



## BC Societies Act Primer<sup>1</sup>

by Richard Bridge<sup>2</sup> and Stacey Corriveau<sup>3</sup>

### Table of contents

---

	Go to page
Context	2
Key takeaways	3
Text and scope of the new Act	3
The Regulator	4
Key changes and features of the new BC Societies Act	
	Go to page
1. Public interest remedies	4
2. Member-funded societies	5
3. Incorporation	6
4. Transition	6
5. Constitution	7
6. Electronic filing	7
7. Public access	8
8. Unalterable provisions	8
9. Bylaws	8
10. Records	10
11. Old records	10
12. Financial reviews	10
13. Reporting on remuneration	10

---

<sup>1</sup> Disclaimer: This paper is a general description of the new Act. It is not legal advice. Readers should seek legal advice in relation to their specific circumstances.

<sup>2</sup> [www.lawyerforcharities.ca](http://www.lawyerforcharities.ca)

<sup>3</sup> [www.centreforsocialenterprise.com](http://www.centreforsocialenterprise.com)

14. Investment and borrowing	11
15. Members	11
16. Directors	13
17. Senior managers	15
18. Miscellaneous	15
Conclusion	15
Appendix A: Sections of the new Act that do not apply on the coming into force date	16
Appendix B: Transitioning to the new Act	17
Appendix C: Records to be retained by societies	19

## Context

---

There are approximately 27,000 societies in BC, (including both charities and non-profit organizations) incorporated under the BC Society Act.

In August of 2014, after several years of review and consultation with the sector, the government of BC (Ministry of Finance) released a white paper that consisted of a draft new annotated Societies Act to replace the current Act.

Public feedback was sought on the draft until mid-October 2014. A final version of the new Act was introduced in the legislature in March 2015 as Bill 24, and it received Royal Assent in May 2015.

The new Act is not yet in force. It will likely come into force in autumn of 2016.

The new Act codifies modern governance practices, fills holes in the old Act, and provides greater detail and clarity. It was influenced by similar new legislation at the federal level and in Ontario, and by the BC Business Corporations Act.

The regulations under the new Act should be released this year (2015), and will provide details including, for example, remuneration reporting thresholds, annual reporting details, and fees. Regulations are technical details approved by Cabinet rather than by the legislature. Model bylaws will also be included. The regulations will include a coming into force date.

A concordance is also expected to be released in 2015, comparing the elements of the old and new Acts.

All of BC's 27,000 affected organizations will be required to actively transition to the new Act within two years of the coming into force date, with most elements of the new Act applying immediately upon that date. See Appendix A for a description of provisions in the Act that will not come into force immediately upon the coming into force date.

## Key takeaways

---

If your registered charity or non-profit organization files an annual report with Victoria as a "BC Society", then you need to be aware of the new Act and accompanying regulations, and must actively complete transition steps. Those steps are not onerous, but they require attention.

This document highlights the most significant features and changes in the new Act, and outlines the steps of the transition process.

The new Act and transition requirement create an opportunity for societies to become more familiar with modern governance standards, and to review and refresh their purposes, structure, governance practices, and bylaws.

## Text and Scope of the new Act

---

The new Act is substantially longer and more detailed than the old Act, and it includes dozens of significant changes. The new Act is 160 pages long (without sample bylaws), while the old Act is under 70 pages in length (including the template bylaws). It is expected that the accompanying regulations will be less than 10 pages in length.

The old Act is reasonably comprehensive, but the new one provides clear and well-drafted guidance on all significant governance issues and requirements.

Leadership staff and directors of all BC societies must review and become familiar with the new Act. It is an essential reference document for legal compliance and good governance. It will also help staff and boards to avoid and solve problems.

All of the critical elements of governance are addressed in accessible and reasonably clear terms, including:

- ✓ Incorporation
- ✓ Alterations to the constitution and bylaws
- ✓ Membership
- ✓ The role and duties of directors
- ✓ Record keeping

- ✓ Finances
- ✓ Reporting requirements
- ✓ Technology
- ✓ Amalgamations and dissolution

At time of writing, the text of the new Act is most easily found online by Googling "Bill 24 2015: Societies Act".

