

## CHAMBER OF COMMERCE ESSENTIALS CHECKLIST

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- Incorporation Federally or Provincially
- Bylaws
- Board of Directors
- Membership
- Financial Processes and Procedures
- Chambers of Commerce Group Insurance Plan
- Communications and Digital Presence

### IS YOUR CHAMBER INCORPORATED FEDERALLY OR PROVINCIALY?

Incorporation offers the benefit of reducing liability to directors and staff and eliminating the payment of income taxes. Regardless of incorporation, chambers may be required to collect and remit PST and GST.

### PROVINCIAL: SASKATCHEWAN NON-PROFIT CORPORATIONS ACT (MOST COMMON)

- Must follow provincial labour standards – provincial holidays, etc.
- File annual return with Information Services Corporation (ISC)
- ISC does not require bylaws to be registered.
- Saskatchewan Non-Profit Corporations Act
- Registering a Business or Corporation with ISC

## FEDERAL: FEDERAL BOARDS OF TRADE ACT

- Must follow Canadian labour standards – national holidays, etc.
- File annual return with Industry Canada
- Within 12 months of approval of new bylaws, you must register the amended bylaws
- Indicate both the date the bylaws were approved by members & the changes made to the bylaws
- Federal Board of Trade information

## WHAT IS REQUIRED FOR INCORPORATION?

### Annual return filing

- Every non-profit corporation must, each year, send to the Corporate Registry an annual return.

### Financial statements

- Every non-profit corporation must, each year, send to the Corporate Registry a financial statement showing the assets, liabilities, revenue, and expenditures of the corporation, together with a report of the auditor or of the review, if required.
- Non-profits are required to hold an annual meeting of members not later than 18 months after incorporation and subsequently not later than 15 months after the previous annual meeting.
- The financial statement must be made up to a date not more than 4 months before the annual meeting of members. The statement must be signed by one or more directors indicating it has been approved by the directors.

## WHAT ARE BYLAWS?

Bylaws are the “skeleton” of your organization and set the governance structure for the board of directors, chamber members, and operations. Bylaws form the basis for operational decisions and should be reviewed by the board of directors regularly. They should always be posted and accessible. Bylaws identify the composition, length of terms, meeting schedule, meeting attendance, and time commitments required by directors of the board.

## BYLAWS CHECKLIST

- Member rights, obligations, and admission requirements
- Conditions of withdrawal/expulsion of members
- How and when to call general and special meetings, quorums, voting rights
- Director duties and powers; how to appoint/remove
- Borrowing powers (if applicable)
- Audit of accounts
- Custody and use of the corporate seal
- Making, altering, and rescinding bylaws
- Preparing and custody of minutes, meeting proceedings, books records,
- Time and place at which members may inspect books and records
- Parliamentary procedure
- Dissolution

## WHAT IS THE ROLE OF A BOARD OF DIRECTORS?

The board is responsible for directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained. Directors have specific statutory duties and obligations under employment and financial reporting law, as well as under the withholding provisions of taxation law. Board members must be residents of Saskatchewan, over the age of 18, and not be bankrupt.

### The Board of Directors:

- Directs and protects through effective governance
- Appoints committees & task forces
- Investigates and recommends actions for policy and goals
- Oversees the executive director (no role with support staff)
- Approves and monitors compliance with all significant policies and procedures by which the chamber is operated.
- Directs management to ensure the chamber always operates within applicable laws and regulations and to the highest ethical and moral standards; and reviews significant new policies or material amendments to existing policies.

## HOW DOES MEMBERSHIP WORK?

- ☐ Membership definitions are included in your bylaws. It is the board's responsibility to approve the membership annually.
- ☐ Member responsibilities include:
  - To approve bylaws at the annual general meeting
  - To elect directors to the board
- ☐ Maintain a listing of your members using a database system like Microsoft Excel or Customer Relationship Management (CRM) system like ChamberMaster.
  - Best practice: Never sell, lend, or rent this list. This list belongs to the chamber and members are protected under [privacy laws in Canada](#). It is important to stay current with any changes to the privacy laws that may affect your communication with your members.

