

## Skate Ontario By-Law Resource

This resource is for clubs to use as a guide to ensure current By-Laws are relevant and meet the legislative requirements of the province. The second part of this resource includes a [Sample By-Law Template](#).

### What are Club By-Laws?

Club By-Laws are the rules, regulations and guiding principles that provide a framework for club operations and management. By-Laws specify the qualifications, rights, and responsibilities of members and include the powers, duties, and grounds for the dissolution of the club and its board.

Each organization will have their own set of By-Laws which are created to manage operations. Club By-Laws must meet provincial legislative requirements and must not be in direct conflict with the By-Laws of Skate Canada, Skate Ontario, or provincial legislation.

To ensure that members are apprised of the organization's operations and management, and their rights and responsibilities as a member of the club, By-Laws must be made available to the entire club membership.

### Difference Between By-Laws and Policies/Procedures

	<b>Rules</b>	<b>Direction</b>	<b>Enforcement</b>	<b>Approval</b>
<b>By-Laws</b>	Are the <b>fundamental</b> governing rules of the organization  Are clear, concise and less fluid	Form the governance/management <b>infrastructure</b> of the club	Board of Directors	Approved by the <b>membership</b>
<b>Policies</b>	Outline the <b>reason</b> behind the rules  Are more fluid	Direct <b>day-to-day</b> operations	Outline <b>who</b> will enforce the rules	Approved by the <b>club board</b>
<b>Procedures</b>	Outline the <b>process</b> to follow for the corresponding policy  Are more fluid	Direct <b>day-to-day</b> operations	Outline <b>how</b> and <b>when</b> the policies will be enforced	Approved by the <b>club board</b>

<b>Example: Refunds</b>	
<b>By-Laws</b>	There should be a clause in club By-Laws that states that members will pay dues for membership as determined by the board.
<b>Policies</b>	A club would then create a financial or refund policy outlining what the membership dues are for the season and whether or not a refund is possible.
<b>Procedures</b>	A procedure accompanying the financial or refund policy would then be created to outline how to request a refund, the process the board/staff would take to determine the refund amount and how/when a member would receive a refund.

To begin developing policies and procedures at your club, please refer to our [Policy and Procedure resource](#) for guidance on consistency, updating and storing these important documents.



### **Updating By-Laws: When and Why**

By-Laws should be reviewed preceding the club's annual meeting and updated following the annual meeting based on amendments passed at the meeting. The club board needs to ensure that By-Laws are current and that the entire membership has been provided with or has access to a copy of the amended By-Laws.

Changes in provincial legislation may also drive necessary adaptations to club By-Laws because the not-for-profit sector, which clubs are considered part of, experiences ongoing technological and cultural shifts.

Recent legislative changes that affect skating clubs include:

- Membership structures
- Responsibilities of Directors
- Conduct of meetings
- Financial reporting

In the By-Law outline, the legislative changes and current industry standards are included, and sample language has been provided.

### **Relationship to Skate Canada's By-Laws**

Skate Canada's By-Laws define the scope, rules and high-performance operations for a national sports organization and its board. Outlined in the By-Laws are the rights and obligations of Skate Canada members, including annual dues to retain membership. Skate Canada delineates the expectations for their member clubs within the [Club and Skating School Minimum Operating Standard Policy](#).

Skate Canada classes of members include the following:

- Skate Canada Coach Class
- clubs/skating schools with less than 300 registrants
- clubs/skating schools with more than 300 registrants

### **Relationship to Skate Ontario's By-Laws**

Unlike a local sports organization, Skate Ontario's By-Laws define the scope, rules and operations for a provincial sports organization and its board.

Each club and skating school operating in Ontario, who is registered for the season, is considered a member of Skate Ontario for that given year. Clubs/skating schools are entitled to view Skate Ontario's By-Laws and may assign a delegate or provide a proxy for their club/skating school to participate and vote at the annual meeting. All members are required to abide by Skate Ontario's By-Laws and policies/procedures.

### **Additional Do's & Don'ts**

- Have an electronic (soft copy) version of your By-Laws
  - o Because all members have a right to access club By-Laws, having an electronic version (potentially stored on your website) will allow members to easily view By-Laws at any time
  - o Having a soft copy of your By-Laws will simplify process of making edits/updates after amendments have been ratified
- Remove all reference to direct By-Laws from other organizations
  - o If your club has utilized the old Skate Canada template, the By-Laws referenced are either no longer applicable or do not exist. Unless you are constantly checking to see if



there are amendments, referencing another organization's By-Laws will likely lead to By-Laws that are out-dated or that no longer pertain to your club.

- Be clear
  - o Ensure By-Laws say what you want to say
  - o Define terminology
  - o Use plain language

## **By-Law Outline Information**

**For the following portion of this resource, please refer to the [Sample By-Law Template](#). The following information will correspond with the template and provide sample language for clubs to consider. The outline will cover the main areas and corresponding By-Laws to consider updating.**

**Please note that this is not legal advice; therefore, your club should review any changes to your By-Laws with legal counsel.**

### **1. General**

This section will outline the purpose of the club, define terms which are present throughout the By-Laws and describe the club's affiliation with both Skate Canada and Skate Ontario. In the template there is a set of definitions for general club By-Laws, but there may be additional terms you want or need to define.

The purpose stated in the By-Laws should reflect the purpose statement in the club's articles of incorporation.

### **2. Membership**

This section has two subsections.