## The Regulator

---

The regulator, or the government official responsible for the new Act, remains the Registrar of Companies within BC Registry Services in the Ministry of Finance. The new Act clarifies the role and powers of the Registrar. It continues the trend of minimal involvement by registry staff in the affairs of societies.

A key regulatory theme is greater use of technology to increase regulatory efficiency and the transparency and public accountability of societies. BC Registry Services is building online systems to receive transition applications from societies, and to collect and maintain all future documents filed by societies.

It is important to remember that the corporate registry function is different from the role played by the Canada Revenue Agency (CRA) regarding charitable registration and non-profit status under the Income Tax Act (Canada). The new Act does not change your society's relationship with the CRA.

Attention should always be paid to CRA's requirements and standards. Registered charities in particular must be careful when making changes to their purposes or when taking on new activities. Non-profit organizations must also pay attention to the Income Tax Act limitations on commercial activity, reserves, and use of surpluses.

## Key changes and features of the new BC Societies Act

### 1. Public interest remedies

The most controversial part of the draft bill introduced in August 2014 was s. 99, which would have given the general public the right to seek a remedy from the courts if a society is allegedly acting fraudulently or unlawfully or "is carrying on activities that are detrimental to the public interest."

Concerns were raised during the consultation period that this provision could be abused by private interests to intimidate or burden societies with legal costs, for example.

As a result of these concerns, this provision was removed from the new Act.

## 2. Member-funded societies

The new Act creates a new category of society called “member-funded societies” (Part 12, Division 1). These are societies that exist primarily for the benefit of their members, and that do not receive public donations or government funding. Examples are professional or trade associations, or social or sports clubs. Societies that do not fall within the definition of member-funded societies are by default non-member-funded societies or public-funded societies (terms not defined in the new Act).

To be a member-funded society, the constitution must declare: “This society is a member-funded society. It is funded primarily by its members to carry on activities for the benefit of its members. On its liquidation or dissolution, this society may distribute its money and other property to its members.” (s. 191(1))

Charities cannot be member-funded societies.

Member-funded societies are subject to different requirements and standards than public-funded societies. The legislative theory is that societies that do not receive public resources should not be held to the same standards of governance, disclosure, and transparency as societies that do receive public resources.

There are five essential differences between member-funded societies and public-funded societies:

- Number of directors: member-funded societies may have as few as one director. Public-funded societies must have at least three directors, one of whom must be a BC resident.
- Composition of the board: With public-funded societies the majority of directors must be “unaffiliated”, that is, not employed by or on contract with the society. This requirement does not apply to member-funded societies.
- Financial statements: The new Act allows public access to the financial statements of public-funded societies. There is no public right to access the financial statements of member-funded societies, unless the by-laws of the society provide that access.
- Disclosure of remuneration: The financial statements of public-funded societies must include remuneration paid to directors and remuneration paid to staff or contractors above a threshold to be set by regulation. This requirement does not apply to member-funded societies.

- Distribution of assets on wind-up: Public-funded societies may only transfer assets on wind-up to “asset locked” entities. This means registered charities or other qualified donees, other public-funded societies, or community service co-operatives. Member-funded societies may, as noted above, choose to transfer remaining assets to their members.

Another rather obscure distinction between the two categories is that member-funded societies may convert to a company under the Business Corporations Act. That will be a rare event.

Societies will need to be careful during the transition process to accurately categorize themselves as either member-funded or not. Changing categorization is possible, but it requires amendments to the constitution, and in some cases court approval, so getting it right the first time should be the goal.

It is noteworthy that the regulations may allow member-funded societies to receive some public donations and government funding, if the amounts do not exceed limits that are not yet known. (s. 191(2))

### 3. Incorporation

The new Act simplifies the incorporation process for societies.

Incorporation documents are to be submitted electronically and can be completed and submitted by one person. There is no longer a need to obtain signatures of five applicants. (s. 13 and s. 14)

### 4. Transition

Within the yet-to-be-released regulations will be a coming into force date. Existing BC societies will have two years from that date to complete a transition process in order to formally adopt the new Act.

