

TEMPLATE CORPORATE BY-LAW -- LONDON CONFERENCE

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**BY- LAW NO. 1
of
THE [*name of corporation*]**

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BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE AFFAIRS OF:

[name of corporation]

Introduction

These are the bylaws of the --- [*name of the corporation*]---- , which was established as a not-for-profit corporation by issue of Letters Patent by the Ministry of Government Services [*or other name as shown on the original letters patent*], effective ---- [*date on letters patent*]---- and as amended by Supplementary Letters Patent from time to time [*if this applies to you*].

Objectives:

The objectives of the Corporation are:

- Ø To
- Ø To

ARTICLE 1 – INTERPRETATION

1.01 In this by-law and all other by-laws and resolutions of the Corporation unless the context requires otherwise:

- .01 the singular includes the plural;
- .02 the masculine gender includes the feminine;
- .03 "Board" means the Board of Directors of the Corporation;
- .04 "By-law" means this or any by-law of the Corporation, including a by-law containing amendments to existing by-laws or repealing an existing by-law;
- .05 "Corporation" means [*name*];
- .06 "Corporations Act" means the Corporations Act, R.S.O. 1990, Chapter C-38, and any statute amending or enacted in substitution therefore, from time to time;
- .07 "documents" includes deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal,

immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, bonds, debentures or other securities and all paper writings;

- .08 “draft by-law” means a by-law that has not received the approval of the Supervising Conference or the administrative approval of the General Council Office of the United Church of Canada;
- .09 “Member” means a member as defined in article 3;
- .10 “Supervising Conference” means London Conference of the United Church of Canada, or its successor, as the supervising Court under section 429 of *The Manual* of the United Church of Canada, unless specified otherwise.

1.02 All terms defined in the Corporations Act have the same meanings in this By-Law and all other By-Laws and Resolutions of the Corporation.

ARTICLE 2 – BUSINESS OF THE CORPORATION

2.01 Head office:

The Head Office of the Corporation shall be in the [*municipality, e.g., City of London*], in the Province of Ontario, and at such place therein as the Board may from time to time determine.

2.02 Seal:

The seal which is impressed in the margin hereof shall be the corporate seal of the Corporation.

2.03 Financial Year:

The financial year of the Corporation shall terminate on the [*31st day of December, or other “fiscal year end” date*] in each year or on such other date as the Board may from time to time by resolution determine.

2.04 Execution of Documents:

Documents requiring execution by the Corporation may be signed by the President or Vice-President **and** the Secretary or the Treasurer **or** any two (2) Directors, and all documents so signed are binding upon the Corporation without any further authorization or formality. The Board may from time to time appoint any officer or officers or any person or persons on behalf of the Corporation, either to sign documents generally or to sign specific

documents. The corporate seal of the Corporation shall, when required, be affixed to documents executed in accordance with the foregoing.

2.05 Signing of Cheques:

[This Article should reflect the requirements of the Corporation and its bank/financial institution. But cheques and other financial instruments should be signed by two directors, unless the by-law states that one director and one staff member may sign. Large organizations could include details of emergency signing rules and procedures for reporting back to the next board meeting of cheques signed by staff only, for example.]

The President, Vice President, Treasurer and Secretary shall be designated as the signing officers for the Corporation, and additional members of the Board may be designated by resolution as required. Two signing officers must sign each cheque, money order, purchase orders or instruments of like kind.

2.06 Banking arrangements

The Board shall designate, by resolution, the officers and other persons authorized to transact the banking business of the Corporation, or any part thereof, with the bank, trust company, or other corporation carrying on a banking business that the Board has designated as the Corporation's banker, to have the authority set out in the resolution, including, unless otherwise restricted, the power to:

- .01 operate the Corporation's account with the banker;
- .02 make, sign, draw, accept, endorse, negotiate, lodge, deposit or transfer any of the cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money;
- .03 issue receipts for and orders relating to any property of the Corporation;
- .04 execute any agreement relating to any banking business and defining the rights and powers of the parties thereto; and
- .05 authorize any officer of the banker to do any act or thing on the Corporation's behalf to facilitate the banking business.

2.07 Deposit of Securities:

The Securities of the Corporation shall be deposited for safe-keeping with one or more bankers, trust companies, or other financial institutions to be selected by the Board. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the Corporation signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall from time to time be determined by resolution of the Board and such authority may be general or confined to specific instances. The institutions which may be so selected as custodians of the Board shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

[Organizations with significant cash flow, investments, or reserves should have investment policies, approved by the Board and reviewed by the Corporation's Audit Committee; also see Article 12 for financial issues and documents that need to be reviewed and approved by London Conference as the supervising Court]

2.08 Books and records:

The Board shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute are regularly and properly kept.

[More detailed clauses might include where records are to be maintained and repeat the Corporations Act requirements for keeping records and accounts and for giving directors/members access to minutes and registers of members/directors]

ARTICLE 3 – MEMBERSHIP

3.01 Eligibility for Membership:

Membership in the Corporation is open to any person who:

- a) Is a resident of Canada;
- b) Is at least eighteen (18) years of age;
- c) Has paid the membership dues set by the Board of Directors; and
- d) Has, in the opinion of the Board, a genuine interest in the objectives of the Corporation and whose application for membership has been approved by the Board.

