

ONCA, Bylaws & Governance



Feb 10th, 2021
7:00-8:30

WHAT IS COAST?

COAST is a supportive program for all Ontario Sailing & Row Ontario member clubs to increase impact on their communities and their sports.

COAST assists clubs with all aspects of operation and governance.



YOUR COAST MANAGER

LISA RODDIE

- 25 years experience in senior management of Non-profit organizations
- Executive Director Role (& other roles) working with Boards
- Management experience in a membership based organization
- Led consultation, development, design and transition to new facilities
- Experienced in change management, construction, relationship building, programming and staffing
- Successful social media manager
- High focus on all aspects of safety
- Managed several major special events – fundraising to sports events
- Diploma (with honours) in Recreation Management
- Formal Continuing Education in Fundraising, Human Resources

Also – Mom of 2 teens, Hockey Mom, Slight Foodie, Lover of the West Coast, Water Lover, Lived in Burlington, Vancouver, Peterborough and Hamilton



The logo for COAST, featuring the word "COAST" in a bold, blue, sans-serif font. The letter "O" is stylized with a white sailboat silhouette inside it.

Generally Speaking,

Other clubs are NOT doing it right!

They are no more guaranteed to be doing it right than you

It doesn't matter how big or small or how long they have
been around.

GOVERNANCE

“The system by which entities are directed and controlled. It is concerned with structure and processes for decision making, accountability, control and behaviour at the top of an entity.

Governance influences how an organisation’s objectives are set and achieved, how risk is monitored and addressed and how performance is optimised”

WHAT GOES WHERE?



	Articles of Incorporation	Bylaws	Policies	Procedures
What/Goal	Name, Purpose and Location – from your request for incorporation with Service Ontario	Defines corporate membership and its conditions. Describes relationship between Board & members – Corporate structure	Covers reason & philosophy behind club operations and decisions. Legally required to have certain policies.	Less formal than policies, these explain more the day to day of how the club will operate. Often the step by step process.
Who creates/ changes	Any changes go through Service Ontario; Need 2/3 approval of members to change (filing fee)	Board makes changes, but they need to be confirmed by majority of voting members at AGM (quorum met).	Board creates and passes. Should be reviewed annually or bi-annually	Can be created by any level – including committees Reviewed and updated regularly as needed.
Access of documents	Filed with government, available to members & directors (UPDATE – Form 1 with new Directors)	Have to be available to members and directors	Not necessary to be available to anyone. May be asked to produce certain legally required policies. Club should share as appropriate.	No requirement to have any available, up to club to share what is appropriate with appropriate individuals

OTHER DOCUMENTS

Why does the Club
exist?

Strategic Plan
Operational Plan
Communications Plan



What values guide the
operations?

If all
strategic
goals met,
what does it
look like in
20 years?

BYLAWS

Bylaws are the structure for how Board works and relationship with corporate members

Bylaws set rules for Board to govern

Organizations, as a requirement of legal incorporation, are required to establish by-laws in respect to specific matters. Legislation identifies which matters.

FIRST STEPS

What do they say?

Do you follow them?

Are they limited to what is required?

Are they legally correct?



**CURRENT
LAW
& BEST PRACTICE**

ONCA & Bylaws

NEW Legislation:

ONCA – Ontario's Not for Profit Corporations Act

Expected by end of 2021 – Will have 3 years to implement

Start Updating Bylaws Sooner Than Later
(Especially if not currently correct)

In the future, you will need to Amend your Articles – We will do that together with legal help but bylaws need to be right first

Rationale for ONCA

- Original Corporations Act was enacted in 1907 – needs an update
- Simplify the incorporation process (electronic)
- Improve corporate governance & accountability with strict rules
- Provide more rights for members
 - Greater access to financial records
 - Required Audit Requirements
 - Non-voting members may have voting rights

Benefits For Organizations with ONCA

- Can waive appointment of auditor & audit under certain circumstances
- Default by-laws available (with a warning label)
- Allows directors to pass resolutions in lieu of holding in-person meetings (i.e.: by written confirmation or conference call)
- Electronic notice is default now

