

Town of Drumheller COMMITTEE OF THE WHOLE MEETING AGENDA

December 9, 2013 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, Alberta



Page

1.0 CALL TO ORDER

2.0 DEVELOPMENT OR REVIEW OF STRATEGIC PLAN

3.0 DEVELOPMENT OR REVIEW OF POLICIES

4.0 DELEGATIONS

- 4.1 Drumheller Titans presentation for Third Championship
- 4.2 Destination Marketing Organization - Chris Curtis
- 4.3 Friends of Society for the Badlands Community Facility - Ryan Seifried

5.0 REPORTS FROM ADMINISTRATION

5.1. CAO'S REPORT

5.2. DIRECTOR OF INFRASTRUCTURE SERVICES' REPORT

5.3. DIRECTOR OF CORPORATE SERVICES' REPORT

5.4. DIRECTOR OF COMMUNITY SERVICES' REPORT

6.0 ANNUAL BUDGET REVIEW

7.0 COUNCIL MEMBERS ROUND TABLE DISCUSSION

- 7.1 Mayor T. Yemen - Economic Development Opportunity

8.0 IN-CAMERA MATTERS

2-13



DRUMHELLER

CHIEF ADMINISTRATIVE OFFICER

Agenda Item # 4.3



Request for Direction

Date: May 13, 2013

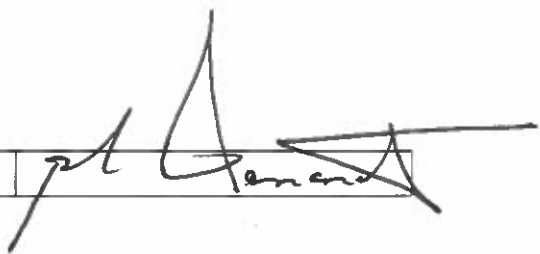
Topic:	Friends of BCF Society		
Proposal:	Forming a non-profit society to raise money for BCF. Friends of BCF society could achieve Charity Status and issue official tax receipts for donation and access funds through raffles, bingo's, and casino's that are otherwise not available.		
Proposed by:	Council		
Correlation to Business (Strategic) Plan	BCF Fundraising		
Benefits:	Society can issue tax receipts, apply for gaming funds through AGLC, may be eligible for government grants (if registered by Revenue Canada). Can receive charitable donations from other registered charities. Society takes on the task of fundraising. Donors may be more willing to donate to a "Friends of," society.		
Disadvantages:	Government must remain at an arms length, Fee's for incorporation and applying for gaming/liquor money. Success depends on the effort of volunteers.		
Alternatives:	Continue to fund raise without a society, non-incorporated society, community foundation.		
Finance/Budget Implications:	Current BCF fundraising monies need to be addressed and possibly transferred to friends of BCF.		
Operating Costs:	\$0	Capital Cost:	Loan (for seed) or Transfer of current fundraising monies
Budget Available:		Source of Funds:	BCF fundraising accounts
Budget Cost:		Underbudgeted Cost:	
Communication Strategy:			
Recommendations:	Council provide direction to Administration on the request as presented.		
Report Writer:		CAO:	

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

Telephone: (403) 823-1339

Agenda Item # 4.3

Position:

A handwritten signature in black ink, appearing to read "J. A. [unclear]", is written over a horizontal line that spans the width of the "Position:" label.

Agenda Item # 4.3

What is a society?

Societies are formed by five or more people who share a common recreational, cultural, scientific, or charitable interest. A society may not incorporate primarily to carry on a trade or business. The Societies Act regulates societies incorporated in Alberta. A group is not required to incorporate under the *Societies Act*. The decision to incorporate is made by each group.

Why would you incorporate a society?

Although a society does not need to incorporate, there are several advantages to formally incorporating the society. One advantage is that a member of a society may not be held responsible for the debts of the society.

A society may own property and may enter into contracts itself, as opposed to its individual members entering into the contract. The public's perception of a society is one having a more permanent status than an unincorporated group.

Please note that the set of standard objectives included in the Application to Form a Society (pdf) meets current *Societies Act* requirements for society incorporation in Alberta. Use them if they meet your organization's needs.

How is a society formed?

To form a society, you must provide a society name, describe the objectives or the purposes for which it was incorporated, provide the bylaws and give an address for the society.