The process of moving to the new Act will require filing a transition application with the Corporate Registry in Victoria which includes: a) a revised constitution; b) bylaws that consolidate the society's existing bylaws; and c) a statement containing the address of the society and the names and addresses of the directors.

See Appendix B for a more complete description of the transition process. There is no cost for filing the transition application.

Each society will need to enter its revised constitution and bylaws into the new Corporate Registry database.

Member approval is not required in order to transition to the new Act. Board approval will generally suffice. But if a society decides to make substantive changes to its bylaws in the transition application, it will need member approval in the form of a special resolution. (s. 241)

It is noteworthy that societies are effectively frozen from making changes to their constitution and bylaws (called “Charter Documents”) between the coming into force date, and their chosen date of formal transition.

In some instances, this means that there will be a window of vulnerability for some societies wishing to maintain some of the more restrictive elements of the old Act before they formally transition to the new (generally more enabling) one.

For example, the old Act requires that borrowing can only be undertaken by special resolution (BC Society Act, s. 35(3)), whereas the new Act lifts this restriction. On the date it comes into force (regardless of whether the society has transitioned), borrowing without special resolution is permitted, unless restricted by the society’s bylaws (the society’s current bylaws may not explicitly contain this restriction because the old Act does not allow borrowing without special resolution). Because the only amendments permitted to be made after the coming into force date must involve the wholesale transition to the new Act, the society may consider tightening its bylaws prior to the coming into force date, to entrench the restriction into the pre-transition bylaws.

## 5. Constitution

Your organization’s constitution will need to be amended as part of the transition application.

The new Act provides that constitutions should only include the name and the purposes of the society. (s. 10) Other information currently contained in the constitution is to be moved to the bylaws. This includes the statement that the activities of the society will not be carried out with purpose of profit, and the distribution of assets on dissolution clause commonly found in constitutions under the old Act.

Once the new Act comes into force, changes to constitutions (other than those required for the transition application) cannot be made until transition is complete. (s. 236)

## 6. Electronic filing

The new Act (s. 29 and s. 209) provides for electronic filing of incorporation documents; the transition application; annual filings; and official forms denoting changes (such as changes to the Board of Directors, and address updates).

At time of writing, BC Registry Services is building the systems to make it possible to receive these documents electronically.

The nature of the system will be "evergreen" or continually refreshing, meaning that online changes made by societies (for example, amendments to bylaws) will immediately update the information on view. This will eliminate the build-up of paper documents at BC Registry Services, and will allow easy member and public access to current information.

## 7. Public access

It is expected that the public will have online access to all documents that the society files with the Corporate Registry including constitution and bylaws, annual reports, directors register, and registered address.

## 8. Unalterable provisions

The new Act provides that there can be no unalterable provisions in constitutions or bylaws. (s. 17(5)) This is a response to the practical difficulties that can arise when changing circumstances make constitutional changes prudent or necessary, but old drafting decisions prevent those changes. For example, a society applying to register as a charity may have adopted an unalterable dissolution clause that names another society as recipient of any remaining property on dissolution of the applicant society. If the named recipient society is not also a registered charity or "qualified donee", the applicant society will be rejected by CRA. Eliminating unalterable provisions in constitutions makes it possible to correct such problems quite easily.

It will be possible for bylaws to set a high threshold, including unanimous approval, for provisions that were stated to be unalterable in the constitution under the old Act.

## 9. Bylaws

Bylaws are adopted by the members of a society, and they address its internal affairs and governance mechanics. The new Act states in section 11 that bylaws must address:

- ✓ Membership: admission, rights, obligations, classes
- ✓ Directors: election or appointment and terms
- ✓ Meetings of members: quorum, proxies, and voting methods
- ✓ Restrictions on activities and powers of the society.

The explicit provisions in the new Act generally prevail over the bylaws, but in many cases, the new Act states that the bylaws may include provisions that differ from default positions in the Act. For example, section 85 provides that



proxies are permitted if the bylaws enable them. If the bylaws are silent, the default position is that proxies are not permitted.

