



## Incorporation of a Non-Profit Organization in Quebec

---

### **Incorporation: Do we really have to?!**

At COCo, we see groups with all sorts of structures working for social change. Some organizations do exciting work, staffed entirely by volunteers, with no legal structure. They are not incorporated as non-profit organizations and see the paperwork involved as an unnecessary burden. For decision-making, these groups may run informally, or they may pick a more formal process and structure. Others team up with already existing non-profit organizations and avoid the infrastructure work required to set up and maintain a new organization.

Are you sure you need to incorporate your group as a non-profit? Are you aware of the other options available to achieve your goals? Before you take the steps to incorporate outlined in this info-sheet, you may want to look at another COCo document, “*Key Questions to Think About Before Incorporating a Non-Profit Organization*”. It provides an overview of alternative ways to do your group’s social change work without incorporating. It also reviews some reasons why your group may not want to incorporate. Please see:

#### ***COCo Document***

*Key Questions to Think About Before  
Incorporating a Non-Profit Organization*  
<http://coco-net.org/en/node/595>

### **What is the difference between incorporation and charitable status?**

A non-profit organization is not necessarily a charity. Many non-profit organizations do not have charitable status. Registering as a charity is a separate process through the Canada Revenue Agency. Organizations that have charitable status are exempt from income tax and can issue tax receipts for donations. Registered charities are also eligible to apply for funding from charitable foundations. For more information on charitable status:

#### ***PUBLISHED MARCH 2009, UPDATED 2012***

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCo – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

### ***COCO Info-Sheet***

*Applying for Charitable Status*

<http://coco-net.org/en/node/342>

For more information on the differences between the rights and obligations of non-profit organizations and registered charities:

### ***Reference document***

*Charitable Status and Non-Profit Organizations: What is the Difference?*

<http://www.law-nonprofit.org/25-6nfp.htm>

## **Why incorporate?**

Some funding options, such as certain government grants and charitable foundations, will only grant money to incorporated non-profit organizations. Further, some funding options are only available to non-profit organizations that also have registered charitable status.

Incorporation can provide advantages for an organization. It provides a legal structure that stays in place even as the active members change over the years. An incorporated non-profit can enter into contracts and have its own bank accounts.

For example, for a couple of years now, Sally has been running a soup kitchen in her local community centre with some generous volunteers. Sally incorporates in Quebec as “*Sally’s Soup Kitchen*”. After incorporation, *Sally’s Soup Kitchen* can sign its name on a contract for weekly deliveries of carrots. *Sally’s Soup Kitchen* will have a separate bank account from Sally’s personal accounts, and if something goes wrong for “*Sally’s Soup Kitchen*”, like an unpaid contract, the organization will be held responsible, and not Sally personally.

## **What is incorporation?**

You can incorporate an organization whose purpose is to make a profit (a business) and you can incorporate an organization whose purpose is not to make a profit (such as a community organization). When you incorporate, you are establishing an artificial entity that is considered

***PUBLISHED MARCH 2009, UPDATED 2012***

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCo – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

to be a legal person and is registered with a provincial and/or federal enterprise registrar. In Quebec, the provincial enterprise registrar is called **Registraire des entreprises**. The federal enterprise registrar is run by **Corporations Canada**, a branch of *Industry Canada*. Once your organization is incorporated, some information about it will be available in a register for the public to see (your address, your last submitted list board of directors, whether you filed your annual documents on time, etc.).

### **Registraire des entreprises**

<http://www.registreentreprises.gouv.qc.ca/en/>

### **Corporations Canada**

<https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/home>

An incorporated non-profit organization must follow certain requirements by law. Here is a summary of some of the **obligations for non-profit organizations incorporated with the province of Quebec**:

- The organization must have a governing board of directors with at least three directors who are elected by the members.
- The organization must create and follow its bylaws or “*règlements généraux*” (also called the constitution by some organizations) which contain the general rules of how the organization should operate. Some of the rules you will find in the bylaws include:
  - who is eligible to be a member of the organization;
  - when the annual general meeting is held; and
  - how elections for board members occurs.

Please consult COCo if you are looking for resources and support in creating your bylaws.

### **Literacy Volunteers of Quebec Sample Bylaws**

<http://coco-net.org/en/node/1671>

#### **PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCO – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

- An incorporated non-profit organization must have an annual general meeting where the members, among other items, elect the board of directors, receive the financial statements and approve any changes to the organization's bylaws.
- Incorporated non-profits organizations are required to file an annual declaration form with the enterprise registrar, as well as pay an annual registration fee (the annual fee was \$33 when this info-sheet was updated).
- If the organization changes locations, its general mission or its structure, it must declare the changes by filing an amending declaration with the enterprise registrar.
- Depending on the organization's circumstances and activities, the non-profit organization may also have to meet other requirements including filing annual tax returns, paying the provincial and federal government remittances and source deductions for their employees, registering volunteers and employees for CSST (the Quebec government's public insurance plan for work-related injuries), and applying for municipal and sales tax exemption. For more on organizations annual requirements, you might want to look at another COCo document, "Annual Requirements Checklist for a Non-Profit Organization in Québec".

