

**ISAO INFORMATION BULLETIN (ISAO IB)**  
**Corporate Records and Reporting – Legal Requirements**  
**25 September 2018**

References: [Canada Not-for-profit Corporations Act](#) (NFP Act)  
Statutes of Canada (S.C.) 2009 Chapter (c.) 23

The corporate records requirements and reporting obligations listed in this ISAO IB are all required by the NFP Act. Any not-for-profit corporation that defaults for a period of one year in sending any fee, notice or document required by the NFP Act could be dissolved. Dissolution terminates the existence of a corporation and can have serious legal repercussions.

Although the strict enforcement of these requirements and obligations is not routinely enacted, it remains in the best interests of ISAO to comply for three reasons. First, orderly kept and available records facilitate both sound decision making (assuming historical information is sought to better inform decisions) and greater transparency as members are free to observe Board and Committee decisions. Second, in some instances, non-compliance with these legal requirements could at least cause expense and inconvenience and at worst result in jeopardizing the ISA's legal status. Finally, a sound legal-compliant organization inspires confidence in potential partners, and in particular where government-related partnerships are sought.

**I. Corporate records – Requirements in Canada NFP Act**

Supporting the Canada NFP Act, the Corporations Canada web page lists requirements in simple language:

<http://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs05007.html>

A corporation is required to keep certain records at its registered office or at some other location in Canada chosen by the board of directors.

These records must include the following:

**A. Corporate Records**

- a. all articles of the corporation, (for ex., articles of incorporation, articles of continuance or articles of amalgamation); by-laws and their amendments; and unanimous members agreements [a unanimous members agreement can be used in lieu of a members meeting and is most commonly used by not-for-profit organizations with very few members, such as one having three members.]
- b. minutes of meetings of members and committees of members

- c. resolutions of members and committees of members
- d. if any debt obligations are issued by the corporation, a debt obligations register showing: the name and residential or business address of each debt obligation holder; an email address, if the debt obligation holder has consented to receiving information or documents electronically; the date on which each person named in the register became a debt obligation holder; the date on which each person named in the register ceased to be a debt obligation holder; and the principal amount of each of the outstanding debt obligations of each debt obligation holder
- e. a directors register showing: the name and residential address of each director; an email address, if the director has consented to receiving information or documents electronically; the date on which each person named in the register became a director; and the date on which each person named in the register ceased to be a director
- f. an officers register showing: the name and residential address of each officer; an email address, if the officer has consented to receiving information or documents electronically; the date on which each person named in the register became an officer; and the date on which each person named in the register ceased to be an officer
- g. a members register showing: the name and residential or business address of each member; an email address, if the member has consented to receiving information or documents electronically; the date on which each person named in the register became a member; the date on which each person named in the register ceased to be a member; and the class or group of membership of each member, if any.

As noted in b above, the corporation must prepare and maintain minutes of meetings and resolutions adopted by the directors and committee of directors.

The records described in (a) to (g) above, together with the [accounting records](#), must be open to inspection by the directors at all reasonable times. In addition, following a request from a director, the corporation must provide the director with any extract of the records free of charge.

Upon request, a member, a member's personal representative, and a creditor (for ex., a landlord or supplier) may examine the records referred to in (a) to (f) above and may, on payment of a reasonable fee, obtain copies of such records during the corporation's usual business hours.

Also upon request, a member is entitled to receive, free of charge, one copy of the articles and by-laws, as well as amendments to these documents and any unanimous members agreements. If a member wishes to examine a corporation's register of its members (referred to in (g) above), or the debt obligations register that lists debt obligation holders, or to obtain a list of members or debt obligation holders, additional requirements must be met (see [Your reporting obligations under the Canada Not-for-profit Corporations Act](#); you can also refer to subsections 22(4) to (7) of the *Canada Not-for-profit Corporations Act* (NFP Act)).

## B. Accounting Records

### Annual Financial Statements

A corporation must prepare financial statements each year (refer to subsection 172(1) of the Canada Not-for-profit Corporations Act) which comply with the requirements of the NFP Act. The financial statements must be prepared in accordance with the Canadian generally accepted accounting principles (GAAP) as set out in the CPA Canada Handbook – Accounting.

A corporation must keep its accounting records for a period of six years after the end of the financial period to which the accounting records relate. It must send a summary of its annual financial statements or a copy of a document reproducing the required financial information (such as an annual report) to the members not less than 21 days but not more than 60 days before the day on which the annual meeting of members is held. The ISAO By-law allows for publishing a notice to its members that the annual financial statements are available upon request by any member who can receive a copy free of charge at the registered office, by prepaid mail or electronically.

## II. Corporate Reporting Requirements

### a. Corporate Annual Return

This must be filed annually. It is a specific form that is not an income tax form. It is published by Corporations Canada on its web site. The report is within 60 days following the corporations' anniversary date. (The anniversary date is the date the corporation was incorporated, amalgamated or continued under the NFP Act.) The ISAO Anniversary date is 30 April. The Annual return filing period is 30 April to 29 June.

