



District A 16

Reference Material on Various Regulations Affecting Club Operations

April 26, 2019

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Forward

The purpose of this document is to provide a basis of knowledge in the areas of legislation, regulations and other material that inform, facilitate and encourage members of the Lions family to use due diligence in their governance of Lions Clubs in District A-16.

This material has been consolidated by members of the Regulatory Committee as a means to provide one stop reference and knowledge of the regulations, forms and other information that is often required for good governance. This is to be considered living document; therefore, as new information is made available it will be included as required.

This material also provides a brief overview of the types of issues that you may encounter through various Lions activities and areas in which members need to be diligent.

Specific web sites are provided for various government and other agencies which are often required as you move forward with various functions that are undertaken by member Clubs and their officers.

As maybe noted throughout this document no specific material is referenced regarding municipal requirements which might relate to the Lions Club operations. Each Municipality may have additional and/or specific requirements that must be met by a Club engaged in specific activities.

Disclaimer:

The information provided in this document is intended for informational and reference purposes only and not intended as a substitute for professional advice. End users are reminded that the onus is on them to ensure that all required documentation and regulations are followed for the various functions undertaken by Lions Clubs.

The Ad Hoc Regulatory Committee accepts no responsibility for any reliance on the information contained in this document.

Section 1

Club Structures

It is the responsibility of each Club to ascertain its legal status and to maintain the appropriate records and tax returns that are required, specific to the Club's status. Tax returns will include appropriate HST returns for those Clubs which have a Provincial Business number and meet the revenue threshold to collect this tax. Once a Club has reported HST returns, this reporting must be made each year even if there are no returns to report. Should your Club no longer meet the

threshold to collect HST, then consideration should be given to apply to remove the requirement to submit this tax return.

While District A16 has record of most Clubs which have been incorporated in the past, the current status of each specific Club is not known at this time. If your Club is not aware of your Club's status, let your Zone Chairperson or Region Chairperson know and they may be able to find out.

Following are the types of Clubs that are found in District A-16, along with a brief description of responsibilities that accompany each:

A listing of relevant web sites is found at the end of this section.

1) **Unincorporated/Informal Not-For-Profit Club**

It is hopeful that Clubs which fall into this category do not own real estate such as its own Lion's den or other real estate property.

Notwithstanding, it is important that Clubs be aware of the risks of not being incorporated and carrying adequate insurance similar to what any prudent person/business would do under normal circumstances.

Lions Clubs in this category usually find that the standard liability insurance coverage provided by LCI is adequate.

In certain instances it's understood that an unincorporated Lions Club may not be eligible for "Grants" that are often available from different government and other sources for various projects undertaken by Lions Clubs.

2) **Incorporated Not-For-Profit Club**

It appears the majority of Clubs in District A16 fall into this category. Clubs with this designation have at some time applied to the Provincial Government for "Letters Patent" which provides the legal framework for incorporation of its Lions Club as a legal entity. Through this framework the Officers and Directors of the corporation are provided with some protection should there be legal proceedings against the Club.

Should your Club wish to become incorporated it is advisable to work with a lawyer to become familiar with the process and the obligations and regulations the Club will need to follow.

Some of these additional responsibilities include such items as filing annual tax returns and annual information returns naming the current Officers and Directors of the Club. The annual tax return and officer/director information return must be made to the Canadian Revenue Agency (CRA) within six (6) months of the Lions year end, being June 30. Officer/Director

updates and Club contact information that occurs during the year should be submitted when it occurs. There is also an obligation to hold an Annual Meeting of the Corporation.

It is strongly recommended that all Incorporated Clubs, as a minimum, carry separate Officers and Directors Insurance in addition to the standard Liability Insurance coverage provided by Lions Clubs International. (See section 8 - Insurance)

3) Incorporated Not-For-Profit Club (with Real Estate)

Those Clubs which own real estate carry more responsibility than noted under Item 2 above. While its legal responsibilities to the government are the same there is now the added requirement to carry adequate property insurance and depending on the use of the building, the possible requirement to meet Provincial access regulations for those with disabilities.

