Yes	Yes	Yes	Majority
Proposal for a study committee	Allow more study by a committee	Yes	Yes	Yes	Majority
Proposal to limit or add debate time	Allow more or less time for debate	No	No	No	2/3
Call for a «question?» vote	End discussion immediately and vote	Yes	No	No	2/3

Type of Motion	Intention	Need for a seconder	Need for debate	Can be amended	Requires a vote
Proposal to raise a question or privilege	Raising an urgent issue caused by undesirable conditions	No	No	No	Majority
Proposal to suspend the debate	Stop the work for a rest	Yes	Yes	Yes	Majority
Motion to adjourn	End the meeting / assembly	Yes	No	Yes	Majority
Motion to raise a point of order	Request to comply with the bylaws or indicate a by-law violation	No	No	No	Majority
Appeal of a decision of the Chair	To determine the opinion of the Council members towards the decision of the Chair	Yes	Yes	No	Majority
Motion to temporarily suspend the regulations	To allow special actions that are impossible to do with the conduct rules	Yes	No	No	2/3
Motion to withdraw a motion under debate	To not allow the motion to be voted on or included in the minutes	No	No	No	Majority

Type of Motion	Intention	Need for a seconder	Need for debate	Can be amended	Requires a vote
Motion to object to considering the motion (often no seconder)	To stop an unnecessary debate in time on a motion or decision with little importance	No	No	No	2/3
Motion to ratify (confirm) a motion	Approve an action taken later (previously)	Yes	Yes	Yes	Majority
Motion to withdraw a subsequent motion	Withdraw a motion decided later (previously)	No	Yes	Yes	2/3

# VIII. Robert's Rules of Order



Here is a summary of the deliberative assembly procedures of the Robert's Rules. This will give you an understanding of the procedure to follow during a meeting and will allow you to better control the progress of the meeting and the way you can intervene as a member. For all other information, please consult the Robert's Rules.

## THE ASSEMBLY CHAIR

Facilitates the flow of the meeting.

Opens and presides over the meeting. Grants the right to speak and directs the meeting in procedure and discussion. Calls to order any member who fails to maintain order, procedure and/or decorum. Decide on points of order and may issue public sanctions when appropriate.

Must be impartial unless there is a tie in a vote, in which case it must decide whether or not to accept the proposal.



## OPENING OF THE MEETING

The Chair calls the members to order, reads the agenda and then calls for a vote.

The Secretary then reads the minutes of the last meeting and the Chair calls for a vote.

\*Note that the agenda and minutes are first moved and seconded but only adopted after necessary changes have been made (if required).

\*The minutes can only be adopted by the members present at the meeting under consideration.

## RIGHT TO SPEAK

Any member of the assembly has the right to speak in the meeting: he must raise his hand and wait for the chairman to give him the floor. The intervention must be limited to the subject under consideration.

\*Note that the chairperson has the right to limit the length and number of interventions for each subject.

## THE MOTION/MAIN PROPOSAL

Any voting member of the meeting may make a motion/proposal provided it relates to the item under discussion. The mover of the motion/proposal must wait for the chairperson to recognize him/her and then state the proposal as follows: "Mr. Chair, I move that...". The motion must then be seconded as follows: "Mr. Chair, I second.".

\*Note that a proposal is made when a decision is to be made on the subject under discussion.

## THE AMENDMENT

Used to make a change to the main proposal. Must relate to the proposal under discussion. Must be moved and seconded.

\*Note that a member proposing an amendment must agree with the proposal and only want to change a detail (the meaning of the proposal must remain the same).

## THE SUB-AMENDMENT

It is an amendment to an amendment to change a detail. It must be moved and seconded.

*\*Note that only one (1) amendment and one (1) subamendment may be made to the same main proposal. \*When a proposal has received both an amendment and a subamendment, the discussion and vote must be done in the following order: the subamendment, the amendment and finish with the main proposal.*

## THE VOTE

Takes place at the end of a debate when the presiding officer formally puts the question under discussion and then calls for a vote. It may be by a show of hands or by secret ballot if requested by any member of the meeting. (Any voting member may request a secret ballot).

*\*Note that in general, a vote requires 50% +1, except in some cases where it must be 2/3 or 3/4 or unanimous.*

*\*If the mover of the motion/proposal speaks again, he/she concludes the discussion, and the meeting then proceeds immediately to a vote (under the direction of the chair).*

## PREVIOUS QUESTION AND/OR REQUEST FOR VOTE

Used to put an end to all debates when a member feels it is time to decide. The member must request the floor from the chair and then ask the previous question or request the vote. When this request is made, the chair calls (without discussion) for a vote of the meeting.

*\*Note that the previous question requires the approval of 2/3 of the assembly vote to be adopted. If this is the case, only the "mover" may conclude the discussion and the vote will ensue.*

## TABLING OF MOTION/PROPOSAL

When the meeting has debated a topic, exhausted ideas, and no solution seems to emerge from the discussion, then a member may request that the question be tabled.

The matter is therefore postponed until someone brings it up for discussion. It should be noted that this motion must be moved and seconded without discussion or amendment and that the vote must be passed by a simple majority of the assembly (50% + 1). When the meeting has debated a topic, exhausted ideas, and no solution seems to emerge from the discussion, then a member may request that the question be tabled.