[These are often the requirements for "regular" members of a corporation, who are eligible to vote at members' meetings and act as directors or committee members; the by-laws could include different membership requirements for other categories of members, including for example for honorary members or for youth members who are not 18 years of age]

3.02 Categories of Membership:

[This article could include a general statement on membership categories, shown first below, or a more detailed outline of types of memberships, with an example shown next and in sections 3.03 to 3.05. The latter approach may be preferable if the organization contemplates having or already has different categories, since different members might have different powers and other provisions that should be known to participants in the organization's work and other stakeholders, rather than decided from time to time by the Board.]

[-- EITHER--]

The Board of Directors may by resolution establish membership rules and requirements for categories of membership, which shall be communicated in writing to current and prospective members and distributed at each annual general meeting.

[-- OR --]

There shall be -----[number]-- - classes of membership in the Corporation:

- a) Regular Members;
- b) Associate Members; and
- c) Honourary Life Members

3.03 Regular Members:

Regular Members shall consist of such individuals as have applied for membership and are admitted as members by the Board of Directors.

Regular Members may resign by resignation in writing which shall be effective upon acceptance thereof by the Board of Directors.

Each Regular Member in good standing shall be entitled to one vote on each question arising at any special or general meeting of the Members.

Each Regular Member shall promptly be informed by the Secretary of his admission as a Regular Member.

3.04 Associate Members

Associate Members shall consist of such persons *[and organizations]* as are interested in and support the objects of the Corporation and whose application for associate membership has been accepted by the Board of Directors.

Associate Members shall receive notice of all Members' Meetings and shall be entitled to attend thereat but shall have no right to vote at such meetings.

Associate Members shall receive such reports and communications concerning the affairs of the Corporation as the Board of Directors from time to time deems advisable.

3.05 Honourary Life Members

Honourary Life Members shall consist of those persons *[and organizations]* that have supported the Corporation and have contributed to its growth and well-being, and are deemed worthy of special recommendation by the Board of Directors.

Honourary Life Members shall not be entitled to vote at Members' Meetings nor shall they be notified of Members' Meetings save for the Annual Meeting of the Corporation.

Honourary Life Members shall pay no dues or assessments with respect to their membership in the Corporation.

3.06 Holding Office

No person who is not a Regular Member shall be qualified to hold office in the Corporation as a Director or Officer.

3.07 Transfer of Membership

Except for the transfer of membership from one class to another as otherwise provided in the by-laws of the Corporation, if at all, a membership in the Corporation is not transferable.

3.08 Revocation of Membership

Any Member, either Regular, Associate, or Honourary Life, may be expelled from the Corporation by a two-thirds (2/3rds) vote taken by ballot of the Regular Membership, present and eligible to vote at an annual or other general meeting of the Members.

3.09 Termination of Membership

A membership in the Corporation automatically terminates upon the happening of any of the following events:

- .01 if the Member, in writing, resigns as a member of the Corporation;
- .02 if the Member dies;
- .03 if a Member is expelled from the Corporation pursuant to section 3.08;
or
- .04 if a Member fails to meet the requirements of membership, as established in the Corporation's rules under article 3.02 *[or "rules under articles 3.02 to 3.05 inclusive"]*

3.10 Liability of Members

Members shall not, as such, be held answerable or responsible for any act, default, obligation or liability of the Corporation or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the Corporation.

ARTICLE 4 – MEETINGS OF MEMBERS

4.01 Annual Meeting:

The annual meeting of the Corporation shall be held within fifteen (15) months of the last preceding annual meeting at such date, time and place as determined by the Board for the purpose of:

- a) Considering and approving the minutes of the previous annual meeting and any special general meeting that may have been held since the last annual meeting;
- b) Receiving and considering audited financial statements for the preceding fiscal year; [*or “independent review of the Corporation’s finances” if the organization’s policies and the Corporations Act do not require an annual audit – see article 10*]
- c) Receiving and considering reports and statements as are required by the Corporations Act (*and other legislation*);
- d) Electing directors;
- e) Appointing the auditors [*or “independent financial reviewer”*] for the next fiscal year;
- f) Transacting any other business properly brought before the meeting.

4.02 Special General Meeting

The Secretary shall call a special general meeting of members at the request of the Board or upon receiving a written request signed by ten (10) percent of the members and stipulating the purpose of such meeting. Such meeting shall be scheduled within thirty (30) days of receipt of the request at a date, time and place determined by the Secretary.

4.03 Notice and Agenda

Notice for any meeting of members shall be given at least fifteen (15) days [*more if additional time is reasonably required for travel arrangements*] in advance of the date of the meeting and shall include the date, time, place, agenda and general nature of business to be transacted. Only business on the agenda or related thereto shall be transacted at such meeting unless:

- a) A notice of motion to place an item on the agenda shall have been delivered to the Secretary at least ten (10) days prior to such meeting; or
- b) Subject to the Corporations Act, the notice provision is waived by a majority vote of those present and entitled to vote at such meeting.