Society Structure

The second step in forming a society is to complete an application form, which includes the objects or purposes for which the society was incorporated. In our example, the objects may include the raising of funds to build a memorial or to set up an educational fund on the dangers of white water rafting.

The third step is to complete a set of bylaws. These bylaws set out the way the society is organized and the rules surrounding all of its activities. Your society bylaws must include, for example, how new members join, and what their rights and responsibilities include. Other bylaws must set out how the membership will be notified for meetings, how directors may be appointed and removed, etc.

For the convenience of the society's founding subscribers, Corporate Registry can provide a standard set of documents, including both the application and bylaws. The society may choose to use the standard documents or may create its own application and bylaws.

Both documents must meet the *Societies Act* requirements. If they meet the society's own requirements for objects and/or bylaws, they may be used in the incorporation process. Both documents may be amended after incorporation.

Agenda Item # 4.3

Registering a Society as a Charity

An incorporated society may be eligible for government grants and to become a registered charity with Revenue Canada. However, if your organization intends to register as a charity, these objectives may not meet the requirements of the Canada Revenue Agency (CRA).

Prior to submitting information to CRA, you should determine what they consider to be charitable purposes and ensure your objectives meet their criteria. General information about charities (external site) is available along with CRA's policy for dissolution of a charity (external site).

Applicants who are incorporated under any statute must have bylaws that upon dissolution of the applicant group, require any assets remaining after paying debts and liabilities to be:

- Disbursed to eligible charitable or religious groups or purposes or
- Transferred in trust to a municipality until such time as the assets can be transferred from the municipality to an approved charitable or religious group or purpose

Where do I send the documents to incorporate a society?

- Submit the completed forms in duplicate, together with the NUANS report and the incorporation fee, to the Corporate Registry office. Corporate Registry personnel examine all society incorporation submissions and, if the requirements are met, will issue a Certificate of Incorporation under the Societies' Act.

Registering a Society as a Charity

An incorporated society may be eligible for government grants and to become a registered charity with Revenue Canada. However, if your organization intends to register as a charity, these objectives may not meet the requirements of the Canada Revenue Agency (CRA).

Prior to submitting information to CRA, you should determine what they consider to be charitable purposes and ensure your objectives meet their criteria. General information about charities (external site) is available along with CRA's policy for dissolution of a charity (external site).

Applicants who are incorporated under any statute must have bylaws that upon dissolution of the applicant group, require any assets remaining after paying debts and liabilities to be:

- Disbursed to eligible charitable or religious groups or purposes or

Agenda Item # 4.3

- Transferred in trust to a municipality until such time as the assets can be transferred from the municipality to an approved charitable or religious group or purpose

Obligations and Responsibilities After Incorporation or Registration

Once incorporated or registered, the legal entity (corporation, extra-provincial registration, society or non-profit company) must conduct business in Alberta according to the provisions set out in the following legislation:

- *Business Corporations Act* - for corporations and extra-provincial registrations of corporations and non-profit organizations
- *Societies Act* - for societies
- *Companies Act* - for non-profit companies
- *Religious Societies Land Act - Cemetery Companies Act*
- *Partnership Act* - Limited Liability Partnerships

Also, in Alberta, the majority of employers are required by law to have workers' compensation insurance for all of their workers, and must notify the Workers' Compensation Board (external site) within 15 days of hiring their first worker.

In Alberta, most employers must comply with Occupational Health and Safety and Employment Standards Legislation. Access the Alberta Employment and Immigration website.

Tax and Revenue Administration, a division of Alberta Finance and Enterprise, is responsible for corporate tax and revenue collection and administration for the province. Please access this link for information on corporate income tax or forms:

http://www.finance.alberta.ca/publications/tax_rebates/corporate/faqs.pdf.

Failure to comply with certain responsibilities may result in the legal entity being removed from Corporate Registry's active records. Filing an Annual Return is one requirement that is common to all legal entities, with the exception of Business Names.

Fee Schedule for Non-Profit Filings

The table below summarizes the more common transactions which may be filed.