The first subsection will describe the year and duration of membership, establishment of fees on an annual basis and define the classes of membership at the club. A thorough review should be undertaken of your classes of membership. We recommend two classes of membership at your organization: voting membership and non-voting membership. It is important to provide a clear outline of who is considered a member with voting rights at your club. By eliminating multiple classes of membership, your By-Laws will be less ambiguous.

The second subsection of Membership will outline the rights of members at the club and will refer to how someone

- becomes a member,
- remains a member in good standing, and
- terminates membership.

### **3. Meetings of Members**

This section will include all information about member meetings, including annual meetings and Special Members' meetings. Quorum for each type of meeting will need to be outlined in this section.

It is important to use clear language regarding the notice of meeting for Special Members' meetings and annual meetings. This will include what information is included in the Notice of Meeting, the method(s) by which the notice will be communicated to members and the timeline(s) of the notice.

An important item to include in By-Law updates is "Participation/Holding by Electronic Means" which outlines that members' meetings will be able to be held electronically. It is also important to



note that any electronic voting platform used must have the ability to “act as the scrutineer” of the meeting.

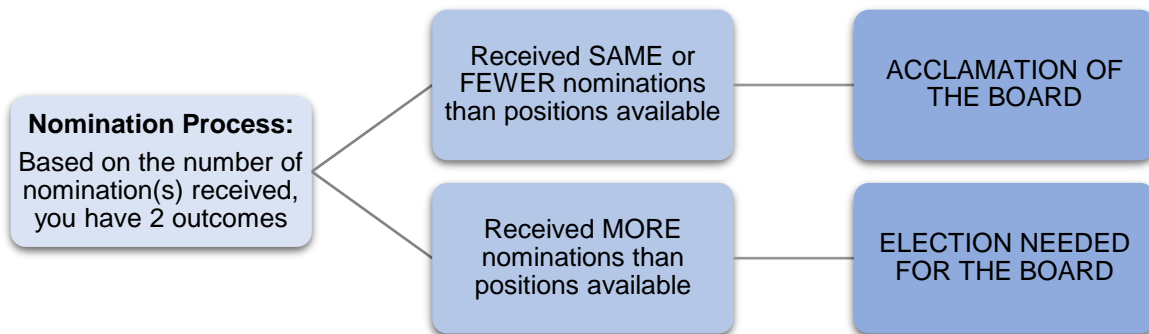
There is a subsection within this section which will outline the process of voting at members’ meetings. An important section to include is the use of proxies that will assist clubs who struggle to attain quorum year to year.

#### 4. Governance

This section covers the make-up and management for the club board.

This section should include a clause which clearly defines the number of Directors on your board and the eligibility requirements for any individual(s) interested in running for the board. The sample language in the [Sample By-Law Template](#) includes the legal requirements of the Act for a Director to be eligible to be a Director.

The club’s nomination and election process for the board should be clearly defined within this section of the By-Laws. We encourage clubs to include an Acclamation clause for when there are the same or fewer nominations for the board than there are positions available. The following graphic outlines the process to determine whether an election or acclamation will occur at your annual meeting.



It is important to include the process for resignation or removal of a Director from the board and how a vacancy will be filled.

Outlining the process and means for hosting board meetings is a key piece in By-Laws and one all board members should be very familiar with. A clause about “Closed Meetings” should be considered in the governance section. Board meetings are meant to be a meeting of the Directors to discuss the operations of the club. And although the board may sometimes invite someone to attend a meeting, the business discussed is for Directors only. This is an update that clubs should consider adding to their By-Laws.

It is vital to outline the Duty of Care that each Director must exercise when acting as a board member.

It is important to include a section on Conflict of Interest which will apply to the board and committee members. Whether real or perceived, conflict is inherent on boards and it is important to address this topic and take a firm stance on it in your By-Laws.

Duty of Care and Conflict of Interest can be summarized at a high-level in the By-Laws and then be documented more specifically within club policies. The responsibilities of Directors fall under these basic principles:

- Act honestly and do what would be best for the non-profit corporation



- Behave as any reasonable person would in the same situation
- Follow Ontario's Corporations Act (OCA) and your non-profit's letters patent and By-Laws
- Adhere to the statement of Conflict of Interest of Directors

## **5. Officers**

This section of By-Laws will outline the duties of the Directors and Officers. At minimum, your board must include a President, Treasurer and Secretary as per the Ontario Corporations Act. It is important to outline how a vacancy on the board and the removal of a Director will be handled.

## **6 Board Committees**

Traditionally, club committees are listed in the By-Laws. Given that committees can come and go on a yearly basis, a list of all club committees does not need to be included in the By-Laws. This section needs to reflect the process for creating committees and assigning committee members.

## **7 Financial Management**

Club By-Laws will establish key principles and parameters regarding financial management. Specifics of day-to-day operational financial management will be delineated in the club's financial policies and procedures.

Financial management By-Laws will address the following information:

- Fiscal year
- Level of annual reporting – audit, review engagement, internal statements (must be compliant with the Act)
- Reference to the books and records of the club
- Role of Treasurer regarding oversight of club finances
- Capital asset (property) management
- Borrowing and other debt management provisions

## **8 Amendment of By-Laws**

This provision will articulate the process regarding By-Law amendments and will include when amendments can take place and the level of approval required for amendments to take effect.

## **9 Indemnification**

While these clauses often use "boiler plate" language, indemnification clauses are included to help protect the club as an entity and the Directors from liability. These clauses should be reviewed by legal counsel, must adhere to the requirements of the Act and may be subject to the club's incorporation status.

## **10 Adoption of these By-Laws**

This section records the date of the approval of the latest version of the By-Laws and will include who provided approval. A repeal clause should also be included to clarify the impact of approved By-Law amendments.