4.04 Quorum

---[number or percentage]--- Regular Members present in person constitute a quorum at a meeting of members, and no business shall be transacted at any meeting unless the requisite quorum is present at the commencement of such business.

[Determining quorum will depend on the size and nature of the organization; too large a proportion of the membership will make quorums difficult to achieve and invalidate or cast doubt on the decisions of the members' meeting; too small a quorum will put the affairs of the organization in too few hands.]

4.05 Voting by Members

Unless otherwise required by the provisions of the Corporations Act or the by-laws of the Corporation, all questions proposed for consideration at a meeting of members shall be determined by a majority of the votes cast by Regular Members entitled to vote. In the case of an equality of votes, the Chairperson presiding at the meeting has a second or casting vote.

4.06 Voting by Proxy

Voting by proxy is not permitted at a meeting of the Members, either General or otherwise.

[Alternatively, a section on proxy voting can be included in this by-law]

4.07 Chairperson and Secretary for Meeting

The President or in his absence the Vice President shall act as Chairperson of the meeting. In the absence of the President or Vice President, the members entitled to vote present at any meeting of members shall choose another director as Chairperson and if no director is present or if all the directors present decline to act as Chairperson, the members present shall choose one of their number to be Chairperson.

The Secretary of the Corporation shall act as secretary of the meeting. In the absence of the Secretary, the members entitled to vote present at any meeting of members shall choose another director as secretary for the meeting and if no director is present or if all the directors present decline to act as secretary, the members present shall choose one of their number to be secretary.

4.08 Show of Hands

At all meetings of members, every question shall be decided by a show of hands unless otherwise required by a by-law of the Corporation or unless a poll is required by the Chairperson or requested by any member entitled to vote. Upon a show of hands, every member entitled to vote, present in person shall have one vote. Whenever a vote by show of hands has been taken upon a question, unless a poll is requested, a declaration by the Chairperson that a resolution has been carried or lost by a particular majority and an entry to that effect in the minutes of the Corporation is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the motion.

4.09 Adjournments

Any meeting of members may be adjourned to any time and from time to time, and any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place. No further notice is required of any adjourned meeting if the date, time and place of such adjourned meeting has been announced at the meeting which was adjourned and if this has been properly recorded in the minutes of that meeting.

Any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place.

ARTICLE 5 – BOARD OF DIRECTORS

[This and the following Articles describe the composition/method of election, terms, powers and other key organizational and procedural rules. This is a key article because the Board acts on behalf of members between members’

meetings and makes decisions/incurs risk that affect the members and their electoral constituencies (often including the United Church generally or Conference, presbyteries and congregations). Board members in turn are appointed as officers (with legal roles) and committee chairs and members, who may perform day-to-day work, supervise staff, and sign cheques.]

5.01 Composition of Board

The affairs of the Corporation shall be governed and managed by a board of ----
-- [number]----- Directors, each of whom at the time of his election or within ten (10) days thereafter and throughout his term of office shall be a Member of the Corporation.

[The Corporations Act requires a fixed number of directors – three minimum -- and sets the basic qualifications for members listed in article 5.02. General practice is that staff do not also serve as board members, to make the decision-making role of the board clear and distinct from the operational role of staff and to remove any real or perceived conflict of interest.]

5.02 Eligibility

Each Director shall:

- .01 be at the date of, or become within ten (10) days after his election, and thereafter remain throughout his term, a Regular Member.
- .02 be at least eighteen (18) years of age;
- .03 not be an undischarged bankrupt;
- .04 not be a mentally incompetent person.

If any person ceases to be a Regular Member of the Corporation or becomes bankrupt or a mentally incompetent person, he thereupon ceases to be a Director and the vacancy so created may be filled in the manner prescribed herein.

5.03 Nomination of Directors

Nominations for vacant Director positions shall be submitted in writing to the Chair of the committee responsible for nominations at least [----
-] days in advance of the

meeting at which the vote is to be held. It shall contain the signature of two Regular Members of the corporation and a signed acceptance of the nomination by the nominee.

[Alternative wording: Nominations for vacant director positions may be submitted in writing before the meeting at which elections are to be held, or may be presented at the meeting by resolution moved and seconded by a Regular Member.]

[Insert details here for Board composition for those corporations with stakeholder groups nominating a specific numbers of directors or having a certain block of directors representing them. Note that corporate practice and law dictate that board members, however they are appointed or nominated by other groups, collectively as the Board and individually, put the interests of the Corporation first.]

5.04 Election of Directors

Directors shall normally be elected by a majority of the Regular Members in attendance personally at the annual general meeting of the corporation. The election of Directors shall be conducted by show of hands unless a ballot is demanded by any Regular Member *[or alternatively, “by secret ballot”]*. The candidate or candidates with the largest number of votes shall fill director vacancies where the number of candidates exceeds the number of vacancies to be filled.

[Some organizations make provision for election by proxy and/or by mail-in ballot. Include such provisions here.]