The new Act requires societies to add to their bylaws the provisions, other than the name and purposes, that currently appear in their constitutions. (s. 240 (2) (ii))

It also provides a choice regarding other bylaw content. Societies can submit their pre-transition by-laws content unchanged, or they can make alterations prior to submitting the transition package, if those changes have received approval by special resolution (2/3 support) of the members. (s. 241)

The Act provides that bylaw provisions that are inconsistent with the new Act or the regulations will have no effect. (s. 11(3))

Regarding timing, bylaw changes can be made: a) under the old Act prior to the coming into force of the new Act; b) after the coming into force date for submission with the transition package; or c) after transition to the new Act is completed. All three options require a special resolution of members. Within option a) 3/4 support is required, while options b) and c) require 2/3 member support.

Once transition is complete, those societies that have not revised their bylaws to be compatible with the new Act, should do so.

As with the old Act, model bylaws will be provided. These will prove to be a useful template when revising bylaws (as part of transition) to ensure consistency with the new Act.

It is noteworthy that the model bylaws (Schedule B) embedded in the old Act, which are regularly adopted without changes by many newly formed societies, were drafted in 1977. They are dated and do not reflect best practices.

As was the case with the old Act, organizations may choose to adopt the model bylaws in their entirety, adopt the model bylaws with more specialized amendments, or create or continue with their own unique customized bylaws.

Some of the matters societies may want to customize in their bylaws include:

- ✓ Establishing multiple classes of membership – s. 68
- ✓ Setting loan restrictions – s. 34(2)
- ✓ Permitting director remuneration and setting related thresholds – s. 46
- ✓ Detailing additional qualifications of directors, beyond basic requirements in the Act – s. 45
- ✓ Setting director terms – s.48(2) (the default is that the term ends at the close of the next AGM)

- ✓ Permitting board decisions by written resolution, rather than in-person – s. 54(2)
- ✓ Setting specific member voting methods and restricting voting rights – s. 84
- ✓ Limiting public and member access to society records – s. 24
- ✓ Increasing the voting threshold on special resolutions from 66%
- ✓ Setting a quorum minimum for meetings of members greater than three – s. 82
- ✓ Restricting use of senior managers – s. 61(1)
- ✓ Limiting director indemnification and payment of expenses – s. 64(1)
- ✓ Setting requisition and proposal thresholds – s. 75 and s. 81
- ✓ Permitting proxy voting – s. 85(1)

## 10. Records

The new Act (s. 20-28) includes specific and practical guidance regarding the records that must be maintained by societies, the length of time some records must be kept, the capacity to keep records in electronic format, and the rights of access to various documents by directors, members, and the public.

See Appendix C for more details on this topic.

## 11. Old Records

The new Act addresses the practical question of saving records. (s. 21)

It says: “For the purposes of this Act, a society is not required to keep a record under section 20 if (a) the record is no longer relevant to the activities or internal affairs of the society, and (b) 10 years have passed since the record was created or, if the record has been altered, since the record was last altered.”

## 12. Financial Reviews

The new Act maintains flexibility regarding external financial reviews (audit, review engagement, notice to reader, or financials generated internally and signed off by a director). It is up to the members to decide.

Part 9 of the new Act provides a great deal of practical detail in relation to auditors.

## 13. Reporting on Remuneration

The new Act requires disclosure of any remuneration paid to the society's directors and to its ten highest paid employees and contractors earning over an amount to be set by regulation. (s. 36)

These disclosures must be made in the society's annual financial statements, which are to be held at the office of the society, and need to be available to the society's members and the public, upon request. Names need not be included in the disclosures.

This requirement does not apply to member-funded societies.