Bylaws – Sections

Section 1 – General - Definitions etc. (suggest if from Letters/Articles indicate so)

Section 2 – Directors

Sections 3 – Board Meetings

Section 4 – Financial

Section 5 – Officers

Section 6 – Protection of Directors and Others

Section 7 – Conflict of Interest

Section 8 – Members

Section 9 – Members Meetings

Section 10 – Notices

Section 11 – Dissolution

Section 12 – Adoption and Amendment of By-Laws

Usually 8-12 Pages

PURPOSE OF A BOARD

The purpose of the Board of Directors of a Not for Profit is to provide leadership to the organization's strategic plan through setting policies, providing leadership and expertise, and monitoring the organization's performance.



High Level Focus
Oversight
Giving Destination not Direction

Not managing each detail
Not getting caught in the weeds



POLICY VS OPERATIONAL BOARDS A CONTINUUM?



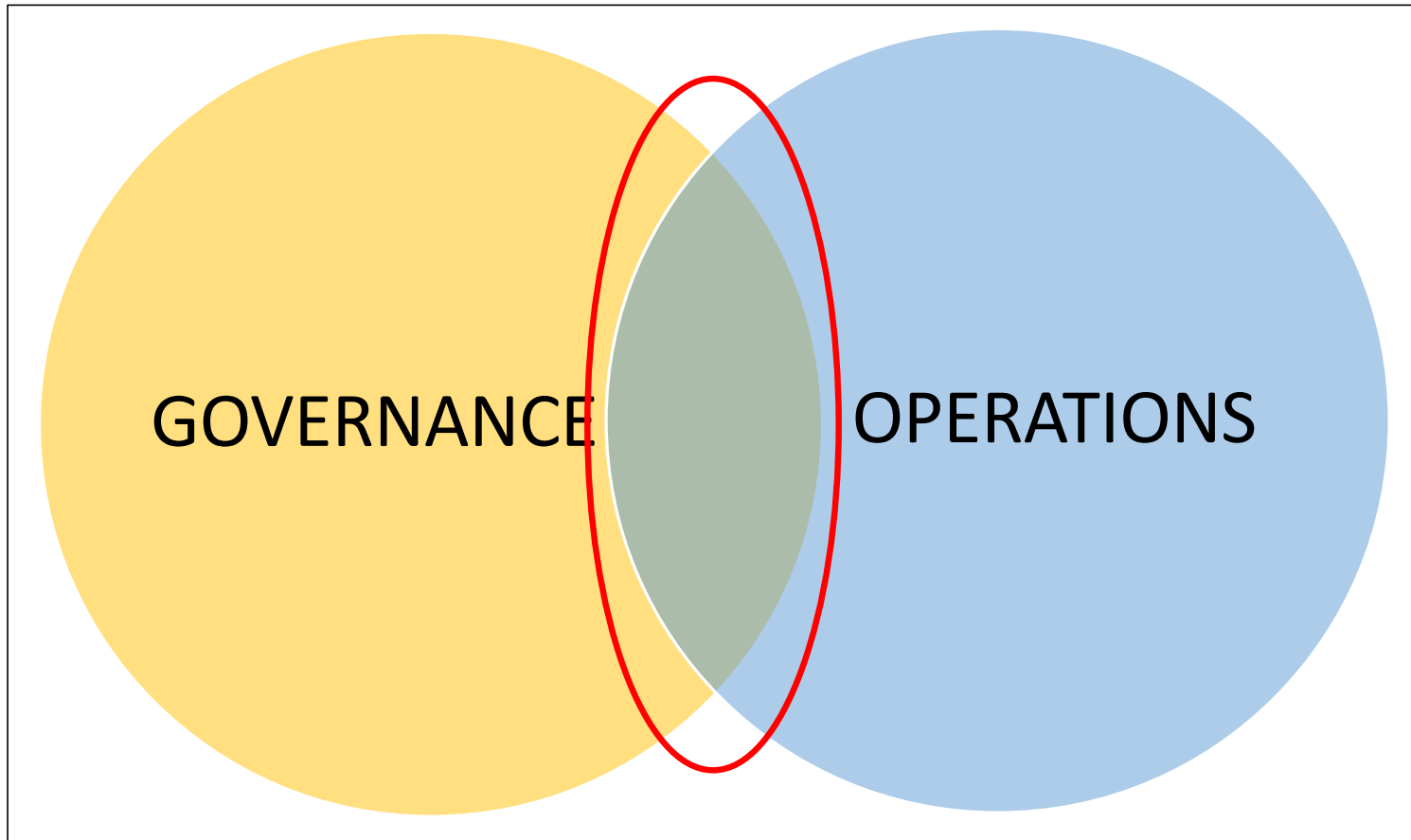
OPERATIONS

All Volunteer Driven

Full Staff Team

GOVERNANCE ALWAYS THERE

BLACK & WHITE & GREY



ACCOUNTABILITY

The Board of Directors is accountable to the Corporate Membership of the club. The organization's bylaws lay out the details of the relationship and the definition of membership in the organization.

Directors are elected to represent the voting members.

Similar to a politician they are accountable to ALL voting members.

Voting Members have mechanism to remove Directors as that is who elects them.

DIRECTOR LIABILITY

A director may be held personally liable for damages arising as a result of various actions (or inaction) by the director.

- Any act that is illegal (such as a breach of their fiduciary or statutory duties),
- Permitting the corporation to act outside of its authority,
- Torts committed individually or on behalf of the corporation (civil act causing harm - negligence, defamation)

Personal liability on directors.