4) Incorporated Not- for-Profit Club with Registered Charitable Status

For those Clubs that have a Registered Charity Number the same requirements as any Incorporated Company must be met however there are additional financial reporting requirements which must be adhered to.

5) Any of the above if they employ staff

Any Club that employs staff will need to be conversant with not only with Provincial employment regulations but others which deal with employment requirements.

Reference Material related to Corporations:

The following document listing and related web link is provided for the reference of Clubs. It should be noted that in most referenced documents, any required forms are provided. In some cases these forms are "fillable" and can be saved for ease of use from year to year as the data changes.

Lions Clubs International - Standard Club Constitution and By-Laws:

Lions Clubs International - Standard Insurance Policy:

<https://lionsclubs.org/en/resources-for-members/resource-center>

Canadian Revenue Agency (CRA):

www.canada.ca/en/revenue-agency/corporate/contact-information

Canadian Revenue Agency - Charities Directorate:

www.canada.ca/en/services/taxes/charities

Corporations Annual Information Return:

www.ic.gc.ca/eic/site/cd-dgc.nsf/eng

Office of the Public Guardian and Trustee (regulator of Charities):
www.attorneygeneral.jus.gov.on.ca/english/family/pgt

Charities Accounting Act:
www.ontario.ca/laws/statute

Ontario Not for Profit Corporation Act: (Not yet enabled)
www.ontario.ca/page/rules-not-profit-and-charitable-corporations

The following 3 documents can be found on the web site for Carters & Associates, Barristers & Solicitors: www.carters.ca

- Operational Risk Management Essentials
- Legal Risk Management Checklist for Ontario-Based Not for Profits
- Legal Risk Management Checklist for Ontario-Based Charities:

Section 2 **Clubs with Registered Charity Status**

Lions Clubs with a Registered Charitable Number will already have been Incorporated and subject to the provincial regulations governing Not for Profit organizations under the Corporation Act , and once enacted, the Not for Profit Corporation Act (2010).

It must be noted that the Ministry of the Attorney General (Ontario) has already provided some amendments to the Ontario Corporation Act which enable certain of the proposed amendments that will be found in the Not for Profit Corporation Act once it is enabled. It is anticipated this new Act will be enabled sometime in 2020.

In addition to the regulations imposed on a Not for Profit Corporation under the Ontario Corporations Act, as noted under the previous section, the following documents provide additional regulations imposed on Charities.

Canadian Revenue Agency - Charities Directorate:
www.canada.ca/en/services/taxes/charities

Office of the Public Guardian and Trustee (regulator of charities):
www.attorneygeneral.jus.gov.on.ca/english/family/pgt

Charities Accounting Act:
www.ontario.ca/laws/statute

Ontario Not for Profit Corporation Act:
www.ontario.ca/page/rules-not-profit-and-charitable-corporations

Section 3

Lions Clubs that own real-estate (property)

Lions Clubs that presently own property or are considering purchasing property are encouraged to research and undertake due diligence regarding the long term responsibly associated with property ownership.

Similar issues that are found with home ownership respecting payment of bills, maintenance concerns, insurance and other issues are still at the forefront; however these issues are now dealt with by a dedicated team of volunteers. These volunteers change over time and must understand and take their responsibilities seriously.

It is also important that a Club that owns property be an Incorporated Company. Being incorporated incurs a legal obligation to file specific annual documentation to the Provincial Government, however it is important to recognise that it also provides protection for the Club and its Officers.

The long term health of the membership of the property owner must also be considered, particularly if, the membership declines or the Club is no longer viable. These considerations must be weighed and agreements and other legal documentation provided to ensure a reasonable undertaking in a "what if" scenario.

Should Lottery funds be used to purchase or partially fund a real-estate purchase, the regulations often require that should the property be divested, it must be made to a charitable organization. This must be considered when a Letters Patent application is submitted and other required document is undertaken.