#### 14. Investment and Borrowing

The new Act clarifies that the directors have the authority to invest in prudent investments (which is the test that applies to all trustees), and that the society's bylaws may limit or expand the scope of acceptable investments. (s. 33)

Removed is the need for directors to obtain a special resolution of members before borrowing funds or mortgaging property, unless the society's bylaws impose this requirement. (s. 34)

#### 15. Members

There are a number of significant changes regarding society members and their role in governance:

- a. Classes of members: The new Act provides flexibility regarding the adoption of membership structures and classes. For example, under the old Act, non-voting members were permitted, but had to be fewer in number than voting members. This limitation has been removed. (s. 68)
- b. Requisitioning meetings: We now have clarification on the process for members to require or "requisition" a meeting of members. Ten percent of voting members may require the board to call a general meeting for a purpose or purposes stated in the requisition. The written requisition "must state, in 200 words or less, the business to be considered at the meeting, including any special resolution the requisitionists wish to have considered at the meeting". The directors have 21 days from receipt of the requisition to call a general meeting within 60 days of receipt of the requisition. (s. 75)
- c. Members' proposals: The new Act provides express authority for members to make proposals for specific matters to be added to the agenda of annual general meetings of members. A "members' proposal" requires signatures of at least 5% of the society's voting members, must not exceed 200 words in length and must be received at least seven days before notice of the AGM is to be issued. A valid proposal must be sent to members with the notice of meeting package. An exception is when substantially the same proposal was considered at either of the two most recent AGMs, in which case, the proposal need not be addressed again.

Members' proposals and the requisition process are very effective accountability provisions. (s. 81)

d. Deemed AGM: A unanimous resolution signed by all members can be used instead of holding a physical annual meeting of members. (s. 72) This is referred to as a 'deemed annual general meeting.'

e. AGM Timing: The requirement to hold an Annual General Meeting no more than 15 months from the preceding one is to be eliminated. The new requirement is once every calendar year. (s. 71(1))

f. Access to records: Section 24 of the new Act confirms that members have the right to inspect the key records listed in section 20 and summarized below in Appendix C. Note that subsection 24(2)(b) allows the bylaws to restrict member access to most board minutes, consent resolutions, and accounting records.

Note also that subsection 24(4) states that "a person, other than a member or director, may, if and to the extent permitted by the bylaws, inspect a record a society is required to keep under section 20, other than the register of members." Boards should consider the issue of member and public access to their records as they review their bylaws for potential revisions.

g. Inspection of the register of members: Section 25 of the new Act addresses the sensitive issue of access by members to the society's register of their members. Access is allowed for legitimate purposes: requisitioning a meeting of members; submission of a proposal to the members; "an effort to influence the voting of members"; or filling a vacancy in the office of liquidator. The bylaws cannot prevent that access.

h. Remedies for members: The new Act empowers members to apply to the courts for an oppression remedy if the member, or a group of members, has been treated unfairly by other members or the board of directors, or if the Act or bylaws have been violated. The courts are given clear powers to remedy governance problems by: appointing an investigator; removing or appointing directors; prohibiting actions; correcting records; and regulating the affairs of the society as the court deems proper. (s. 102)

i. Special resolutions: The default minimum vote threshold for special resolutions of members has been reduced from 75% of votes cast to 66%. Societies may set higher thresholds, up to unanimous consent.

Special resolutions will no longer need to be filed with the registrar. Instead, changes resulting from the special resolutions are to be posted online with BC Registry Services (e.g. a bylaw change).

## 16. Directors

There are also important clarifications and changes regarding directors:

- a. Becoming a director: Flexibility is provided for directors to be elected, appointed, or serving *ex officio*<sup>4</sup>, as the society sees fit. (s. 42) This is different from the new Canada Not-for-profit Corporations Act, which prohibits *ex officio* directors and limits the appointment of directors in favour of elections.
- b. Qualifications: Section 44 of the new Act defines qualifications to serve as a director of society. An individual is not qualified if they are:
  - found by a court to be incapable of managing their own affairs;
  - an undischarged bankrupt; or
  - convicted of an offense involving fraud in the last five years.

Directors must promptly resign from the board if they no longer meet these qualifications.

An unusual feature of this section is that subsection (1) states that a director must be at least 18 years of age, but it then goes on to state in subsection (2) that “despite subsection (1), an individual who is 16 or 17 years of age is qualified to be a director of a society if provided for in the regulations.” We will see what this means in practical terms when the regulations are published.

Section 45 allows the bylaws to set additional qualifications for directors. For example, an association of nurses might require that all directors be nurses.

