



## Novel Coronavirus (COVID-19)

Not-for-Profit & Charities

May 2020

# COVID-19: More News for Charities and Not-For-Profit Corporations

By Linda J. Godel and Lauren Crosby

There have been some recent announcements by the federal and Ontario governments that impact charities and not-for-profit corporations. Of note for Canadian registered charities, the Charities Directorate (**Charities Directorate**) of the Canada Revenue Agency (**CRA**) has resumed certain services which had previously been suspended due to the pandemic. For Ontario not-for-profit corporations, certain documents can now be signed electronically, and filed by e-mail or fax. There is also proposed legislation which would facilitate extensions for federal not-for-profit corporations with respect to their annual meetings of members.

### Registered Charities

As we previously reported, the Charities Directorate ceased all operations in March in response to COVID-19 and extended, until December 31, 2020, the deadline for charities to file their Form T3010, Registered Charity Information Returns with previous filing deadlines from and after March 18, 2020 to the end of the year. In late April, the call centre of the Charities Directorate resumed operations. See our articles "COVID-19: Update From the Charities Directorate of the Canada Revenue Agency (CRA)" and "COVID-19: Announcement from Federal Government for Community-Based Organizations and Updates from Charities Regulators" for more information.

The Charities Directorate has now begun processing applications for charitable registration, and is prioritizing the review of applications by organizations that will be providing programs in response to the pandemic. Applicants should file online, rather than by hard copy, as examiners do not have regular access to the CRA offices. Before applying, the Charities Directorate is encouraging people to consider whether a new charity is required, or if there are existing charities to which they could donate or offer their services instead.

In addition, for applicants that submitted applications for charitable registration and received correspondence from the Charities Directorate requesting additional information, the deadline to respond

is July 31, 2020. If a response is not received by this new deadline, the Charities Directorate will contact applicants before closing their files.

All audits of charities are still suspended until further notice as the Charities Directorate does not want to add further stressors to the charitable sector during these difficult times.

### **Ontario Not-for-Profits**

The Ontario government has recently introduced the *COVID-19 Response and Reforms to Modernize Ontario Act, 2020*, (**Modernization Act**) which impacts various Ontario corporate statutes, including the *Ontario Corporations Act (OCA)*, which currently governs Ontario not-for-profit corporations. The purpose of the Modernization Act is "to address public health and safety concerns" in light of the pandemic. Under the OCA, certain documents had to be filed in person or by mail with original signatures. These documents may now be signed using electronic signatures and filed electronically.

The Modernization Act is another step taken by the Ontario government to help Ontario not-for-profit corporations cope with the impact of COVID-19 from a governance perspective. (For more information, see "Meetings of Federal and Ontario Not-For-Profit Corporations During the COVID-19 Pandemic.")

### **Federal Not-for-Profits**

The federal government has released draft legislation, the *Time Limits and Other Periods Act (COVID-19)*, that would impact various federal statutes in recognition of the challenges of complying with statutory time limits during the pandemic. Of relevance to federal not-for-profit corporations is the impact on certain requirements under the *Canada Not-for-profit Corporations Act (CNCA)*. If this proposed legislation comes into effect, it would give the minister responsible for the CNCA the power to make orders suspending or extending time limits for the holding and calling of annual members' meetings, the presentation of financial statements at annual members' meetings, the provision of financial statements to members and, where applicable, the filing of financial statements with Corporations Canada.

While federal not-for-profit corporations can apply to Corporations Canada for authorization to extend the time for calling their annual members' meetings, these applications are considered on a case-by-case basis. The expectation is that the proposed legislation would enable the federal government to make orders similar to the one issued by the Ontario government almost two months ago (see article "Meetings of Federal and Ontario Not-For-Profit Corporations During the COVID-19 Pandemic") to provide extensions for all CNCA corporations, and that individual applications for authorization would no longer be required.

\*\*\*

The continued efforts of the federal and Ontario governments to assist the non-profit and charitable sector in these challenging times are encouraging. We will continue to monitor for new developments.

We would be happy to answer any charity or non-profit related questions that you may have about regulatory compliance or any other matters involving COVID-19.

## Authors



**Linda J. Godel**  
Partner

**Tel:** 416 643 8809  
lgodel@torkinmanes.com



**Lauren Crosby**  
Associate

**Tel:** 416 777 5429  
lcrosby@torkinmanes.com

The issues raised in this publication are for information purposes only. The comments contained in this document should not be relied upon to replace specific legal advice. Readers should contact professional advisors prior to acting on the basis of material contained herein.