5.05 Term of Office

Directors shall hold office for a term of *[---number---]* years (normally two or three) so long as they remain eligible under the terms of Article 5.02. Terms of office shall be staggered so that twenty percent *[or one-quarter or one-third]* of the terms expire each year. No director shall be eligible to serve more than two consecutive terms *[optional provision: except in the case of a Past Chair who may hold office during the term of his successor]*.

A member who has served two full consecutive terms shall not be eligible to serve again as a Director before the passing of one year.

[A corporation may wish to spell out in this article how the terms are to be staggered, by specifying how many directors are to be elected for one, two or three years.]

5.06 Vacancies

So long as a quorum of the Directors remains in office, a vacancy on the Board may be filled by the Directors from among the qualified Regular Members of the Corporation. A Director so elected shall remain in office for the duration of the vacant term *[or “until the next meeting at which directors are to be elected”]*. If there is not a quorum of directors, the remaining directors shall forthwith call a meeting of the members to fill the vacant Director positions.

5.07 Removal of a Director

A director shall automatically cease to hold office if:

- a) A resolution to that effect is passed by a two-thirds majority of the Regular Members of the Corporation voting at a meeting duly called for that purpose; or
- b) The director otherwise ceases to be eligible as a member under the terms of clause 3.01 of this by-law.

5.08 Remuneration of Directors

The directors shall receive no remuneration for acting as such and no director shall directly or indirectly receive any profit from his position. Directors may receive reasonable compensation for expenses incurred by them in the normal course of their duties.

Note: This requirement is stated in the Letters Patent, which takes precedence over this By-Law.

ARTICLE 6 – DUTIES, POWERS AND INTERESTS OF DIRECTORS AND THE BOARD

6.01 General and Specific Powers of Directors

The directors, acting together in their capacity as a Board, shall have the authority to exercise any of the powers prescribed by the *Corporations Act*, or by any other statutes or laws from time to time applicable, except where such power is contrary to the statutes or common law regarding non-profit corporations and charities.

[Alternatively, include details on the powers of the Board acting collectively; “Without limiting the generality of the foregoing, the directors shall have the following powers in particular...the power to accumulate; invest; solicit donations and grants; hold and dispose of real and personal property; hire employees and engage agents; sue and settle claims; set remuneration and fees; issue cheques; make policies, rules and regulations; and any restrictions on such powers.”]

6.02 Powers of Individual Directors

No individual director shall have any authority to act on behalf of the Board with respect to agents or employees of the corporation except as provided in this by-law or by resolution of the Board. No individual director shall have any authority to act on behalf of the corporation with respect to the transaction of the affairs of the corporation except as provided in this by-law or by resolution of the Board.

6.03 Directors’ Accountability to Members

The Board and individual directors represent the membership of the Corporation and are directly accountable to its membership. They also have a fiduciary duty to those who provide funds to the Corporation and to its staff for the sound administration of the Corporation. In addition, they have a general duty of trust to those served by the Corporation and to the general public. Every director of the

Corporation shall exercise the powers and discharge the duties of his office honestly, in good faith and in the best interests of the Corporation, and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

6.04 Conflict of Interest

[This is a sample only. All corporations should have a written policy on this topic, even if conflict of interest matters are likely to occur infrequently. Model by-laws, policies and procedures are available, including those for organizations within particular sectors. For example, non-profit housing providers in Ontario are generally required to enact and follow specific conflict of interest rules.]

.01 Policy and Procedures

The Board shall by resolution establish a policy and procedures regarding interests of directors, including the necessary definitions and clarifications of the requirements outlined in article 6.04.02 below or elsewhere.

.02 Actions by Directors

Where a director, either on his behalf or while acting for, by, with or through another, has or believes he has any pecuniary or personal interest, direct or indirect, in any matter, or otherwise has a conflict of interest as a director, he:

- a) Shall disclose his interest fully at a meeting of the Board of Directors or a Committee meeting prior to any consideration of the matter in the meeting;
- b) Shall not take part in the discussion of or vote on any question in respect of the matter;
- c) Shall not in any way before, after or during the meeting influence the voting on any such question; and
- d) Shall not discuss the matter in which he has or may have an interest with other directors or with members or staff of the Corporation.

The pecuniary or personal interest, direct or indirect, of an immediate family member

shall, if known to the director, be deemed to be also the pecuniary interest of the director.

Every declaration of interest and the general nature thereof shall be recorded in the

minutes of the Board or Committee meeting.

6.05 Confidentiality

All directors shall keep confidential all matters that are considered on a confidential basis.

ARTICLE 7 – MEETINGS OF THE BOARD

[This Article outlines how Board meetings are held and decisions are made. The following are suggestions only. The rules do not need to be the same as for members' meetings, as the range of board discussions and decisions is much broader. The Board is the decision-making body for the corporation, except for decisions only made by members at AGM or special meetings of members, and by an executive committee or staff for powers expressly delegated to them by the Board by resolution or as specified in this by-law.]

7.01 Meetings of the Board

Meetings of the Board of Directors may be held at such times and at such place as the board may from time to time determine. The Board shall meet a minimum of three (3) times each year. The Board may use teleconferencing as an alternative to meetings in person but, in no instance, shall it meet in person fewer than three times a year. The Board shall hold a meeting within twenty-one (21) days following the annual meeting of the Corporation for the purpose of organization, the election and appointment of officers and the transaction of any other business.