- unpaid employee wages and vacation pay; Including from treating someone as contractor
- failure by the corporation to remit source deductions for employee income taxes as well as Employment Insurance and Canada Pension Plan contributions;

INSURANCE - Protect directors and former directors against liabilities incurred by reason of them acting as director, provided the director acted consistent with his or her fiduciary duties and had reasonable grounds for believing his or her conduct was lawful

LEGAL RESPONSIBILITIES OF A FIDUCIARY

Duty of Due Care

Take care of the non-profit by ensuring prudent use of all assets, including facility, people, and good will; and provide oversight for all activities that advance the non-profit's effectiveness and sustainability.

Duty of Loyalty

Make decisions in the best interest of the non-profit corporation; not in their own self-interest.

Duty of Obedience

Ensure that the non-profit obeys applicable laws and acts in accordance with ethical practices; that the non-profit adheres to its stated corporate purposes, and that its activities advance its mission.

DIRECTORS & OFFICERS

Directors First and Equally

Every member of Board who is elected is a Director – first and foremost.
Equal votes and responsibility for everything that happens.

Broad Focus Needed

Directors legally responsible for best interest of WHOLE Club long term.
Portfolios of specific operational areas is not a Board best practice.

Officers Extra Responsibility

President/Treasurer/Secretary – three Officers with Governance responsibility in Act

GOOD GOVERNANCE

Why Less is More



Directors are legally responsible to act in best interest of organization. Forward thinking focus!

Members have no responsibilities & will vote in self interest.

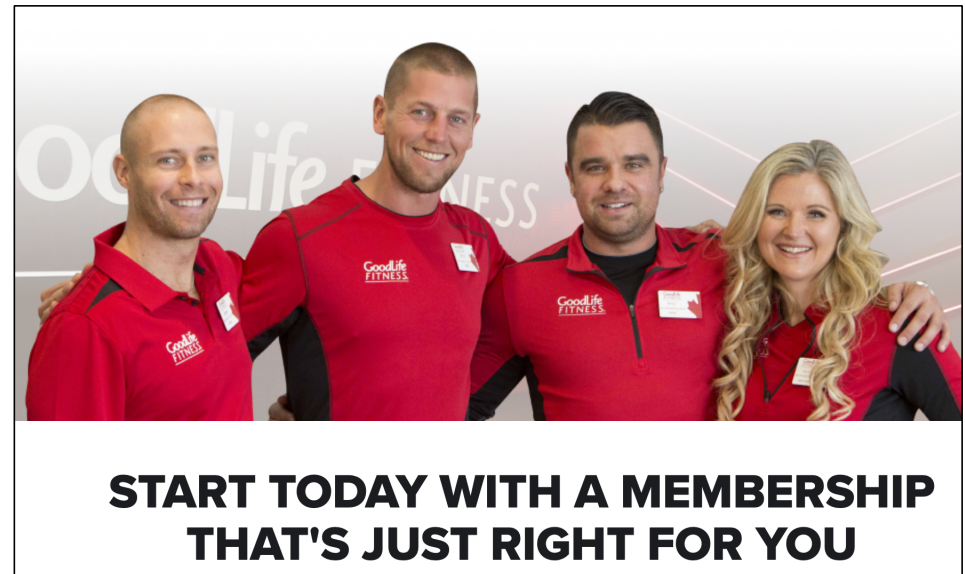
Members having too much power ties hands of Directors, but Directors have to meet legal responsibilities.

