## **Directors**

This page tells you what <u>Ontario's Not-for-Profit Corporations Act</u> (ONCA) says about directors. It explains, for example, a director's roles and responsibilities, who can be a director, and how long they stay on the board.

If you incorporated before ONCA came into effect on October 19, 2021, your bylaws or articles may not comply with the rules explained below. You have until **October 18, 2024**, to review, update, and file your governing documents with the Ontario government. Until then, your articles and bylaws continue to be valid. This is true as long they were valid before ONCA took effect.

## What does the director of a nonprofit do?

ONCA says directors are expected to "manage or supervise the management of the activities and affairs of the corporation" (s.21). This means that **directors** are responsible for what the nonprofit does.

**Directors must:** 

- act honestly and sincerely, and do what's best for the nonprofit
- be as careful and thoughtful as a reasonably careful person would be in a similar situation

**Directors also have specific duties**, for example, they must call members' meetings and keep records.

Directors must go to board meetings, be familiar with the issues discussed and get advice from experts when they need. They must be transparent and inform the nonprofit of any conflicts of interests.

One of your directors must agree to be chair of the board.

There are **some duties that only a director must do**. They cannot ask anyone else to do them. For example, only the board can:

- vote to change bylaws or accept new bylaws
- fill vacancies on the board
- hire an auditor
- take on debt for the nonprofit
- approve financial statements
- decide on member dues and fees

## What's the difference between a director and an officer?

- Many nonprofits use the terms director and officer as though there's no difference between them. But, the roles of directors and officers are different.
- Directors make decisions for the nonprofit by being part of the board.
  But officers are only in charge of specific tasks and duties involved in running the nonprofit based on their position.
- Usually, directors can also hold officer positions in the nonprofit.
- Here are some other differences between directors and officers:

	Director	Officer
Who selects them?	Members elect directors	The board appoints officers.

What is their role in the nonprofit?	Sit on the board to oversee the nonprofit.	Carry out specific jobs.
Can they make decisions?	Collectively through board resolutions.	Individually for what they're responsible for.
Can they vote on board decisions?	Yes.	No, unless they're also directors.

Additional information can be found at the following:

https://nonprofitlaw.cleo.on.ca/run-a-nonprofit/new-directors-page/