Canadian Revenue Agency - Charities Directorate:

www.canada.ca/en/services/taxes/charities

Office of the Public Guardian and Trustee (regulator of charities):

www.attorneygeneral.jus.gov.on.ca/english/family/pgt

Charities Accounting Act:

www.ontario.ca/laws/statute

Ontario Not for Profit Corporation Act:

www.ontario.ca/page/rules-not-profit-and-charitable-corporations

Additional web site information can be found under Section 1 of this publication

Section 4

Building Management

Lions Clubs that manage a property for another entity (i.e. a community hall owned by a municipality or other organization) should research and undertake due diligence regarding the responsibly associated with management of the property.

Similar issues that are found with home ownership respecting payment of bills, maintenance concerns, insurance and other issues are still at the forefront; however these issues may now be dealt with in coordination with the property owner and the building management team. The management team of volunteers will likely change over time and must understand and take their responsibilities seriously.

It is important to have a clear understanding between the property/building owner and the management team as to the expectations and obligation of each party. It is recommended these be outlined, as a minimum, in a letter of understanding, or other similar documentation in order to negate any possible confusion on the duties to be undertaken.

Normally any required government documentation that must be submitted would be dealt with by the property owner. This may however, be subject to identification in the expectations and obligations agreed to between the parties concerned.

Section 5

Paid Employees

This section is not intended to deal with Clubs who provide an honorarium for minor work performed. Such an honorarium might be provided to a Club member who undertakes a specific, ongoing task such as cleaning the Club house or other similar work activity.

Should a Club provide regular employment to a person(s) then all Provincial employment standards must be understood and met, including income tax requirements. Should there be any questions regarding employment status, the Club should seek professional advice.

Another aspect to be considered of having a paid employee is related to WHMIS training. This training is legally required for all employees who are exposed or likely to be exposed to a hazardous material or controlled product at the workplace.

www.ontario.ca/document/your-guide-employment-standards-act-0

www.labour.gov.on.ca/english/es

www.yowcanada.com/faq_WHMIS_training.asp

www.worksitesafety.ca/

Section 6 **Access Requirements (AODA)**

Ontario has a law called the Accessibility for Ontarians with Disabilities Act (AODA). Its goal is to make Ontario accessible for people with disabilities by 2025.

Access to buildings for those who have mobility issues is governed under this Act.

These regulations provide strict guidelines and penalties should required access not be provided by certain dates.

The Ontario Building Code and Accessibility for Ontario with Disabilities Act provide the framework for access requirements for each type of occupancy use.

If your Club is meeting in a public building that is managed by another party these regulations will be the concern of that building owner.

Should your Club own your building and it is open to the public, you may be required to ensure that specific accessibility regulations are met to provide functional access to your building for those with mobility issues.

If you have concern about what you are required to provide contact your local Municipality which often has a person knowledgeable on the requirements and will be able to assist you.

www.ontario.ca/page/accessibility-laws

Section 7 **Meetings or Events in non-owned facilities**

In most cases when a Club meets or conducts an event in a non-owned premise it likely is in a restaurant or other similar commercial or community building.

In such cases the Club usually will have no obligation other than payment of rental fees and/or cost of meals. If the Club is holding an event (i.e.: selling tickets in the local Mall) then there is most often a requirement to provide additional insurance coverage.

Clubs that meet in a community hall or other similar facility will often have an agreement for use with the community stakeholder. This agreement will normally contain conditions of use and possibly other specifics such as management responsibilities or building activities to be undertaken.

Any specific conditions for use should be contained in a letter of understanding or agreement so there are no misunderstandings of any obligations the Club is under for the use of the building or meeting facilities. One particular area to be discussed and identified is that of insurance coverage and who is responsible to provide it. Often the Club will be required to provide a copy of a "Certificate of Insurance" naming the other party as an additional insured.

Section 8 **Insurance**

In this age of increased litigation it is extremely prudent to ensure that your Club and its members are covered with appropriate insurance protection.