### ***COCO Info-Sheet***

*Annual Requirements Checklist for a Non-Profit Organization in Québec*

<http://coco-net.org/en/node/5176>

## **Should we incorporate federally or provincially?**

You can incorporate with the federal or provincial government, depending on where your activities will take place. Generally speaking, organizations that only work within the province incorporate provincially. Provincial non-profit organizations must have their head office ("*siege social*") in the province of Quebec, with a real physical address that is recorded and used by the enterprise registrar. Organizations planning on working in several provinces generally incorporate federally. Federal incorporation also reserves the use of your organization's name

**PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCO – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

across Canada. The federal incorporation process requires more formalities (for example, the organization's bylaws must be approved by Industry Canada) and is more costly.

If you incorporate federally, you may still need to register in each province that you conduct activities. Contact the provincial enterprise registrars where your organization is operating activities to see if you need to register your incorporated organization.

### **How do we incorporate provincially in Quebec?**

---

In Quebec you incorporate your organization with the *Registraire des entreprises* (REQ). First you must first confirm that the name that you have chosen is available. Then, complete the application form ("*Demande de constitution en personne morale sans but lucratif*") and provide the application fee (\$150 at the time this info-sheet was published). The application form is only available in French, please contact COCo if you need help navigating it:

#### ***To Apply to the Registraire des entreprises (REQ):***

<http://www.registreentreprises.gouv.qc.ca/en/demarrer/constituer-pmsbl.aspx>

While a general summary of the steps appears below, the enterprise registrar provides a more extensive guide to the Quebec incorporation process for a non-profit organization at the following address:

#### ***Quebec Guide: Creating a Non-Profit Legal Person***

[http://www.registreentreprises.gouv.qc.ca/documents/guides/le-50.c5.01.6-v\(2007-04\).pdf](http://www.registreentreprises.gouv.qc.ca/documents/guides/le-50.c5.01.6-v(2007-04).pdf)

### **Summary of the steps to incorporate in Quebec:**

---

- **Establish the purpose of your organization:**  
Establish the purpose of your organization and the scope of its activities. You can find sample language for explaining your organization's goals in the guide noted above.

**PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCo – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

- **Consider the eligibility criteria for charitable status:**

If you are considering applying for charitable status at a later date, ensure that you follow all the eligibility requirements when incorporating. For example, in your application to incorporate you will want to add a provision that allows your organization to gather donations and hold fundraising campaigns, as well as include the obligation that, upon dissolving, your organization will give its assets to another organization doing similar work. Samples of these provisions are provided on pages 23-24 of the guide noted above. For more information on the criteria to be eligible for charitable status, see COCo's info-sheet:

### ***COCo Info-Sheet***

*Applying for Charitable Status*

<http://coco-net.org/en/node/342>

- **Create a founding board of directors:**

Find at least three people to act as the founding board of directors for your organization. For more information on the roles and responsibilities of the board of directors, consult COCo for resources, or refer to (available in French only):

### ***Roles and responsibilities of the board of directors***

*La boîte à outils sur la gouvernance démocratique des OBNL*

[http://www.csmoesac.qc.ca/uploads/documents/menu\\_sections/boite\\_a\\_outils.pdf](http://www.csmoesac.qc.ca/uploads/documents/menu_sections/boite_a_outils.pdf)

- **Be prepared to pay the application fee:**

Be prepared to pay the application (\$150 at the time this info-sheet was published)

- **Decide on a Quebec address for your organization:**

Have an address located in the province of Quebec to list as your organization's head office ("*siège social*").

- **Think about some of the rules that will govern your organization:**

**PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCo – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

In the section of the application form called “*Autres dispositions*”, list the number of board members for your organization. You must list a fixed number, with a minimum of three board members.

In this section, you’ll also want to consider such issues as whether the non-profit will be able hold shares of other corporations and if you want members of your organization to be able to remove a board member from office by way of a special general meeting.

- **Decide on the amount of real estate your organization can hold:**  
You will need to include the amount of real estate (“immovable property”) that can be held by the non-profit. To ensure that they do not have to change this amount several times, many organizations will put a significant amount.
- **Conduct a “Name Research Report”:**  
One of your chosen names must be in French. In order to register your non-profit, you must show that no other incorporated entity is using your chosen name. You can do this free of charge by searching the enterprise register yourself and printing out the results, or by filing a name reservation application online (\$20 at the time this info-sheet was published). A name reservation is not required, but it reserves that name of your non-profit for 90 days. This may be useful if you want to ensure that a particular name is available when you submit your application to incorporate at a future date.