Need to trust Directors

Member

*“A person, animal or thing that is part of a group”
Cambridge Dictionary*

*Customers who chose
a membership
package are not the
same as corporate
members.*



Member - ONCA

- Membership types will be in articles – which means difficult and expensive to change
- Members have more power, for example now only need majority to remove a director

Definition should be simple, clear &
only corporate based

Members Meetings

2 Types of Meetings for Governance:

General Meeting - One Annual General Meeting

- Held with 6 months after Fiscal Year Ends
- Statements available 21 days before AGM
- Purpose is to review financial position and elect Directors
- Elect Directors based on Financial performance
- Member right is to elect Directors to represent them

Special Meetings – maximum 10% of members to hold one

Other Common Issues

Operational Items – By-Laws are Governance

Ensure no operational committees, club privileges, social & sail training etc. exist

Membership – Governance vs Operational

Definition of member; no need for non voting

Missing Required Pieces

Fiscal Year, Dissolution, Conflict of Interest

Conflicts Between Sections

Incorrect Terminology

Terms such as Constitutions, Flag Officers

Bylaw Update Process

1. Have Lisa do a review – will return with notes (Legal & Best Practices)
2. Review notes and ask any questions – spread job, focus on sections
3. Work through recommended changes and create a new draft; make sure you meet min requirements
4. Have Lisa review your new draft (as many times as necessary)
5. Following your current bylaws, present to membership for amendment at member's meeting.

Trident YC By-laws - COAST notes.pdf

Home Tools Trident YC By-law... x

8 / 26 129%

6.2.1 Senior Boating Member:

- a) A person of 21 years of age or more who:
 - i. Has been accepted for Membership and paid the initiation fee prescribed by sub-paragraph 20.2 (a) of these by-laws; and,
 - ii. If joining the Club prior to October 1, 2004 held a debenture as prescribed by sub-paragraph 20.1 (a) of these by-laws; and,
 - iii. Has paid and maintains Senior Boating Member status; and,
 - iv. ~~Has been allocated a berth or mooring at the Club during the membership year.~~
- b) ~~Where applicable, a Senior Boating Membership includes and entitles both spouses and dependent children under 21 years of age to all customary privileges and obligations of membership in the Club.~~
- c) Senior Boating Membership carries entitlement to cast two (2) votes (both votes to be exercised by a Senior Boating Member or one vote to

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- c) Senior Boating Membership carries entitlement to cast two (2) votes (both votes to be exercised by a Senior Boating Member or one vote to be exercised by each of the spouses forming a single Senior Boating Membership) at all properly constituted meetings of Club Members.
- d) ~~A Senior Boating Membership earns one (1) seniority point annually towards berth allocation.~~

95.7%

84 comments

lisar Jan 28

We can work on rewording this section, different voting amounts will be a challenge. Do you have many senior boating members who are single and use the 2 votes as opposed to have a second adult (anyone over 18) on their membership?)

Ideally one member definition with one vote and an explanation here with what in good standing means (financial and behavioural)
See the template for a starting place.

Add a reply...

lisar Jan 28

Question of age - legal age of majority is 18 in Ontario so technically 19 year old can be corporate members but you can select what you want as you define corporate member and separately what you want to define operational members

lisar Jan 28

General Questions?

Final Polls!!



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