Basic Liability Insurance for One Million Dollars (USD) is provided through Lions Clubs International. To review the details of this coverage go to the LCI web site noted at the end of this section. It should be noted that in today's environment this is considered bare minimum coverage. In most cases coverage of 2 m to 5 m is now required when third party coverage is requested.

Also note that the basic LCI liability coverage does not include Directors and Officers coverage. This latter coverage can be added, as can increased liability coverage, both for an additional cost. The LCI web site provides the Canadian broker who deals with the Lions Clubs in Canada. This broker also provides "Certificates of Insurance" for proof of insurance you may require for a specific activity. The LCI web site provides information and forms for obtaining this additional coverage.

LCI By-laws also provide for a "Club Safety Officer" as an optional position. The role of this position is to ensure that safety measures are in place by reviewing activities to identify potential hazards, completing the self-inspection checklist as available from Lions Clubs International, and ensuring adequate supervision and acquiring proper insurance coverage. In the event of an incident, he/she gathers and reports all significant information relevant to the incident to the insurance company in a timely manner.

Included on the relevant web sites are specific forms and check lists that will assist when planning an event.

It is also important that a Club understands the limitations (or types of events) that your insurance will cover. If the type of event you are proposing is not specially mentioned, speak to

your broker and discuss the options available to you. It may be found that your specific event can be covered by what is called a "rider" to your existing insurance policy.

What is Directors and Officers Insurance

Directors and Officers Liability Insurance (often called D&O) protects the directors and officers of a company, or the organization itself, against damages or defense costs in the event they suffer a loss as a result of an alleged wrongful act. D&O coverage insures the behavior of directors and officers. Many D&O claims are the result of an incorrect decision that causes a discontented member to file a lawsuit against the directors and officers who made that decision. Even innocent errors in judgment can bring D&O insurance into the forefront of such matters. Directors and officers of a Lions Club or District can be liable if they damage the organization by breaching their duties, violating the organizations bylaws, or failing to disclose conflicts of interest. One claim example would be the situation where a group of association members filed a lawsuit alleging the recent election of a new board President did not follow the association bylaws. The members argued that a 51% majority vote was not obtained for the election to be valid. This action resulted in over \$75,000 of defense costs. While a Club or District can choose to indemnify their directors and officers against a lawsuit, this approach puts the Club's assets at risk. In addition, should the Club / District assets prove to be inadequate for defense or settlement the director or officer's personal assets would be in jeopardy. The purchase of Directors and Officers Liability Insurance provides a cost effective way to eliminate the chance of financial loss from this exposure.

<https://lionsclubs.org/en/resources-for-members/resource-center>

- Search Insurance - see specific information for Canada

Section 9 **Food Preparation**

Lions Clubs often prepare food in various manners such as, but not limited to; BBQ's, sit down meals, and buffets.

Each method provides its own challenges and, depending on specific details of the event, often need to meet health regulations as well as possibly obtain Municipal vending permits.

While the Provincial Health Act RSO 1990 (Regulation 562 Section 2 (1)(c) & Section 3) indicates that Service Clubs and other specified groups are exempt from certain regulations, many have found this has not been interpreted uniformly among Municipalities and local Health Departments.

It is recommended that Clubs ensure they are aware of and are following municipal and Health Department requirements for any event where food is to be prepared and served.

In some Municipalities this may even require that the Club obtains a short term permit for food vending including BBQ's undertaken at events held in the Community.

A Club that owns its own building, or has specific rights to use a non-owned building, may (if required) be able to obtain an annual Municipal food vending permit and compliance with health regulations respecting a permanent food preparation area or kitchen.

Ontario's Food Premises Regulations (section 32) under the Ontario Health Protection and Promotion Act required food business to employ staff that have obtained Food Handler Certification.

To receive this Certification, Food Handlers are required to complete an Ontario approved Food Handler Certification course.

At a minimum, food business operators must have at least one employee on their premise during all hours of operation who has completed an Ontario approved Food Handlers Certification course.