The Return is filed through the [Online Filing Centre](#) or by sending completed [Form 4022 - Annual Return](#) to Corporations Canada by [email](#) or mail.

T1044 Non-Profit Organization (NPO) Information Return:

<http://www.cra-arc.gc.ca/E/pbg/tf/t1044/README.html>

This form is submitted by the ISAO Executive Director.

### b. Non-Profit Information Return

<http://www.cra-arc.gc.ca/E/pbg/tf/t1044/README.html>

This must be filed annually if:

- it received or was entitled to receive taxable dividends, interest, rentals, or royalties totaling more than \$10,000 in the fiscal period

- the total assets of the organization were more than \$200,000 at the end of the immediately preceding fiscal period (the amount of the organization's total assets is the book value of these assets calculated using generally accepted accounting principles)
- it had to file an NPO information return for a previous fiscal period  
<https://www.canada.ca/content/dam/cra-arc/formspubs/pub/t4117/t4117-17e.pdf>

As the ISAO carries assets of \$729,899 (as of the period ending 31 December 2017) the Non-Profit Information Return is required. The ISAO accountant has been preparing this form for ISAO Officers' signature and has been submitting this since 2013.

c. Corporate Income Tax Return

All corporations, including not-for-profit, tax-exempt and inactive corporations have to file a corporate income tax return (T2) each year, even if there is no tax payable.  
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/corporation-income-tax-return.html>

This can be filed electronically. [Corporation Internet Filing](#)

The [T2 Corporation Income Tax Return](#) is a 9 page return that can be used by any corporation.

Not-for-profits can use the [T2 Short Return](#), a 2 page return plus 3 schedules.

Reference: [Guide T4012, T2 Corporation Income Tax Guide](#)

For information on additional record-keeping requirements under the *Income Tax Act*, see [Canada Revenue Agency](#).

The ISAO accountant has been preparing for ISAO officer's signature and filing a T183 Information Return for Corporations Filing Electronically. This form is meant to be filed along with the T2. (The ISAO accountant should be asked if the T2 was also being submitted.)

<https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t183corp.html>

d. Financial Statements and Public Accountant's Report (*Soliciting* NFP only)

This applies only to “**soliciting**” not-for-profit corporations, which are generally those that receive public donations and/or government grants in excess of \$10,000 in a single financial year.

Soliciting NPF corporations must file copies of financial statements and a public accountant report annually.

This is required not less than 21 days before each annual meeting of members and can be filed through the [Online Filing Centre](#), mail or [email](#)

The Public Accountant must provide an audit (not an engagement review) if the ISAO's annual revenues are in excess of \$250,000, the threshold requiring an audit. (see: [requirements for public accountants and financial review](#)) As the ISAO's annual revenue is in excess of \$250,000 (\$528,466 in 2017), an audit (not a review engagement) must be performed if the ISAO is determined to be a *soliciting* organization. (The Career Foundation's 2018 provision of funds to the ISAO may result in the ISAO being deemed a soliciting organization.)

e. Registered Office Address

The registered office address is the official address for communication from Corporations Canada to a not-for-profit corporation. A change of registered office address is only effective once it has been accepted by Corporations Canada.

This must be reported immediately upon any change. Note:

- the registered office address cannot consist solely of a post office box;
- the registered office address must be within the province or territory that is set out in the articles of your not-for-profit corporation. If the registered office address changes to a place outside of that province or territory, you must first update your articles (see [Keep Your Articles Up-to-Date](#)).
- If you prefer that unofficial documentation be sent somewhere else, you may provide an additional address (e.g., a law firm). If an additional address is needed, please submit the information in writing.

File change of registered office through the [Online Filing Centre](#) or send a completed [Form 4003 – Change of Registered Office Address](#) to Corporations Canada by [email](#) or mail

Registered Office change of address should be reported by the Executive Director.

f. Change of Directors

A change of director includes:

- The election or appointment of a new director;
- The resignation or removal of a director; and
- The change in address of a Director

This must be reported within 15 days of the change or, in the case of a change to a director's address, within 15 days of being notified of the change by the Director.

File through the [Online Filing Centre](#) or send a completed [Form 4006 – Changes Regarding Directors](#) to Corporations Canada by [email](#) or mail.

The number of directors must be the same as the fixed number or within the minimum/maximum number of directors that is set out in the articles of your not-for-profit corporation. If the number of directors differs from the fixed number or is not within the minimum/maximum number in the articles, you must first update your articles (see [Keep Your Articles Up-to-Date](#)).

Change of directors reporting is performed by the ISAO Executive Director.

#### g. Articles of Continuance of Incorporation

Reporting amended articles is required if changes are made to any of the following:

- The corporation's name
- The province in which the registered office is located
- The fixed, minimum or maximum number of officers
- The classes, or regional or other groups, of members
- The restrictions on the activities the not-for-profit corporation may carry on
- The statement of the purpose of the not-for-profit corporation
- The statement regarding the distribution of property remaining on liquidation and
- Any other provision included in the articles

As soon as any amendment is adopted by members, articles of amendment must be filed.