Entity	<u>Annual Returns</u>	<u>Change Notices</u>	<u>Amend Notices</u>

Agenda Item # 4.3

Limited Liability Partnerships	Yes	Yes	Yes
Alberta Corporations	Yes	Yes	Yes
Extra-provincial Registrations	Yes	Yes	Yes
Societies	Yes	Yes	Yes
Non-profit Companies	Yes	Yes	Yes
Business Names	No	Yes	Yes
Religious Societies	No	Yes	Yes
Cemetery Companies Act	No	Yes	Yes

Fees

Type of Service	Societies Act Fee	Companies Act Fee	Religious Societies Act
Incorporation	\$50	\$75	\$50
Amalgamation	\$50	\$25	
Restoration/Revival	\$50	\$75	
Change of Objectives	\$25	\$25	
Change of Bylaws/Articles	\$0	\$25	\$0
Change of Name	\$25	\$25	\$25
Annual Return	\$0	\$0	
Appointment of Receiver	\$0	\$0	
Any certificate or certification for which a fee is not provided	\$25	\$25	

How to register a Charitable organization

Who must be registered?

A charitable organization must be registered under the *Charitable Fund-raising Act* if:

- It uses a fund-raising business
- It intends to raise more than \$25,000 in gross contributions in its financial year from solicitations (requests for contributions) to individuals in Alberta
- During or after the campaign it finds it has raised more than \$25,000 (if so, the charity must register within 45 days after the contributions reach \$25,000)

The Act applies to any incorporated or unincorporated organization that is formed for a charitable purpose. It applies even if the organization is incorporated under the *Societies Act* or registered with Canada Customs and Revenue Agency (Revenue Canada).

It also applies to any person asking for contributions to be used for a charitable purpose or charitable organization, even if that person is not connected to any charitable organization.

A charitable purpose includes any philanthropic, benevolent, educational, health, humane, recreational, religious, cultural or artistic purpose.

Who does not need to be registered?

- A charity asking for contributions from its members or their immediate families
- A charity asking for goods (e.g. furniture for an office, not for resale) or services (e.g. volunteers) that it will use for its administration or other non-charitable purpose
- A charity raising funds through raffles, pull tickets, bingos or casinos; contact the Alberta Gaming and Liquor Commission (external site) for licensing information

Registration Requirements

To register a charitable organization you must provide the following to Service Alberta:

1. A completed Application for a Charitable Organization (pdf) form
2. **The registration fee is \$60**, which is for a one-year registration

Note: Registration takes effect the date it is issued. The department will send you a renewal notice, the appropriate forms and instructions before your registration expires.

Agenda Item # 4.3

You must tell Service Alberta if your organization's address changes. Send this information to Service Alberta, Consumer Programs, 3c, 10155 – 102 Street, Edmonton, Alberta T5J 4L4.

3. All charitable organizations registering for the first time must submit copies of their solicitation materials and telemarketing scripts that will be used to solicit donations (these will be reviewed before the registration is issued to make sure the information meets the Act's disclosure requirements)¹

For further assistance with this topic, please contact the Consumer Contact Centre at 780-427-4088 (Edmonton and area) or 1-877-427-4088 (toll free - other areas in Alberta).

Alberta Gaming and Liquor Requirements²

Licensing Eligibility

The Criminal Code (Canada) requires that groups participating in charitable gaming must be charitable or religious in nature and that the proceeds from charitable gaming be directed to charitable or religious purposes. The province's Gaming and Liquor Act, the Gaming and Liquor Regulation, and its gaming policies establish the requirements to conduct gaming activities; this includes which groups may be eligible for gaming licenses and how they may use the gaming proceeds.

Groups that are eligible for charitable gaming licences in Alberta must:

- Actively deliver a charitable program or service that provides benefit to a significant segment of the community; the programs or services must be reasonably available to all members of the general public who qualify and wish to participate in that program or use that service.
- Eligible groups applying for a raffle with a total ticket value more than \$100,000 or bingo must have actively delivered a charitable program to the community for at least 12 months before applying for a gaming licence.
- For casino applicants, an active record of program delivery for the previous 24 months is required.
- The aim of this requirement is to ensure eligible groups have pre-existing support in the community and do not rely upon gaming funds for program delivery. Gaming proceeds are intended to supplement the volunteer activities of eligible charities rather than serve as a primary source of support.

Use the proceeds from its gaming activities for a charitable or religious purpose. For example, gaming proceeds may not be used for social events or personal apparel.

