

How to Form a Non-Profit Company Tipsheet

Non-profit companies are incorporated under the *Companies Act*. They are organized like businesses but have non-profit goals or objectives.

All of a non-profit company's profits and income are to be used to promote the company's objectives. A non-profit company is prohibited from paying dividends to members. A statement to this effect must be included in the company's memorandum of association.

Private non-profit companies have restrictions on the number of members or shareholders and transfer of memberships or shares. At least two people are needed to form a private company.

Public non-profit companies do not have restrictions on the number of members or shareholders and transfer of membership or shares. At least three people are needed to form a public company.

INCORPORATION CHECKLIST

To incorporate under the *Companies Act*, you must send the following to Registries:

✓ two copies of the memorandum of association. See the sample on the back of this page.

✓ two copies of the articles of association. These are the internal rules of the company. You must prepare your own articles or do one of the following:

- if your company is limited by shares, you may use table a of the *Companies Act* and its articles
- if your company is limited by the guarantee of its members, you may use table a but you must remove all references to shares
- in the articles of association of private companies you must include the provisions of section 1(r) (i) or 1(r) (ii) of the *Companies Act*. If these provisions are not included, the company is registered as a public company.

✓ the articles of association shall be signed by each subscriber to the memorandum of association in the presence of a witness who shall attest the signatures. The articles of association must be dated.

✓ two copies of the notice of address. A form is available on our website at www.servicealberta.gov.ab.ca.

✓ a current Alberta name search report. This report must be purchased from one of the businesses on our website at www.servicealberta.gov.ab.ca/732.cfm. Registries will use this report to decide if your proposed name meets the requirements of the *Companies Act*.

✓ incorporation fee of \$75. Make cheque payable to the Minister of Finance.

Mailing Address:

Service Alberta
Registries
P.O. Box 1007 Stn. Main
Edmonton AB T5J 4W6

Walk-in Service:

Service Alberta
Registries
John E. Brownlee Building
10365 – 97 Street
Edmonton AB T5J 3W7

For information call:

Edmonton: (780) 427-2311

To contact Alberta Government offices toll free, dial 310 0000 then follow the instructions.

Sample One

Companies limited by Guarantee

(all items listed below must be included in your memorandum)

Memorandum of Association

1. The name of the company is: _____

2. The objectives of the company are: _____

3. The liability of the members is limited.

4. All profits and income will be used to promote the company's objectives. No dividends will be paid to members.

5. Members undertake to contribute to the assets of the company if it is wound up while they are members, or within a year of their leaving the company. This contribution is to be used to pay any debts and liabilities that the company had before they ceased to be members. The contribution is also to be used to pay any costs, charges, and expenses of winding-up, and for adjustment of the rights of the contributors. This amount may not exceed \$ _____.

6. Date: _____

7. The following clause must be stated:

WE, the several persons whose names and addresses are subscribed hereunder are desirous of being formed into a company in pursuance of this memorandum of association.

8. Subscribers' names, addresses and signatures.

9. Witness' name, address and signature.

Sample Two

Companies limited by Shares

(all items listed below must be included unless otherwise specified)

Memorandum of Association

1. The name of the company is: _____

2. The objectives of the company are: _____

3. The liability of the members is limited.

4. All profits and income will be used to promote the company's objectives. No dividends will be paid to members.

5. The authorized capital of the company is _____ divided into _____ shares with a nominal or par value of \$ _____ each. (Do not include this item if there are not any shares with par value.)

6. The company is authorized to issue _____ shares without nominal or par value. (Do not include this item and item seven if all shares have par value.)

7. The maximum price or consideration at, or for which, the shares without nominal or par value may be sold is \$ _____. (This is an optional item.)

8. Date: _____

9. The following clause must be stated:

WE, the several persons whose names and addresses are subscribed hereunder are desirous of being formed into a company in pursuance of this memorandum of association and respectively agree to take the number of shares in the company set opposite our respective names

10. Subscriber's names, addresses and signatures and number and types of shares issued to each.

11. Witness' name, address and signature.