



Checklist for Incorporation under the Corporations Act in Ontario

Following is a description of church Incorporation and post-Incorporation Procedures in Ontario. Contact EMCC at 519-894-9800 (toll free 1-877-375-7600) if you have questions, or for further information on Incorporation, visit the Ontario Incorporation web page at: <http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/default.asp>.

A. Incorporation Procedures

1. Optional Legal Assistance

- You may wish to have a lawyer complete the Incorporation on your behalf. Contact the EMCC office if you would like a lawyer recommended.
- All legal fees and disbursements will be payable by the individual congregations incorporating with the assistance of a lawyer, so please obtain a fee quote prior to starting.
- A lawyer may recommend that you apply for federal Incorporation, in which case some of the steps below (e.g. NUANS search) will be modified.

2. Local Church Bylaw

- The Bylaw in Ontario is considered to be an internal document and should not be included in the Application for Incorporation.
- The Bylaw of the church must comply with the legal requirements of the Corporations Act. A prepared template is available at <http://www.emcc.ca/support/resource-library> in the category "Incorporation Info for Local Churches".
- **The Bylaw must be approved by both the church membership and the EMCC prior to Incorporation.**

3. Pre-Approval of Purposes (Objects) by Canada Revenue Agency

- We recommend that at this point you contact CRA by letter, with church letterhead, informing them that:
 - Your church is an unincorporated charitable organization registered under the Income Tax Act (Canada) (include your church's charitable number).
 - The church is applying to become a Corporation without Share Capital in Ontario.
 - The church is not changing the Activities it has been doing as an unincorporated charitable organization.
 - The church is updating its Purposes to the following, and is seeking pre-approval of them:
 - a. *To preach and advance the teachings of the Christian faith and the religious tenets, doctrines, observances and culture associated with that faith.*
 - b. *To establish, maintain and support a house of worship with services conducted in accordance with the tenets and doctrines of the Christian faith.*
 - c. *To support and maintain missions and missionaries in order to propagate the Christian faith.*
- It is possible that CRA will respond with a request for a list of the Activities your church is doing in support of these Purposes. If that happens, refer to the end of this document for some examples of what you might state as Activities. You might well add others and/or word these Activities differently, depending on what all of your ministries are.

4. Name Selection and NUANS Report

- Choose a name for your new Corporation having these elements:
 - 1) _____ (distinctive element)
(i.e. name of town (e.g. Kitchener) or descriptive name (e.g. "Oasis" or "Trinity" or "Community"))
 - 2) _____ (descriptive element)
(e.g. "Evangelical Missionary" or "Church" or "Gospel" which defines the activity of the Corporation)
 - 3) _____ (legal element)
(This element is optional. The legal element must be one of the following words: Inc. or Corp.)

Name examples: Trinity Christian or Oasis Evangelical Missionary Church

- Conduct a pre-screen search for conflicting names on the Corporate Registries database through a Registries agent or Search House (see www.ontarionuans.ca for the NUANS search).
- Reserve the name for 90 days by obtaining "NUANS" report (usually from a Registries office, Search House or a Law Office). There is a fee of approx. \$50.00 – \$75.00 for each NUANS, including the pre-screen searches.
- Note – the incorporating documents must be submitted to Corporate Registry for registration within 90 days from the date of the NUANS report, otherwise a new one will have to be obtained.

5. Application for Incorporation

- The Application for Incorporation of a Corporation without Share Capital Form 2 can be found at this link: <http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?openform&ENV=WWE&NO=007-07109>
- In section 4 of the Application, list the same three Objects (Purposes) noted above in Part 3:
 - a. *To preach and advance the teachings of the Christian faith and the religious tenets, doctrines, observances and culture associated with that faith.*
 - b. *To establish, maintain and support a house of worship with services conducted in accordance with the tenets and doctrines of the Christian faith.*
 - c. *To support and maintain missions and missionaries in order to propagate the Christian faith.*
- In section 5 of the Application, include the following three pre-approved Special Provisions:
 - a. *Power to Solicit Donations and Grants - To solicit and receive donations, bequests, legacies and grants, and to enter into agreements, contracts and undertakings incidental thereto.*
 - b. *Power to Receive Personal Property - To acquire by purchase, contract, donation, legacy, gift, grant, bequest or otherwise, any personal property and to enter into and carry out any agreements, contracts or undertakings incidental thereto, and to sell, dispose of and convey the same, or any part thereof, as may be considered advisable.*
 - c. *Power to Hold and Dispose of Real Property - To acquire by purchase, lease, devise, gift or otherwise, real property, and to hold such real property or interest therein necessary for the actual use and occupation of the corporation or for carrying on its charitable undertaking, and, when no longer so necessary, to sell, dispose of and convey the same or any part thereof.*