While it may appear that the above regulations may not apply to some Club food operations (see reference at the beginning of the section) it is however recommended that at least one or more members involved with the food handling complete a Food Handling course and become certified. A number of courses are offered and may be found on-line under Food Handling Certificates. Certificates are valid for 5 years.

The following web sites are provided for information on safe food handling. Municipal information must be obtained from your local municipal office.

www.ontario.ca/laws/regulation/170493

www.foodsafety.ca/laws-requirements/by-location/ontario

www.health.gov.on.ca/en/pro/programs/publichealth/enviro/docs/training_manual.pdf

www.foodsafetytraining.ca

Section 10 **Gaming, including Bingos**

All Lotteries conducted in the Province in Ontario are governed by regulations under the Alcohol and Gaming Commission of Ontario (AGCO).

In general, any lottery with a prize value of less than \$50,000 may obtain a Licence from the local Municipality. A prize value of more than \$50,000 must be obtained through the AGCO.

While the AGCO regulations provide the legal frame work for conducting Lotteries in Ontario, a Municipality may add certain requirements to the permit they issue provided it is not in conflict with the Provincial regulations.

Any Club considering undertaking a Lottery is strongly advised to become very familiar with the various regulations and reporting requirements before committing to a lottery event.

Once you have sold one ticket you are committed to continue with the draw.

The AGCO provides a Lottery Licensing Manual which outlines the numerous requirements for the various types of lotteries and also those requirements which are downloaded to Municipalities for prize values under \$50,000. To assist with implementation, specific material is available for each type of lottery.

It is also noted that workshops on the AGCO regulations are often conducted in various regions in Ontario. Refer to the AGCO web site for information on upcoming workshops in your area.

www.agco.ca/lottery-and-gaming/charitable-lottery-licensing-overview

www.agco.ca/lottery-and-gaming/lottery-licensing-policy-manual-llpm

Section 11 **Service of Alcohol**

A number of Lions Clubs provide bar services for special events or at events held at facilities which they own or manage.

Ontario Liquor laws provide regulations as to where and when liquor can be served and also the minimum age persons must be to not only drink alcohol but also to serve it at events. The regulations also provide that specific licences must be obtained to serve alcohol at various types

of functions. All licences with the Alcohol and Gaming Commission of Ontario (AGCO) are now done on-line and vary in prices depending on the type and size of the function.

In order to provide for responsible and safe provision of alcohol service to patrons it is strongly recommended that all servers obtain "Smart Serve" certification. These courses are available on line for a minimal cost.

Clubs involved with the serving of alcohol must also be aware that its insurance coverage will need to be reviewed to ensure it provides coverage for events that include alcohol. Speak to your insurance broker to determine what your requirements are. Often this coverage can be added to your annual liability insurance or provided as event specific coverage. Also review the LCI Insurance coverage to determine if this coverage can be obtained.

In this current social climate and increased litigation, it is strongly recommended that members ensure that all laws and regulations, including Municipal, be followed when providing alcohol service.

The following web sites are provided for further information:

[Smart Serve – Ontario](#)

www.agco.ca/alcohol/special-occasion-permits-private-event

Section 12

Miscellaneous Items

Vulnerable Sector Background Checks:

For certain activities undertaken by Lions Clubs there often is a requirement for members involved with the activity (i.e. Vision Screening or other similar projects) to have a vulnerable sector background check completed. These can cost between \$20-\$30 and are usually good for 4 years provided the members sign a declaration form during the 4 years.

The Club normally provides to the local police department, a letter for each member (on Club letterhead) requesting the background check and the reason for it.

A vulnerable sector check includes the same type of information that is disclosed in a criminal record and judicial matters check, as well as applicable findings of not criminally responsible due to mental disorder, record suspensions (pardons) related to sexually-based offences, and in certain circumstances, non-conviction charge related information; when a strict test is met.