¹ Service Alberta

² Alberta Gaming and Liquor Commission

Agenda Item # 4.3

Structure of eligible groups

Only non-profit groups are eligible for charitable gaming licences. In this regard, to be eligible groups must:

- Have a broad-based volunteer membership,
- Have an executive democratically chosen from its volunteer base,
- Have unpaid members, directors or officers,
- Have programs which benefit a large segment of the community, not the individual members' self interest,
- Have volunteers who are responsible for establishing, maintaining control of and delivering the group's programs,
- Be incorporated (except for raffles with a total ticket value of \$10,000 or less).

For more information, refer to the Charitable Gaming Policies Handbook

Use of Gaming Proceeds

The revenue from bingo, casino, and raffle and pull-ticket sales may be used to pay for prizes and expenses related to operating the charitable gaming event.

The balance of the revenue, or the gaming proceeds, belongs to the charity for the charitable or religious purposes stated in the charity's gaming licence application.

The charities who hold bingo association events also receive grants from the Alberta Lottery Fund for a portion of the net revenue generated during their bingo events from electronic bingo and Keno; these are provincial gaming activities whose net revenues are placed in the Alberta Lottery Fund.

Licensed charities state in their application how they will use gaming proceeds prior to receiving their licence to ensure that gaming proceeds are only used for AGLC approved purposes which are essential to the delivery of the groups' charitable or religious programs.

If a charity wishes to change how it wants to use its gaming proceeds, the AGLC will review a written request and update the group's licence accordingly.

All licensed groups are required to complete financial reporting forms provided to them by the AGLC.

Groups with questions about specific allowable uses are invited to check the Charitable Gaming Policies Handbook.

Bingo:

Eligibility for Bingo Licence Application

In Alberta, only eligible charitable or religious organizations that have been issued a licence are allowed to conduct bingo events.

To qualify for a bingo licence, a group must have delivered a charitable program in Alberta for a minimum of twelve months at the time of application.

A licensed group's volunteers may hold bingo events at an association, a community, or a privately operated bingo facility.

Eligibility for Casino Licence Application

In Alberta, only eligible charitable or religious organizations that have been issued a licence are allowed to conduct casino events.

To qualify for a casino licence, a group must have delivered a charitable program in Alberta for a minimum of 24 months at the time of application.

A licensed group's volunteers generally hold two day events in a casino facility within a designated region within the province.

Pull Ticket

In Alberta, only eligible charitable or religious organizations that have been issued a licence are allowed to conduct pull ticket sales.

Pull tickets are a type of instant win ticket with sealed windows or pull tabs that open to reveal symbols, letters, or numbers that correspond to a specific prize.

Sales of pull tickets are normally restricted to a specified area within an organization's facility

Raffle

Agenda Item # 4.3

In Alberta, only eligible charitable or religious organizations that have been issued a licence are allowed to conduct raffle events.

The AGLC determines eligibility for a raffle; however, the method in which licences are issued is based on total ticket value.

- For raffles with a total ticket value \$10,000 and less, the licence must be obtained from any Alberta registry agent, or online using your AGLC internet account.
- For raffles with a total ticket value more than \$10,000, the AGLC issues the licence.

Financial Reporting

All licensed charities are required to complete a financial report for each charitable gaming licence. They are required to report to the AGLC the financial results of each gaming event, and how they used the resulting charitable gaming proceeds in accordance with their licence.

Proceeds include interest, dividends or other income earned on gaming proceeds deposited in interest-bearing accounts, or held (with AGLC approval) in deposit certificates or investments made by a trustee.

Societies Act

■ Five or more persons may become incorporated under this Act for any benevolent, philanthropic, charitable, provident, scientific, artistic, literary, social, educational, agricultural, sporting or other useful purpose, but not for the purpose of carrying on a trade or business. (3,1)

■ No society shall have a capital divided into shares or declare any dividend or distribute its property among its members during the existence of the society. (4,1)

■ Persons desiring to become incorporated under this Act shall make and subscribe an application for incorporation in the prescribed form, and also bylaws agreed on by them for the government of the society, and shall transmit the application and bylaws together with documents relating to corporate names that are prescribed by the regulations and an incorporation fee as set by the regulations, to the Registrar. (9,1)

The application shall set out

- (a) the intended corporate name of the society, and
- (b) the purpose or purposes for which incorporation is desired. (9,2)

Agenda Item # 4.3

Bylaws needed to incorporate are outlined in Section 9,4.