- c. Good faith reliance defense: The new Act adopts a defense for directors who rely in good faith on reports made by other directors, senior managers, or outside professionals. It means that directors can reasonably rely on financial statements; internal reports; or advice from lawyers, accountants, and other professionals, and need not second guess such information, reports, or opinions. (s. 60)
- d. Resolutions in writing: Resolutions of directors can be signed by directors rather than passed at an in-person meeting. These written resolutions

---

<sup>4</sup> *Ex officio* directors serve on the board not as a result of an election, but because they hold another specific office.

require the consent of all directors unless the bylaws state that a lesser number of directors is sufficient. (s. 54)

- e. Conflicts of interest: The new Act includes a clear description of conflict of interest, and how to manage it. This provides a helpful guide for directors and officers on an often misunderstood issue. (ss. 56-58)

The new Act defines a conflict of interest as a situation in which a director has a “direct or indirect material interest in

- (a) a contract or transaction or a proposed contract or transaction of the society, or
- (b) a matter that is or is to be the subject of consideration by the directors, if that interest could result in the creation of a duty or interest that materially conflicts with the director’s duty or interest as a director of the society.”

A director in such a situation must: (a) disclose the conflict fully and promptly to the rest of the board; (b) abstain from voting on the issue; (c) leave the board meeting when the issue is discussed, unless asked by the other directors to be present to provide information; and (d) refrain from efforts to influence the board’s decision.

A director who fails to meet these requirements “must pay to the society an amount equal to any profit made by the director” as a result of the contract. Members may approve or ratify such a contract or transaction by special resolution after full disclosure.

- f. Indemnification: There are improvements in the new Act regarding indemnification of directors. This is when a society pays legal expenses incurred by directors or senior managers in legal proceedings arising from that person’s service with the the society. The new Act provides details on this topic, and unlike the old Act, does not require court approval for indemnification payments. (ss. 62-66)

- g. Employees as directors: The new Act states that a majority of the directors of a society must not also be employees or contractors of the society. (s. 41) This does not apply to member-funded societies. (s. 197) All societies should be careful on this issue, for it can complicate governance. This legislative change provides some clarity, and gives societies choices on this potentially challenging issue.

## 17. Senior Managers

The new Act introduces and defines the term "senior manager" as an individual who runs the society or influences its policy. This term applies to staff appointed by the board.

Senior managers (there may be more than one) are subject to the same qualification requirements, legal duties, conflict of interest standards, and indemnifications provisions as directors. This provides clarity lacking in the old Act. (ss. 61-62)

## 18. Miscellaneous

Below are some special topics which are also included in the new Act. Readers are encouraged to review the specific sections that relate to their own situations.

- a. Amalgamation: There is now clear, complete, and coherent legislative guidance on how two or more societies or extraprovincial non-share capital corporations can amalgamate. (ss. 86-91)
- b. Continuation from other jurisdictions: Non-share capital corporations incorporated in other jurisdictions may apply to continue as BC societies, but a BC society can not apply "to be continued into" another jurisdiction. (ss. 93-98)
- c. Disposal of assets: The old Act allows the directors to decide whether to sell, lease, or otherwise dispose of all or substantially all of a society's assets. The new Act requires a special resolution of members for such an action. (s. 92)
- d. Role of the Courts: The new Act clarifies the situations in which problems can be taken to the courts, and it clarifies the powers of the courts to remedy problems.
- e. Reporting societies: This category of society from the old Act has been eliminated in the new Act.

Conclusion:

The new Act is an improvement, and it will be helpful to BC's societies over the long-term. The transition to it will require attention and effort, but it is not an enormous burden. Reviewing this paper is a start.

It will be prudent to watch for the regulations and additional guidance from BC Registry Services, and to get your board and staff up to speed on the new Act and the transition process.

## Appendix A

### Sections of the new Act that do not apply on the coming into force date

Section 233 states that five provisions of the new Act do not take effect until two years after the coming into force date. This provides societies with more time to transition to these requirements.

The specific provisions that are delayed are:

1. Section 41, which states that “a majority of directors of a society must not receive or be entitled to receive remuneration from the society under contracts of employment or contracts for services, other than remuneration for being a director.”
2. Subsection 42(4), which requires directors to consent in writing to serve as a director, or to have been present at a meeting where he or she is elected or appointed.
3. Section 44, which details the qualifications of directors.
4. Section 46, which provides more specific guidance regarding remuneration of directors.
5. Section 61(3), which establishes that the qualifications for directors also apply to senior managers.