<https://ccla.org/recordchecks/doc/Police%20Record%20Checks%20in%20Employment%20and%20Volunteering.pdf>

Sample Check List of Important Dates (2019-2020)
(Customize to reflect the needs of your Club)

<u>July</u>	<u>August</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Set Club Goals for year • Review Awards from previous year • Year- end financial review and annual budget. • Appoint Committees 	<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Draft locations for next activities
<u>September</u>	<u>October</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Complete tax return and Officer and Director return for CRA if applicable • Schedule District Officer visitations • Attend Zone Meeting (zone specific date) 	<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Attend Zone Meeting (zone specific date) • Attend Joint Zone Meeting (Region specific date) • Ensure Income Tax and Directors returns have been submitted to CRA
<u>November</u>	<u>December</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Attend Joint Zone Meeting (Region specific date) 	<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Attend Zone Meeting (Zone specific date) • Attend Joint Zone Meeting (Region specific date)
<u>January</u>	<u>February</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) 	<ul style="list-style-type: none"> • Submit LCI WMMR Report(month end) • Submit LCI Activity Report (month end)
<u>March</u>	<u>April</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Nominations for Club Officers • Attend Joint Zone Meeting (Region specific date) 	<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Election of Club Officers • Attend District Convention
<u>May</u>	<u>June</u>
<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Submit Officers report to LCI • Attend Officer Training • Attend MDA Convention 	<ul style="list-style-type: none"> • Submit LCI WMMR Report (month end) • Submit LCI Activity Report (month end) • Installation of new Officers. • Transition planning with new Officers

Summary of Abbreviations

<u>LIONS POSITIONS</u>	
1 st VDG	- 1 st Vice District Governor
2 nd VDG	- 2 nd Vice District Governor
CC	- Council Chairperson
CS	- Cabinet/Council Secretary
CT	- Cabinet/Council Treasurer
DG	- District Governor
DGE	- District Governor Elect
ID	- International Director
IPIP	- Immediate Past International President
IPDG	- Immediate Past District Governor
L/L	- Lion/Lioness
PCC	- Past Council Chairperson
PDG	- Past District Governor
PID	- Past International Director
PIP	- Past international President
PP	- Past President (or Peace Poster)
RC	- Region Chairperson
VDG	- Vice District Governor
ZC	- Zone Chairperson
<u>LIONESSE POSITIONS</u>	
1 st DVP	- 1 st District Vice President
2 nd DVP	- 2 nd District Vice President
IPDLP	- Immediate Past District Lioness President
MDALP	- Multiple District "A" Lioness President
LL	- Lioness Liaison
LP	- Lioness President
IPMDA LP	- Immediate Past Multiple District "A" Lioness President
MDAL VP	- Multiple District "A" Lioness Vice President
PDLP	- Past District Lioness President
PMDAL P	- Past Multiple District "A" Lioness President
PLP	- Past Lioness President

<u>ORGANIZATIONS</u>	
CA	- Constitutional Area
LCI	- Lions Clubs International
LCCKF	- Lions Clubs Camp Kirk Foundation
LCIF	- Lions Clubs International Foundation
LFC	- Lions Foundation of Canada (Dog Guides)
LQ	- Lions Quest
MD	- Multiple District
<u>OTHER</u>	
A16	- District A-16 (our District)
C & BL	- Constitution & By-Laws
ALLI	- Advanced Lions Learning Institute
CGL	- Certified Guiding Lion
CQI	- Club Quality Initiative
ELLI	- Emerging Lions Learning Institute
ES	- Effective Speaking
FDI	- Faculty Development Institute
GAT	- Global Action Team
GLT	- Global Leadership Team
GMT	- Global Membership Team
GST	- Global Service Team
LCIP	- Lions Certified Instructor Program
MyLCI	- app for reporting Club Membership
MyLion	- app for reporting Club Service
MJF	- Melvin Jones Fellow
PMJF	- Progressive Melvin Jones Fellow
PP	- Peace Poster (or Past President)
RLLI	- Regional Lions Learning Institute
SAR	- Service Activity Report
SCAW	- Sleeping Children Around the World
VS	- Vision Screening
WMMR	- Web Monthly Membership Report