File through the [Online Filing Centre](#) or send your completed [Form 4004 - Articles of Amendment](#) to Corporations Canada by [email](#) or mail

Amendments to articles become effective on the date shown on the Certificate of Amendment that you receive from Corporations Canada.

#### h. Copies of By-laws

All new by-laws, changes to by-laws and/or repeal of by-laws must be reported within 12 months of being passed by members.

File through the [Online Filing Centre](#), mail or [email](#)

## **Appendix: Relevant sections of the Canada NFP Act**

Canada Not-for-profit Corporations Act: <http://laws.justice.gc.ca/eng/acts/c-7.75/>

### **Corporate records – Requirements in Canada NFP Act**

21 (1) A corporation shall prepare and maintain, at its registered office or at any other place in Canada designated by the directors, records containing:

- (a) the articles and the by-laws, and amendments to them, and a copy of any unanimous member agreement;
- (b) the minutes of meetings of members and any committee of members;
- (c) the resolutions of members and any committee of members;
- (d) if any debt obligation is issued by the corporation, a debt obligations register that complies with section 44;
- (e) a register of directors;
- (f) a register of officers; and
- (g) a register of members.

### **Directors' records**

(3) A corporation shall prepare and maintain adequate accounting records and records containing minutes of meetings of the directors and any committee of directors as well as resolutions adopted by the directors or any committee of directors.

### **Directors' access to records Consultation**

(7) The records described in subsections (1) and (3) shall at all reasonable times be open to inspection by the directors. The corporation shall, at the request of any director, provide them with any extract of the records free of charge.

### **Access to corporate records**

22 (1) A member, a member's personal representative and a creditor of a corporation may examine and, on payment of any reasonable fee, take extracts from the records referred to in paragraphs 21(1)(a) to (f) during the corporation's usual business hours.

## **Copies of corporate records Copies**

(3) A member of a corporation is entitled on request and free of charge to one copy of the articles and by-laws, any amendments to them, and any unanimous member agreement.

## **Form of records**

26 (1) All registers and other records required by this Act to be prepared and maintained may be in any form, provided that the records are capable of being reproduced in intelligible written form within a reasonable time.

## **Precautions**

(2) A corporation and its agents and mandataries [one to whom a “mandate” is given, such as the Executive Director, staff accountant, etc.] shall take reasonable precautions to prevent the loss or destruction of the registers and other records required under this Act, to prevent the falsification of entries in those registers and records and to facilitate the detection and correction of inaccuracies in them.

## **Annual financial statements**

**172 (1)** The directors of a corporation shall place before the members at every annual meeting

**(a)** prescribed comparative financial statements that conform to any prescribed requirements and relate separately to

**(i)** the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and

**(ii)** the immediately preceding financial year;

**(b)** the report of the public accountant, if any; and

**(c)** any further information respecting the financial position of the corporation and the results of its operations required by the articles, the by-laws or any unanimous member agreement.

## **Consolidated statements**

**174 (1)** A corporation shall keep at its registered office a copy of the financial statements of each of its subsidiaries and of each body corporate the accounts of which are consolidated in the financial statements of the corporation.

## **Examination**

**(2)** Members of a corporation and their personal representatives may on request examine the statements referred to in subsection (1) during the corporation’s usual business hours and make copies or take extracts free of charge.

## **Copies to members**

**175 (1)** A corporation, within the prescribed period, shall send a copy or summary of the documents referred to in subsection 172(1) or a copy of a publication of the corporation reproducing the information contained in the documents or summary to each member, other than a member who, in writing, declines to receive such documentation. A corporation that sends a summary to a member shall also inform that member of the procedure for obtaining a copy of the documents free of charge.

## **Notice**

**(2)** A corporation, instead of sending the documentation referred to in subsection (1), may, if the by-laws so provide, give members notice in the manner referred to in section 162 that the documents referred to in subsection 172(1) are available at the registered office of the corporation and that any member may, on request, obtain a copy free of charge at the office or by prepaid mail.

## **Copies to Director** [This refers to the Director of Corporations Canada]

**176 (1)** A soliciting corporation shall send a copy of the documents referred to in subsection 172(1) to the Director

**(a)** not less than the prescribed period before each annual meeting of members, or without delay after a resolution referred to in paragraph 166(1)(b) is signed; and

**(b)** in any event within the prescribed period after the preceding annual meeting should have been held or a resolution in lieu of the meeting should have been signed, but no later than the prescribed period after the end of the corporation's preceding financial year.

## **Copies to Director**

**177** A corporation shall, at the request of the Director, furnish the Director with a copy of the documents referred to in subsection 172(1).

## **Approval of financial statements**

**178 (1)** The directors of a corporation shall approve the financial statements referred to in section 172 and the approval shall be evidenced by the manual signature of one or more directors or a facsimile of the signatures reproduced in the statements.

## **Condition precedent**

**(2)** A corporation shall not issue, publish or circulate copies of the financial statements referred to in section 172 unless the financial statements are

**(a)** approved and signed in accordance with subsection (1); and

**(b)** accompanied by the report of the public accountant of the corporation, if any.