6. Sending For Incorporation

- If you use the pre-approved Purposes and Special Provisions listed above, you can take the following to a Service Ontario location:
 - Application for Incorporation
 - Notice of Address
 - NUANS report (all pages)
 - Payment of approx. \$155, payable to the Minister of Finance.

- If you do not use the pre-approved Purposes and Special Provisions, you will need to submit two copies of your application to the Ministry of the Attorney General, Office of the Public Guardian and Trustee, Charitable Property Program, 595 Bay Street, Suite 800, Toronto, ON, M5G 2M6, for review and approval, along with an additional fee of approx. \$150.
- **When you have completed the Incorporation process, please inform EMCC and send EMCC a copy of your Letters Patent, or equivalent document.**

B. Post - Incorporation Procedures

- 1. Convene a first meeting of the first Directors/Incorporators (your leadership Board) to adopt any pre-Incorporation business as may be desirable, and appoint Officers and accept membership.
- 2. Convene an initial meeting of members to officially adopt the Bylaw, elect Directors and Officers, appoint an Auditor and set the date for transition of affairs to the new Corporation.
- 3. Dissolve the unincorporated church by motion, transferring all assets to the new Corporation, upon effective take-over date of the new Corporation.
- 4. Transfer the charitable registration number with Canada Revenue Agency to the new Corporation.
- 5. Arrange along with EMCC for Transfer of Real Property Title to the new Corporation if EMCC is on title.
 - 5.1. Notify property and liability insurers of change of legal status and effective date.
 - 5.2. Notify utility companies of change of legal status.
- 6. Notify all financial institutions with which you have dealings of the change of status, and execute all necessary banking documents.
- 7. Transfer all moveable assets (chattels) to the new Corporation by bill of sale as of the effective date. Value should be book value as at take-over date.
- 8. Transfer all debt by assignment and notify all secured creditors of the change of status.
- 9. Take any other action as may be advised by legal counsel or by further directive of the EMCC.

For further information on Incorporation, visit the Ontario Incorporation web page at <http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/default.asp>

This information is not exhaustive and is not a legal opinion. It is designed to assist you with the process of incorporation. For more information and for assistance in the process of incorporation, please contact the EMC office at 519-894-9800 (toll free 1-877-375-7600).

Appendix 1 – Examples of Activities to Support Purposes

For Purposes a) and b):

1. *Preaching and teaching conducted through:*
 - *Regular public worship services.*
 - *Regular public prayer services.*
 - *Providing religious instruction for all age groups through:*
 - *Children and youth programs.*
 - *Regular adult bible studies.*
 - *Men and women’s fellowship events.*
2. *Providing pastoral care, comfort and encouragement to individuals in need of such ministry, including hospital and family visitation in times of illness, crisis or bereavement.*
3. *Alleviating social and financial distress as part of the broader ministry of [CHURCH NAME] in the community. From time to time this entails providing financial support to an individual or family after Officers of the church have determined the existence of and the appropriate response to the need, in a manner that ensures the response complies as one of public benevolence in accordance with a policy and procedures.*

For Purpose c):

1. *Supporting missions and missionaries to carry out the stated charitable objects of [CHURCH NAME]. Those programs, whether domestic or foreign in nature, are carried out either directly as supervised activities through employees and/or volunteers of [CHURCH NAME], or indirectly by providing funding to other registered Canadian charitable organizations carrying out similar objectives, in order to protect the integrity and accountability that must be associated with such programs under the Income Tax Act.*

If your church has any other distinctive ministry activity or activities, include a brief description of each in conjunction with the related Purpose.