### POINT OF ORDER

This objection is used when a member believes that procedures are not being followed. The request should be worded as follows: "Mr. Chair, point of order."

\*Note that the chair of the meeting makes the decision for or against the objection.

### POINT OF INFORMATION

This statement is used when a member does not understand the procedures related to an issue concerning the item under discussion. The statement may be made at any time during the meeting. Should be worded as follows: "Mr. Chair, point of information."

### POINT OF PRIVILEGE

Used when a member believes that his or her rights are not being respected and that the meeting is not being conducted properly. The item can be made at any time during the meeting. Should be worded as follows: "Mr. Chair, point of privilege."

## IX. APPENDIX

### APPENDIX 1

POSSIBLE POWERS OF THE DIFFERENT BODIES OF AN ORGANIZATION

### APPENDIX 2

RELEVANT LEGISLATION IN NOVA SCOTIA

### APPENDIX 3

EXAMPLE: AGENDA FORMAT

## POSSIBLE POWERS OF THE DIFFERENT BODIES OF AN ORGANIZATION

### GENERAL ASSEMBLY

- elects the members of the Board of Directors;
- removes the members of the Board of Directors;
- adopts, amends, repeals and ratifies amendments to the Constitution and bylaws;
- adopts the amendments to the letters patent;
- appoints the auditor, if any;
- approves the financial reports;
- approves the major orientations;
- is informed of the organization's representation locations;
- receives the annual activity report;
- raises any issue of interest to the membership;
- sets the membership fee, if any;
- vote on the dissolution of the corporation.

### APPENDIX 1

### BOARD OF DIRECTORS

- recommend to the Annual or Special General Meeting amendments and repeals to the Constitution and Bylaws;
- authorizes financial transactions and contracts or delegates some or all of this function to Executive Management;
- adopts the financial reports and budget estimates;
- presents an activity report to the general assembly;
- determines the annual action priorities;
- develops and decides on political mandates and positions;
- establishes working and action committees (policy and procedures, nomination and audit) and decides on their recommendations;
- oversees the hiring, training and evaluation of Executive Management;
- ensures that a succession plan is prepared for the departure of certain directors;
- accept or reject applications for membership or renewal of membership in accordance with the bylaws;
- Is responsible for hiring, evaluation and working conditions;
- fills vacancies on the Board;
- is responsible for the liquidation of assets in the event of dissolution of the organization.

## PERMANENCE

- plans, organizes and controls the activities of the organization;
- ensures the search for financing and accounting;
- prepares financial reports and budget forecasts;
- develops a proposed annual action plan and a schedule of activities;
- develops, alone or with its staff, the program of activities and services according to the orientations of the Board of Directors;
- prepares the annual report and drafts the activity report;
- represents the organization;
- recruits, trains, supervises and evaluates staff;
- acts as a liaison between the staff and the Board of Directors;
- is responsible for the day-to-day management and implementation of the decisions and policies of the Board of Directors;
- participates in meetings of the Board of Directors.

NOTE :When the organization does not have a staff, the above key functions are performed by the Board of Directors.

## APPENDIX 2

## RELEVANT LEGISLATION IN NOVA SCOTIA

- Co-operative Associations Act
- Corporations Registration Act
- Partnerships and Business Names Registration Act
- Societies Act
- Companies Act
- Community interest companies Act (CIC Act)
- Volunteer Protection Act Chapter 14, May 31 2002 - An Act To Limit The Liability Of Volunteers Serving Non Profit Organizations in Nova Scotia

## APPENDIX 3

### EXAMPLE: AGENDA FORMAT

#### Board of Directors Meeting

**DATE** \_\_\_\_\_

**TIME** \_\_\_\_\_

**LOCATION** \_\_\_\_\_

**Meeting called by:** Name of the Chair

**Chair:** Name of the chairperson

**Secretary:** Name of the person designated to take notes and write up the minutes

**Participants:** Names of participants / confirmed members

**Absent:** Names of people who will be absent

**Contact person:** The main employee if there is one (ED, Coordination,) or a guest

**Please read and bring the following documents:**

Draft agenda, minutes of previous meeting; financial statements received, etc.

Agenda items			
Subject	Lead	Allowed time	
✓ Approval of the agenda	Chair	5 minutes	Motion Dec.
✓ Approval of the minutes of the last meeting	Chair	5 minutes	Motion Dec.
✓ Follow-up to the minutes	Members	10 minutes	Info
✓ Financial statements at ....	Treasurer	10 minutes	Motion Rec.
✓ Presidency Report	Chair	10 minutes	Motion Rec.
✓ DG Report	ED	10 minutes	Motion Rec.
✓ Reports: Nomination committees, evaluation of the general management, audit committee, etc.	Lead	10 minutes	Info
✓ Planning	Chair	5 minutes	Info
✓ Recruitment campaign	Committee Chair	5 minutes	Info
✓ Fund-Raising Committee	Committee Chair	5 minutes	Info
✓ New business	Chair	20 minutes	Motion Dec.
✓ Next meeting	Members	5 minutes	Info
✓ Adjournment	Members	30 seconds	N/A

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Prepared for the



Toolbox

# **TOWARDS THE LAUNCH AND THE OPERATION OF A NON-PROFIT ORGANIZATION**