

Requirements for Agencies Incorporated as Non-Profit

The governance review is a tool to support non-profit boards of directors to be successful and to meet the requirements of their funding agreement. This tool provides the City's standard for how non-profit boards of directors should operate and will help inform of any potential training needs. Overtime with the support of the City, all non-profit operators will be brought up to the standards outlined in these requirements.

Operators are to use this tool to conduct a self-assessment of their board of directors. Please note that the following are not an exhaustive list of standards for non-profit agencies. Agencies are responsible to ensure that their board meets all legislated requirements and annual reporting requirements.

Board of Director Structure	
• The board is comprised of at least 5 directors.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• No board members are employees or relatives of employees of the corporation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The board composition rules and member names are available in publicly accessible areas.	Yes <input type="checkbox"/> No <input type="checkbox"/>

By-Law Requirements	
• Clear job descriptions outlining roles and responsibilities of the board members.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• Signing authorities require a minimum of 2 signatures, one of which is a board member.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• By-laws clearly define: <ul style="list-style-type: none"> ➢ Criteria for members' qualification; ➢ Guidelines for membership suspension/termination; ➢ Decision making process for member motions and voting power; ➢ When and how the election, appointment and removal of members will occur. 	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>

Policy Requirements – there are written policies and procedures:	
• Of job descriptions outlining roles and responsibilities of the board members.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• That demonstrate signing authorities require a minimum of 2 signatures, one of which is a board member;	Yes <input type="checkbox"/> No <input type="checkbox"/>
• On conflict of interest, code of conduct, and complaints;	Yes <input type="checkbox"/> No <input type="checkbox"/>
• Confirming board members serve without remuneration;	Yes <input type="checkbox"/> No <input type="checkbox"/>
• To ensure an accurate return is filed with the Canada Revenue Agency within 6 months of year end;	Yes <input type="checkbox"/> No <input type="checkbox"/>
• Board meeting minutes are accessible to the general membership;	Yes <input type="checkbox"/> No <input type="checkbox"/>
• Board meeting attendance is sufficient for quorum.	Yes <input type="checkbox"/> No <input type="checkbox"/>

Letters Patent and/or Articles of Incorporations Include Provisions which require that:	
• The corporation is a corporation without share capital.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation is carried on without the purpose of gain for its members and any profits or other accretions to the corporation shall be used in promoting its objects.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation shall not purchase goods or services from any director, officer or person related to a director or officer of the corporation unless there is only one available sources of goods or services within a reasonable distance of the child care location.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation shall not sell goods or services, other than child care services, to any director, officer or other person related to the director or officer of the corporation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation shall not lend money to or borrow money from any director, officer or person related to a director or officer of the corporation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation shall not rent property to or from any director, officer or person related to the director or officer of the corporation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The corporation shall not engage in any other transaction which may directly or indirectly confer a financial benefit on one of its directors.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• The directors of the corporation shall serve as directors without remuneration but may be reimbursed for reasonable expenses incurred in the performance of their duties.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• No director of the corporation shall directly or indirectly receive any form of money or money's worth as a result of his or her position as director.	Yes <input type="checkbox"/> No <input type="checkbox"/>
• Upon dissolution of the corporation and after payment of all of its debts and liabilities, the remaining property of the corporation shall be distributed or disposed of only to charitable or non-profit organizations which provide child care, which are beneficial to the community and which operate solely in Ontario.	Yes <input type="checkbox"/> No <input type="checkbox"/>

Documentation Requirements – the following documents will be submitted to the City of Hamilton on request:	
<input type="checkbox"/> Constitution of Incorporation	<input type="checkbox"/> Names of all board members
<input type="checkbox"/> By-laws	<input type="checkbox"/> Minutes for the Annual General Meeting
<input type="checkbox"/> Conflict of Interest Policy	<input type="checkbox"/> Board approved budget
<input type="checkbox"/> Letters Patent and/or Articles of Incorporation	<input type="checkbox"/> Directors and Officers insurance policy