[Board meeting frequency will vary with the organization's mandate, style, committee structure, staff and other resources and in some cases with the requirements of regulators or public funders. Meeting anything less frequently than three times per year is unlikely to satisfy requirements for due diligence. Organizations with scarce resources and a Board membership covering a wide geographic area may find it difficult to meet more often. However, meetings every two to three months per year are advised where resources permit.]

7.02 Voting:

Questions arising at any meeting of the Board shall be decided by a majority vote, and the President of the Corporation (or other director acting as chair of the meeting) shall be entitled to vote on any issue or resolution. In the event of a tie vote, the President may cast a second or deciding vote at his discretion. Board members may not vote by proxy.

7.03 Meeting Communications Methods

If all the Directors consent thereto generally or in respect of a particular meeting, a Director may participate in a meeting of the Directors or of a committee of the Directors by means of conference telephone, electronic mail or such other communication facilities as permit all persons participating in the meeting to hear each other. A Director participating in such a meeting by such means is deemed to be present at the meeting. However, at least three (3) Board meetings must be held annually with a quorum attending in person.

7.04 Quorum for Board Decisions

---[*number*]--- Directors present at a Board meeting shall form a quorum for the transaction of business.

[The quorum for Board decisions should be half plus one member of the Board's membership. Examples: an 11-person board requires a quorum of six members present; a 10-person board also requires a quorum of six members.]

7.05 Board Discussion of *In Camera* Items

The Board may adopt a policy for items to be discussed *in camera*, including what topics can be or will be discussed *in camera*, what staff and other non-Board members are to be excused from the meeting, and the content of agendas and minutes.

["In camera" means "in private" -- literally "in the room." Include a clause like this if such items as legal matters, collective bargaining or individual human resources issues, and property negotiations are likely to come before the Board. Even a small organization may encounter issues where the discussion should happen with only the board and senior staff person present – and

excluding that staff member if the issue pertains involves him/her. The Board should ensure that the agenda and minutes are general and do not disclose details of the topic or the decision that should not be made public.]

ARTICLE 8 – OFFICERS OF THE CORPORATION

8.01 General

The Board shall annually elect a President, Vice-President, Secretary and Treasurer from among its members, and shall appoint members to fill vacancies in these offices as required. These officers, together with the Past President, shall form the Executive Committee of the Corporation.

[The Corporation’s members should review the structure of its organization, including its officers, committees and operations, on a regular basis. The provisions in this Article are just one example of the positions, terms, committees and powers of the key parts of the Corporation.]

8.02 President [or Chair]

The President shall, when present, preside at all meetings of the Corporation unless specified elsewhere by by-law and, along with the Board, generally oversee and supervise the governance of the Corporation including the signing of by-laws, special resolutions and other such documents requiring his signature and such other duties as may from time to time be prescribed by resolution of the Board or that are otherwise incidental to this office. The President shall be elected for a term of one year and shall be eligible for re-election for one additional consecutive term.

8.03 Vice-President [or Vice- Chair]

The Vice-President shall, in the absence of the President, preside over meetings of the Corporation and of the Board and its Executive Committee and otherwise exercise all the powers and duties of the President. The Board, in the absence of the President and Vice-President, may appoint from among its numbers, an Acting President.

8.04 Secretary

The Secretary shall be responsible for giving notices; keeping the corporate seal; keeping records of all meetings of the members, the Board and its Executive Committee; the signing of minutes; and, such other duties as may from time to time be assigned by resolution of the Board.

8.05 Treasurer:

The Treasurer shall keep full and accurate accounts of all receipts and disbursements of the Corporation in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Corporation in the bank or banks from time to time designated by the Board. He shall disburse the funds of the Corporation under the direction of the Board, taking proper vouchers therefore and shall render to the Board whenever required of him, an account of all his transactions as Treasurer and of the financial position of the Corporation. He shall co-operate with the auditors [*or “independent reviewers”*] of the Corporation during any audit of the accounts of the Corporation and perform the other duties from time to time prescribed by the Board or incidental to his office.

8.06 Past President

The Past President shall be an ex officio Officer of the Corporation. The Past President shall provide support and counsel to the President of the Corporation. In addition, the Past President shall serve as Chair of the Nominating Committee [*or Governance Committee*] of the Corporation and as such shall endeavour to identify and recruit potential board members for the Corporation.

ARTICLE 9 – COMMITTEES OF THE BOARD

[This Article describes the composition, roles and duties of common committees of the Board of a corporation. The wording of your by-law should be specific enough to show accountability, but not overly prescriptive and constraining on Board flexibility, since this by-law can only be amended by the members and with United Church approval.

This section includes some typical “standing committees” but this will vary by the size, approach and functions of the incorporated ministry.