## WHAT FINANCIAL PROCESSES AND PROCEDURES ARE NECESSARY?

### How are membership rates established?

- ☐ Check your bylaws
- ☐ Compare to other communities
- ☐ Base on current needs and not historical amounts

### How are memberships renewed?

- ☐ Memberships can be renewed on either an anniversary or calendar year basis
- ☐ Invoice 30-45 days before you want the payment to arrive

### Why is an annual audit required?

An audit is an independent, objective evaluation of an organization's financial reports and financial reporting processes

- ☐ The Board of Trade Act requires every corporation to have an annual audit and to present the auditor's report to the members at the corporation's annual meeting.
- ☐ The Saskatchewan Non-Profit Corporations Act allows certain organizations to determine whether their financial information will be audited. At the annual meeting

of members, membership corporations may resolve not to appoint an auditor.

- Under \$25,000 may resolve not to appoint an auditor to review
  - Less than \$100,000 in previous fiscal year need not appoint an auditor, but they must appoint a qualified person to review the corporation's financial statements
  - With revenues in excess of \$100,000 must have their financial statements audited
- ☐ Check your bylaws for guidance on auditor selection and process

### Other Financial Processes and Procedures:

- ☐ Accounts Receivable (Income):
  - Regular invoicing, receipt of money and making deposits
  - Accounts receivable journal, reminder statements for outstanding accounts receivable.
  - Other revenue options:
    - » Rental agreements
    - » Contracts and partnerships
    - » Economic development, tourism & museum, campground, etc.
    - » Operating reserve
- ☐ Accounts Payable (Expenses):
  - Input into the accounting system regularly. Pay the bills regularly to avoid paying late and incurring interest.
  - Payroll (if applicable)
- ☐ Annual Budget Preparation
  - Based on a realistic projection of income
  - Begin by preparing a projection of income and expenses based on the actual figures for the previous year
  - Determine what your chamber wants to achieve in the coming year
  - Fixed Costs
  - Fixed expenses should be covered entirely by your reliable income sources (fixed expenses are things like your building lease and utilities)

- Approval
- The operating budget must be reviewed and approved by the non-profit's board of directors before it is considered final

**Board responsibilities:**

- Establish spending approvals and signing authority
- GST/Wage Remittances should be provided to the board of directors on a regular basis.

## WHAT IS THE CHAMBERS OF COMMERCE GROUP INSURANCE PLAN (CHAMBERS PLAN)?

Chambers Plan provides guaranteed coverage options for small businesses as small as 1-2 person firms with access to "big business" group plan features. Nationally, Chambers Plan provides group benefits to more than 30,000 small and medium-sized businesses which are members of 900 chambers of commerce and boards of trade which endorse the program. Chambers Plan has become the largest small group insurance program of its kind in the country, providing tangible health and dental benefits since the early 1970s. From the National Service Centre, located in Winnipeg, Chambers Plan is administered by Johnston Group Inc., named one of Canada's 50 Best Managed companies every year since 2001.

- Benefits to chambers include:
  - New memberships
  - Revenue through administration fees
  - Improved member retention
  - All member firms are eligible (including one person firms, farms & home-based businesses)
- Chamber's role
  - Endorse the program
  - Monthly membership confirmation
  - Joint marketing initiatives
  - Invest a minimum of 10% of administration fees back into the program directly or through "in kind" contributions
  - Website links

## WHAT IS NEEDED FOR COMMUNICATIONS AND A DIGITAL PRESENCE?

The chamber is committed to maintaining open and transparent lines of communication with its members and stakeholders. Your chamber should have a digital presence. Options include a website, dedicated social media channels (i.e., Facebook page), listing on your town/city directory, enhanced listing on SCC's directory.

**The board has the responsibility to ensure that:**

- It is aware that it operates in a highly public environment. As the actions of the chamber can have a significant public impact, the board must ensure that communications with all levels of government, the business community, business, trade and professional associations and other stakeholders are appropriate and effective.
- The chamber has a policy in place to enable management and the board to communicate effectively with all levels of government, the business community, business, trade and professional associations, other stakeholders, and the public generally.
- Its membership receives adequate, prompt reports on the performance of the chamber, including financial results reported fairly and in accordance with generally accepted accounting principles; timely reporting of any other developments that have a significant and material effect on the chamber; and an annual report to the membership on the board's stewardship for the preceding year.

## FURTHER READING

- Chamber College: Board of Directors Roles and Responsibilities*
- Chamber College: Strategic Planning for Boards of Directors*
- Chamber College: Meeting Management Tips*