Sections 240 and 241 the new Act provide details related to the requirements for filing a transition application. This is the official package of information that is submitted to BC Registry Services, confirming the organization's intention to continue as a society. There is no cost to file the application.

### 11 steps for transitioning to the new BC Societies Act

1. Assign responsibility to lead the effort to a team consisting of directors and senior staff (if your society has staff).
2. Review the new Act, the regulations, and the most up-to-date transition guidance and forms on the Corporate Registry website.
3. Consider whether to seek legal advice. Some societies will successfully complete the transition process themselves, while others may need or prefer legal help.
4. Create a transition plan, including timelines and internal approvals. Societies have two years from the date that the new Act comes into force to complete this process. Failure to do so may result in the Registrar dissolving the society.
5. Identify your current constitution and bylaws. Some societies have lost track of these key documents. If in doubt, contact the Corporate Registry and ask for copies of the constitution, bylaws, and revisions in the Registry's file. The documents on file with the Corporate Registry are the official versions. Registry staff is referring to these documents as a "transition package" to assist societies that request it. There may be a cost for this package.
6. Consider whether the society should make any substantive changes to its bylaws. There are three options: a) changes can be made before the new Act comes into force; b) changes can be made after the new Act comes into force; or c) changes can be made after the transition to the new Act is completed. Bylaw changes require a special resolution of the members (3/4 approval under the old Act; 2/3 approval from the date the new Act comes into force). If no changes are to be made, member approval is not necessary to complete the transition process. Board approval is sufficient.
7. Determine whether your society will qualify as a member-funded society and whether it will pursue that classification. Member approval is required on this issue.

8. Complete a new constitution for the society that states just its name and its purposes.
9. Prepare consolidated bylaws that consist of the society's pre-transition bylaws (either unchanged or if changed, as approved by special resolution of members), and that include other provisions that previously appeared in the society's constitution, including unalterable provisions.
10. Complete a statement identifying the directors and the registered address of the society.
11. Submit the transition application to the Corporate Registry electronically via their website.

## Appendix C

### Records to be retained by societies

Section 20 of the new Act provides very practical details regarding records that societies must retain. Record keeping is an area that many societies struggle with, so this explicit guidance should be studied and followed carefully. This list distills section 20 to its essentials.

A society must keep:

- (a) its certificate of incorporation;
- (b) each certified copy, furnished to the society by the registrar, of the following records:
  - (i) the constitution of the society;
  - (ii) the bylaws of the society;
  - (iii) the statement of directors and registered office of the society;
- (c) each confirmation, other certificate or certified copy of a record furnished to the society by the registrar, other than in response to a request;
- (d) a copy of each order made in respect of the society by
  - (i) any court or tribunal, in Canada or elsewhere, or
  - (ii) a federal, provincial or municipal government body, agency or official, including the registrar;
- (e) its register of directors, including contact information provided by each director;
- (f) each written consent to act as director referred to in section 42 (4)(a) and each written resignation of a director;
- (g) a copy of each disclosure of an interest by a director or senior manager record described in section 56 (3) (c) or 62 (3) (c);
- (h) its register of members, organized by different classes of member if different classes exist, including contact information provided by each member;
- (i) the minutes of each meeting of members, including the text of each resolution passed at the meeting;
- (j) a copy of each ordinary resolution or special resolution, other than a resolution included in the minutes referred to in paragraph (i), and, in the case of a resolution consented to in writing by the voting members, a copy of each of the consents to that resolution;
- (k) its financial statements and the auditor's report, if any, on those financial statements.
- (l) minutes of each meeting of directors, including
  - (i) a list of all of the directors at the meeting, and

- (ii) the text of each resolution passed at the meeting;
- (m) a copy of each consent resolution of directors and a copy of each of the consents to that resolution;
- (n) adequate accounting records for each of the society's financial years, including a record of each transaction materially affecting the financial position of the society.