All corporations should consider having these three committees, and therefore the wording in this sample article is “shall”:

- an executive committee (especially if the Board is large, and to make decisions between board meetings) – see sample details in article 9.02

- a nominating committee (to recruit new board members for presentation to the AGM as nominees) – see 9.03, and
 - either a combined finance and audit committee, or separate finance and audit committees (having a separate audit committee is a good practice which is increasingly becoming a requirement for accountability and risk management in larger corporations) – see 9.04
 Other typical committees are shown below only for illustration. Some organizations outline the duties, composition and activities of their key committees in some detail in the by-law. Others prefer to use a simple “enabling clause” as in 9.01 below to allow the Board flexibility and to avoid having to amend the by-law and seek its approval by the membership and the United Church.
 Giving the Board the power to set up Ad Hoc Committees (see wording below in 9.01) gives flexibility to the Board to set up short-term committees for specific assignments without having to change the by-law language on “standing” committees.]

9.01 General

The Board of Directors may by resolution establish and dissolve such standing committees and *ad hoc* committees as the Board may deem necessary for the proper management of the Corporation and shall determine and may alter a committee’s purpose, powers, and responsibilities. Except as otherwise provided by by-law of the Corporation, all committees are subject to the following:

- .01 The Chair and Members shall be appointed by the Board of Directors from among the Regular Members who are qualified to hold office, for a term of one (1) year, and may be re-appointed for one or more additional terms of one (1) year;
- .02 The Committee shall meet at least twice annually and more frequently at the will of the Chair or as required by its terms of reference, which shall be approved by the Board of Directors;
- .03 The Committee shall be responsible to and shall report at such intervals as is required to the Board of Directors and shall keep minutes of each meeting and records of its activities and recommendations;
- .04 The Committee may establish its own rules of procedure, which shall be approved by the Board, including notice of meetings;

- .05 The Committee may appoint sub-committees, with the approval of the Board, and may appoint individuals to be non-voting members, with the approval of the Board of such members;
- .06 A quorum for a Committee meeting shall be a majority of the committee's members, and the Committee shall make every decision by a majority of voting members present at the time;
- .07 No member of any Committee , including non-voting members who are not Directors of the Corporation, shall receive any remuneration for serving as such, but each Committee member shall be entitled to reasonable expenses incurred in the exercise of his duties.

9.02 Executive Committee

.01 **Composition:** An Executive Committee shall be appointed by the Board and shall be composed of the Officers of the Corporation and the Past President. [*Some organizations also include Chairs of other committees who are not officers.*]

.02 **Selection:** The Officers of the Corporation shall be appointed by resolution of the Board at its first meeting following each annual meeting of members at which the directors are elected. Any other members of the Executive Committee designated as such under this by-law shall be appointed no later than at the next subsequent meeting of the Board. In the event of a vacancy in any elected position on the Executive Committee, the Board shall, by election from among the members of the Board, fill such position within sixty (60) days of the vacancy occurring.

.03 **Authority:** During the intervals between meetings of the Board, the Executive Committee shall possess and may, subject to ratification by the Board, exercise all the powers of the Board in the governance and direction of the Corporation in such manner as the Executive Committee shall deem best for the interests of the Corporation subject to any specific directives imposed by the Board, this by-law or any other statutory or common law.

9.03 Nominating [*or Governance*] Committee

[Nominating committees, with the duties outlined in this section, are

common. However, there is growing use of “governance committees” that include the functions of a nominating committees along with such additional responsibilities as board (and board member) orientation, board development and evaluation, the development and review of by-laws and governance policies, and monitoring compliance with board policies.]

The Board shall annually elect a Nominating Committee which shall be comprised of a Chair, who shall be the Past President of the Corporation, if there is one, and one (*or two*) additional member(s) of the Board and one (*or two*) additional member(s) drawn from the membership of the Corporation.

The Nominating Committee shall make recommendations to the Board and the Members with respect to any vacancies on the Board and shall recommend a slate of candidates to be elected to vacant director positions. The Nominating Committee shall ensure that the attendance of directors at meetings of the Board and its committees is monitored and that regular reports are submitted to the Board regarding attendance and participation.

9.04 Finance [*and Audit*] Committee

The Board shall by resolution appoint a Finance [*and Audit*] Committee and shall establish its roles and responsibilities. The Committee shall be chaired by the Treasurer of the Corporation. The Committee chair shall present the minutes of each meeting and a report to each subsequent meeting of the Board.

9.05 Other Standing Committees of the Board

The Board may appoint other committees, including the following....

[Corporations may wish to specify in the by-law the details of other committees, whether they are mandatory or voluntary. Whether in the by-law of not, the number and types of other committees will depend on the organization’s functions and method of operation. Those with few or no full-time staff may divide up the work of its volunteer board and membership into working committees. Large organizations with a varied program and large

financial and outreach activities may use several committees to direct and monitor certain activity areas, leaving the Board for overall coordination, direction and accountability. Some typical committees for incorporated ministries:

- *Program Committee [or similar name and function, e.g., “camping committee” for a camp corporation or “grants committee” for an outreach or mission/extension council];*
- *Human Resources Committee [not essential, but it is sometimes useful to have a specific committee in larger organizations to evaluate the chief staff person, and to set policies for staffing and organizational issues]*
- *Duty of Care Committee or Standards Committee [with a title and function that reflects this essential role with many incorporated ministries that might also be mandated by government funders or regulators]*

ARTICLE 10 – AUDIT OR INDEPENDENT REVIEW

[Every corporation needs to have a review of its financial position and procedures conducted either a full audit conducted by a licensed auditor following audit principles and protocols, or an independent review by a qualified financial professional, preferably with accounting credentials and experience. See the United Church of Canada requirement outlined in article 12.08 below.

