

NON-PROFIT ORGANIZATIONS IN QUEBEC: FROM INCORPORATION TO DISSOLUTION

You've decided to create a non-profit organization by filling out and submitting the appropriate application form to the Registraire des entreprises.
What are the next steps?

CREATING THE NON-PROFIT

DAY 1

Letters patent are issued

Once your **application** is processed, the Registraire des entreprises will officially create your non-profit by issuing an official document called letters patent.

Preparation of by-laws and first directors' meeting

The first directors (directors named in the application) must prepare draft **by-laws**. Once these by-laws are ready, a founding member or director must send a 10-day notice to set a time and place for the first directors' meeting.

- To adopt the by-laws.
- To make a decision about when to call the first members' meeting.

Permanent directors' meeting

Once the permanent directors are elected, they must meet.

- To elect the officers, like the president and secretary.
- To make decisions about the organization's operations, like signing a lease or hiring employees.

THE RECURRING STEPS

EVERY FISCAL YEAR-END

Preparation of annual report and financial documents

You must present specific documents to the members during an AGM, which include:

- a balance sheet at the fiscal year-end
- an annual financial statement at the fiscal year-end
- If AGM scheduled more than 4 months after fiscal year-end: an interim balance sheet

6 MONTHS AFTER EVERY FISCAL YEAR-END

Deadline for income tax or information returns and annual declaration

Every year, your non-profit must file income tax or information returns with Revenu Québec and the Canada Revenue Agency.

You must also update your information with the Registraire des entreprises.

- To confirm that information previously submitted (such as the names of the directors, the mission statement and head office location) is still accurate or to state what needs to be updated.

Different rules apply to **registered charities**.

2 MONTHS AFTER EVERY FISCAL YEAR-END

Deadline for annual registration fee

You must pay an annual registration fee to the Registraire des entreprises. You don't need to pay this fee the year your non-profit is created or the following year.

ENDING THE NON-PROFIT

Board meeting and special general meeting to vote on dissolution

The board must meet and decide whether dissolution is appropriate. If it decides to proceed with dissolution, the board must call for a special general meeting of all members. At least two-thirds of all members of the non-profit must vote in favour of the dissolution.

If all members of the non-profit agree with the dissolution, they can choose to sign a written document detailing their decision instead of voting at a special general meeting.

1 YEAR AFTER THE VOTE ON DISSOLUTION

Deadline to file documents

You must file documents to the Registraire des entreprises:

- declaration of intent to dissolve
- dissolution declaration
- supporting documents

IMPORTANT!

Quebec non-profits can set different rules for themselves in their **letters patent** or their **by-laws**. The rules in these documents will apply to the non-profit instead of the legal rules described in this infographic.

DAY 60

Deadline to file an initial declaration

You must complete your non-profit's registration by filing an initial declaration with the Registraire des entreprises:

- Free if filed within 60 days of creation.
- Otherwise, **penalty** to pay.

6 MONTHS IN

Deadline for first members' meeting and election of permanent directors

Your non-profit must send a 10-day notice of the time and date of the meeting to each of the first members (founders who signed the application form).

- To approve the by-laws.
 - To elect permanent directors.
- Exceptional measure: If permanent directors aren't elected by the members within 6 months, the first directors can elect them.

EVERY MONTH AS OF HIRING A FIRST EMPLOYEE

Source deductions and employer contributions

As a new employer, you must pay source deductions and employer contributions every month to **Revenu Québec** and to the **Canada Revenue Agency**.

- The government will notify you if they change your payment frequency.
- You can ask for a change to your payment frequency if you meet certain conditions.

EVERY 4TH WEDNESDAY IN JANUARY

Annual General Meeting (AGM)

Your by-laws may state a different date or date range for the AGM. A 10-day notice must be sent to all members.

- To discuss points like the organization's annual report and financial statements for the last fiscal year.
- To have members elect or re-elect directors.

PERIODICALLY, WHEN THERE ARE CHANGES

Record-keeping and notification to the Registraire des entreprises

You must keep a record of your non-profit's activities such as keeping meeting minutes. When significant changes take place, you must update documents such as the registers of your non-profit's members, directors, mortgages, credits and liabilities.

The Registraire des entreprises must also be notified when there are changes to information previously submitted. You must file a current updating declaration within 30 days of the change.

Publication in a newspaper

Once your non-profit has dealt with its debts and distributed its remaining property and assets, you must announce its dissolution in a newspaper that publishes at or near the region your non-profit has its head office.

15 TO 30 DAYS FOLLOWING RECEPTION OF DOCUMENTS

Dissolution

If everything is in order, the Registraire des entreprises will prepare an act of dissolution. The non-profit is dissolved from the date fixed by the Registraire.

The information in this infographic only applies to **incorporated non-profits created under Quebec law**. Different rules could apply to federally incorporated non-profits.

For more information on each of these steps and non-profit organizations in Quebec as a whole, visit Éducaloi's **Non-profit Organizations in Quebec: What You Need to Know** web guide.