### ***Search the enterprise register:***

[http://www.registreentreprises.gouv.qc.ca/en/consulter/rechercher/instructions\\_recherche.aspx](http://www.registreentreprises.gouv.qc.ca/en/consulter/rechercher/instructions_recherche.aspx)

### ***Instructions for filing a name reservation application***

[http://www.registreentreprises.gouv.qc.ca/en/consulter/reservation/instructions\\_reservation\\_nom.aspx](http://www.registreentreprises.gouv.qc.ca/en/consulter/reservation/instructions_reservation_nom.aspx)

#### **PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCO – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

- **Submit your application, the fee, and the “Name Research Report”:**

Submit the application form (“*Demande de constitution en personne morale sans but lucratif*”), the fee (currently \$150), and your proof that the name you have chosen is available.

- **Get your letters patent, or find out what went wrong:**

If your application is approved, “letters patent” will be sent to you. This is like the “birth certificate” of your non-profit organization and provides proof that the organization is incorporated. You’ll want to keep it in a safe place. Many organizations create a binder or “official registrar”, where they keep documents like the “letters patent”, minutes from annual general meetings, and a copy of the bylaws.

If your application is not approved, and you paid by credit card, you will not be charged. A letter will inform you of what went wrong with your application, and you can make the appropriate changes and re-submit it.

- **Create your organization’s bylaws**

Your non-profit organization needs to create its bylaws, or “*règlements généraux*” (also called the constitution by some organizations) which provide the general rules by which your organization operates. Please consult COCo if you are looking for support in creating your bylaws, or refer to the following resources:

***Literacy Volunteers of Quebec Sample Bylaws***

<http://coco-net.org/en/node/1671>

- **Hold your first board meetings and your first annual general meeting:**

After the “letters patent” are received, and the bylaws are written, the provisional board of directors holds its first meeting. At this meeting, the bylaws are adopted by the provisional board.

The provisional board of directors sets the date for the first annual general meeting of the organization. They may agree to give up their right to receive notice for the first annual general meeting, and simply hold it immediately after this first board meeting. If they don’t

**PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*



## COCO INFO-SHEET



COCO – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

give up the right to receive notice, the date for the annual general meeting is set, and appropriate notice is given.

The bylaws are adopted at the first annual general meeting and the board of directors will be elected. The board of directors may include or be exactly the same people who were members of the provisional board.

After the election of the board of directors, a first meeting of the new board of directors is scheduled.

- **Complete and submit your “Initial declaration”:**

Within 60 days of receiving your “letters patent”, the organization must submit an “*initial declaration*”. If it is produced within those 60 days, there is no charge, otherwise there is a fee. The French form, which must be submitted online with its contents written in French, can be found at this address:

### ***Initial Declaration Form***

[http://www.registreentreprises.gouv.qc.ca/en/services\\_ligne/l-immatriculation/S00434a.aspx?source=menu-droite](http://www.registreentreprises.gouv.qc.ca/en/services_ligne/l-immatriculation/S00434a.aspx?source=menu-droite)

***The REQ provides a courtesy translation:***

<http://www.registreentreprises.gouv.qc.ca/en/formulaires/re-200.aspx>

## **How do we incorporate at the federal level?**

Federal incorporation is done through *Corporations Canada*, a branch of *Industry Canada*. The federal incorporation process is similar than the process described above. For specific guidelines on the application process, see the following guide that provides a summary of all steps required to incorporate as a federal non-profit organization, as well as the required application forms.

### ***PUBLISHED MARCH 2009, UPDATED 2012***

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*

## COCO INFO-SHEET



COCo – The Centre for Community Organizations  
3680 Jeanne-Mance, #470 Montreal (QC) H2X 2K5 ph: (514) 849-5599 or (866) 552-2626 fax: (514) 849-5553 or (866) 560-2626  
info@coco-net.org | www.coco-net.org

### **Corporations Canada**

*Canada: Guide and Application for Federal Incorporation as a Non-Profit*  
<https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/home>

### **Create / Maintain a Not-for-Profit Organization**

*Guide to Federal Incorporation: Helping small businesses incorporate federally*  
[https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h\\_cs03925.html](https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03925.html)

### **The Canada Not-for-profit Corporations Act (NFP Act):**

Note: The new law which governs federally incorporated non-profits, the *Canada Not-for-profit Corporations Act (NFP Act)*, recently came into force on October 17, 2011. Organizations who are already federally incorporated have **until October 17, 2014 to transition to the NFP Act**. For more on this federally required transition, please refer to the following guide:

### **Corporations Canada: Transition Guide**

[https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h\\_cs04954.html](https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs04954.html)

*If any of the links listed above are no longer functioning, you can contact the enterprise registrar of Quebec at 1 877 644-4545 and the federal enterprise registrar at 1 866 333-5556.*

#### **PUBLISHED MARCH 2009, UPDATED 2012**

*Because we are not lawyers at COCo, our info-sheets only present general information. COCo never provides legal advice. While we do our best to ensure that our information is accurate, please consult a lawyer if you want professional assurance that our information, and your interpretation of it, is appropriate to your particular situation. You can contact COCo for a list of lawyers with experience working with community groups. Please know that COCo cannot take responsibility for your use and interpretation of the information in our info-sheets.*