Please seek advice from a financial or accounting expert in drafting these requirements.]

10.1 General Requirements

The Corporation will adopt a formal budget process, and will inform the Supervising Conference how the Corporation will meet the Generally Accepted Accounting Principles and Practices, appropriate to the size, scope and assets of the Corporation, including the identity of the person/firm who will be auditing or reviewing the books.

10.2 Appointment of Auditor

The members of the Corporation shall at each annual general meeting appoint an auditor or independent reviewer to undertake an audit or review of the Corporation's financial statements, accounts and related financial and risk matters. The auditor or financial reviewer shall hold office until the next annual general meeting following his appointment.

10.3 Scope of Audit or Review

The scope of the audit or independent review will be established jointly by the auditor or reviewer and the Board or the Finance and Audit Committee, according to the process required in article 10.1. If the auditor or financial reviewer is to receive remuneration, then the amount and conditions shall be fixed by the Board.

10.4 Independence of Auditor or Financial Reviewer

To be eligible for appointment as such, the auditor or financial reviewer must not be a Director or Officer of the Corporation, or a family member of a Director or Officer.

ARTICLE 11 -- PROTECTION OF DIRECTORS AND OFFICERS

11.01 Indemnities to Directors:

Every Director and Officer of the Corporation and his heirs, executors and administrators respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation, from and against:

- .01 All costs, charges and expenses, whatsoever such director and officer sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of his duties of his office;
- .02 All other costs, charges and expenses he sustains or incurs in or about or in relation to the affairs of the Corporation, except such costs, charges or expenses as are occasioned by his own negligence or default or failure to act honestly and in good faith with a view to the best interests of the Corporation.

11.02 Protection of Directors and Officers:

No Directors or Officers of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency of any security in or upon which any of the money of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his own wrongful and wilful act or through his own wrongful and wilful neglect or default.

ARTICLE 12 – REQUIREMENTS OF THE UNITED CHURCH OF CANADA

The Corporation is a corporation described in paragraph 429(e)(i) of *The Manual* of the United Church of Canada (referred to as a “Category 1 corporation”). The following provisions are included in order to comply with the requirements of The Manual and the guidelines established by the General Council of The United Church of Canada for Category 1 corporations.

[The wording of this Article is based on “Appendix B: Suggested Standard Clauses to Address Section 429 Requirements” of the section 429 guidelines for incorporated ministries, published in November 2008. The supervising court will normally be London Conference or its successor, which would continue to have the overall responsibility for supervision of incorporated ministries even if some functions were delegated to the presbytery level. The “interpretation” or “definition” section, normally found at the beginning of the by-law (it is Article 1 in this template), would state which body is the supervisory court for your organization.]

12.01 Definitions

For the purposes of this section of the bylaws, “General Council” means the General Council of The United Church of Canada, “Supervising Conference” means the London Conference of The United Church of Canada or its successor, and “The Manual” means the edition of *The Manual* published by The United Church of Canada that is in effect at the relevant time.

12.02 Members of Corporation and Supervising Court

The Corporation shall determine its own manner of determining its membership but in no case shall a majority of the members of the Corporation be members of the Supervising Conference. In the event that the Conference delegates its supervising role to

another court, the majority of the Corporation's membership shall not be members of that supervising court.

12.03 General Council Policies

The Corporation shall adhere, at all times, to the applicable policies, standards, and regulations as they may be enacted by the General Council or its Executive from time to time.

12.04 Organization and Supervision of Other Corporations

Any corporations created by this Corporation shall be organized and supervised according to *The Manual*, section 429.

12.05 Approval of Directors

The majority of the Directors shall be approved by the Supervising Conference.

12.06 Conference Executive Secretary and Board

The Executive Secretary of the Supervising Conference shall be ex officio a corresponding member of the Board and as such shall receive notices of meetings and minutes of meetings and have the right to attend all meetings in a non-voting capacity.

12.07 Annual Reporting

Annual reporting to the Supervising Conference will include: the membership of the Board, the minutes of the annual meeting, financial statements (audited / independently reviewed by a qualified person) and insurance coverage (including the naming of The United Church of Canada as co-insured).

12.08 Budget and Audit Process

The Corporation will adopt a formal budget process, and will inform the Supervising Conference how the Corporation will meet the Generally Accepted Accounting Principles and Practices appropriate to the size, scope and assets of the Corporation, including the identity of the person/firm who will be auditing or reviewing the books.

12.09 Insurance Coverage

Insurance shall be kept in force covering fire, comprehensive liability, and such other insurable items in such amounts as the Supervising Conference may require, with The United Church of Canada as an additional named insured on all policies of insurance.

12.10 Approval of Capital Initiatives and Appeals

Approval is required in writing in advance from the Supervising Conference for capital fundraising initiatives and appeals affecting other parts of The United Church of Canada.

12.11 Approval of Debt Levels

Indebtedness is subject to the prescribed limits as deemed appropriate by the Supervising Conference.

12.12 Prior Consent for Land Transactions

Any sale, transfer, mortgaging, acquisition or leasing of land must receive the prior written consent of the Supervising Conference.

12.13 Reimbursement of Expenses

No fee shall be paid to any director of the Corporation as such, but a director may be reimbursed for expenses properly incurred on behalf of the Corporation.

12.14 Winding up of the Corporation

The Corporation shall not, without the prior written consent of the Supervising Conference, initiate, or in any way engage in, proceedings that might result in the voluntary winding up of the corporation.

12.15 Assets Vest in the United Church of Canada

The assets of the Corporation shall vest in The United Church of Canada in the event that the Corporation ceases to function or its corporate existence is terminated.

12.16 Approval of Changes to By-laws in Article 12

The provisions of each of the preceding paragraphs may be changed or modified only with the prior written consent of the Supervising Conference and the prior written administrative approval of the General Council. In the event of any conflict or inconsistency between the provisions of this Article and any other Article of the bylaws, the provisions of this Article shall govern.

12.17 Approval of Changes to Articles of Incorporation and Corporate By-laws

Approval from the Supervising Conference and higher court is required for changes to articles of incorporation, and changes to corporate by-laws.

ARTICLE 13 -- NOTICES

13.01 Computation of Time:

In computing the date when notice must be given under any provision of the by-laws requiring a specific number of days' notice of any meeting or other event, the date of giving the notice is, unless otherwise provided, included.

13.02 Omissions and Errors in Notice:

An accidental error or omission in giving notice of any meeting of the Board or Members or the non-receipt of any notice by any director or member of the Corporation or any error in any notice not affecting its substance does not invalidate any resolution passed or any proceedings taken at the meeting. Any director or member of the Corporation may at any time waive notice of any meeting and may ratify and approve any or all proceedings taken at such meeting.

13.03 Notice of Adjourned Meeting:

Further notice of any adjourned meeting of the Board and its committees or the annual meeting of the Corporation is not necessary if the date, time and place of such adjourned meeting has been announced at the meeting which was adjourned and if this has been properly recorded in the minutes of that meeting.

13.04 Transaction of Business at Adjourned Meeting:

Any business may be transacted at any adjourned meeting that might have been transacted at the original meeting from which the adjournment took place.

ARTICLE 14 -- AMENDMENT OF BY-LAWS

[All by-laws and amendments to by-laws of corporations require the approval of the Board of Directors and the members. In addition, by-laws and amendments for incorporated ministries require approval by the Supervising Conference and administrative approval of the General Council Office.

This sample article outlines a suggested sequence requiring the Board to circulate a draft by-law or draft amendments to the Supervising Conference before submission to the members in order to minimize uncertainty.]

14.01 Enactment:

By-laws of the Corporation may be enacted, repealed, amended, altered, added to or re-enacted in the manner contemplated in, and subject to the provisions of, the Corporations Act. All new by-laws or changes to existing by-laws require the approval of the Supervising Conference and the administrative approval of the General Council Office of the United Church of Canada.

14.02 Amendment of By-laws

The by-laws of the Corporation not embodied in the letters patent may be enacted, repealed or amended by by-law enactment by a majority of the directors at a meeting of the Board of Directors. The new or amended by-law shall hold force and effect until it is sanctioned by an affirmative vote of at least two-thirds (2/3) of the members at the annual meeting or a meeting of members duly called for the purpose of considering the said by-law. If such by-law enactment is not so sanctioned it shall cease to hold force and effect immediately the resolution proposing such amendment is defeated.

14.03 Prior Approval of the United Church of Canada

Before a by-law, including a by-law amendment, is submitted to the members for sanction, the draft by-law shall be submitted to the Supervising Conference for the approval of the Supervising Conference and the administrative approval of the General Council Office of the United Church of Canada. Only by-laws with the necessary approvals shall be submitted to the Board of Directors and the members of the Corporation under article 14.02.

ARTICLE 15 – EFFECTIVE DATE OF BY-LAW

15.01 This By-Law shall come into force without further formality upon its enactment.

15.02 By-Law No. 1 enacted as set forth here shall in the event of any conflict of interpretation prevail over any and all other By-Laws enacted by the Corporation.

ENACTED as By-Law No. 1 by the Directors of the Corporation at a meeting duly called and regularly held and at which a quorum was present on the ____ day of _____ 2011.

[name]
CHAIR OF BOARD

[name]
SECRETARY

The foregoing By-Law No. 1 as enacted by the Directors of the Corporation is hereby ratified, sanctioned, confirmed and approved without variation by the affirmative vote of all members entitled to vote at a meeting duly called and regularly held at which a quorum was present on the ____ day of _____ 2011.

[name]
CHAIR OF MEMBERS' MEETING

[name]
SECRETARY