

Information session for Yukon societies

September 13, 2023

Managing complaints and wrongdoings





Who's here?

- Please introduce yourself in the chat
- Sign up for our mailing list, if you haven't already:

<https://forms.office.com/r/JRBv8Aw4W2>



Beware of the transitional fiscal year!

- If you haven't completed your transitional fiscal year, you won't be able to file your annual report online.
- You might still need to file your annual report using our old paper forms, which [you can find here](#).
- If you need to file your next annual report after April 1, 2024, you won't be able to use the old forms.
- **If you're not sure how to file your annual report, contact me first!**





On the agenda for today...

- The role of the registrar
- Tips for resolving society issues internally
- Offences
- Investigations
- Who to contact



Common complaints to the registrar

- A member or a board member does not like what other board members are doing
- A member has questions about the decisions of the board and is having difficulty getting a response
- A society is not releasing records that it should
- Interpersonal conflicts or difficulties working together as a group
- Questions about whether the certain activities are allowed in the *Societies Act*
- Questions about admission of members or other aspects of a society's bylaws



The registrar's role in managing complaints:

The registrar might:

- ✓ Give you information what the *Societies Act* says
- ✓ Give you some basic information about a society
- ✓ Provide advice about how to resolve matters internally
- ✓ Issue letters to a society asking for more information
- ✓ Make a complaint to court
- ✓ Participate in an investigation
- ✓ Order a society to provide a record

The registrar will not:

- × Investigate societies on their own
- × Disclose information they might have about the internal affairs of a society
- × Act on complaints without substantial evidence
- × Charge a society with an offence
- × Act as an enforcement officer for the *Societies Act*
- × Offer legal advice



Tips for resolving society issues

- Become a member
- Check a society's records
- Request a general meeting
- Propose a topic or special resolution to be considered at a general meeting
- Ask the accountant to attend a general meeting
- Amend financial statements
- Vote to remove or discipline a board member or member
- Vote on a special resolution

Become a member

Voting members can:

- ✓ Vote to elect board members (usually at an AGM)
- ✓ Request general meetings
- ✓ Ask that an accountant attend a general meeting
- ✓ Propose an item for the agenda at an AGM or other general meeting
- ✓ Propose a special resolution and vote to pass it
- ✓ Access records
- ✓ Vote to require that a society get a financial review from an accountant



Check the society's bylaws to see if there are any qualifications for membership and to make sure you could join a voting class of members.

You may have to request the bylaws. You do not have to be a member of a society to request a copy of the bylaws.



Check a society's records

- Members and non-members can request the following records:
 - Bylaws
 - Records of conflicts of interest
 - Minutes of general meetings
 - Copies of ordinary or special resolutions
 - Financial statements
 - Board meeting minutes
 - Accounting records
- However, only members can see the register of members or records about payment to directors that identifies them by name



What if the society won't provide the records?

- Societies are required to provide a record within 14 days of receiving a request
- If they don't provide it, an applicant can ask the registrar to order the society to provide a copy





How the registrar can help release records

- If the registrar agrees that the applicant is entitled to a record, they must order the society to provide the record
- The society must respond within 15 days
- They can either provide the record or a signed statement explaining why they haven't provided the record
- The registrar will share the record or the signed statement with the applicant
- If the society doesn't comply with the registrar's order, or if they provide a signed statement instead of a record, the applicant can apply to court.

Request a general meeting



- Members can request a general meeting by sending a written request to the society and to each board member.
- The request must:
 - Be signed by 10% of the voting members
 - Explain the reasons why they're requesting the meeting
 - Contain any special resolutions the members hope to pass
- The board then needs to call a meeting and schedule it within 60 days of when they receive the letter
- If 3 weeks pass and the board still hasn't called a meeting, the members can call the meeting themselves

Propose a topic for a general meeting

- Members can propose a topic for a general meeting by writing a proposal to the society
- The proposal must be:
 - 500 words or less
 - Signed by two members or 5% of voting members, whichever is greater
- If the society gets the proposal more than 7 days before issuing notice, they include the proposal in the notice
- Notice also includes:
 - A copy of the proposal
 - The names of the voting members that signed the proposal
- Societies don't have to consider proposals that are similar to ones that have been made in the last 2 years



Ask an accountant to attend a general meeting



- Write to the society at least a week before the meeting
- Ask that the accountant be required to attend
- Inform the accountant as soon as practical
- The society must pay any related expenses

Amending financial statements

If your financial statements need to be changed based on information that could have been known before the AGM, the board needs take the following steps.

A board member should communicate as soon as possible to the accountant to other board members

The board must amend financial statements and send them to an accountant

The board then needs to share the amended financial statements with members and explain the effect



Vote to remove a member or director

To remove a director:

- The society needs to vote by special resolution to remove a board member
- Follow any other rules in the bylaws
- The society can also elect someone to replace them for the rest of their term



To remove a member:

- The society needs to vote by special resolution, unless the bylaws have different rules
- The society must send the member written notice of the reasons for their removal
- Give the member a reasonable opportunity to tell their side of the story

Being on the receiving end of a complaint

General tips for dealing with outrage

- Stake out the middle, not the extreme
- Acknowledge mistakes, missteps and unintended consequences
- Acknowledge current problems
- Discuss achievements with humility. Give away credit
- Share control and be accountable
- Pay attention to unvoiced concerns and underlying motives





Being on the receiving end of a complaint

Ideas for societies

- Reconsider your decision, or involve people in making the decision going forward
- Consider whether you can set up a policy or approach that everyone can agree upon to deal with this issue in the future
- Consider passing a special resolution, even if it's not required by the Act



Offences

Improperly distributing a society's property

A society can only distribute its money and property if:

- It's being sold for a price agreed upon by both parties
- To further the purposes of the society
- For the payment of costs and expenses as a normal part of the society's activities
- To pay or distribute property to a qualified recipient

Selling or leasing all or most of a society's property without authorizing it by special resolution is also considered an offence.

Improperly using or keeping records

For example, you can't use a society's register of members or directors for any reason other than:

- Call a general meeting
- Make a members' proposal
- Influence the voting of members
- Advance the affairs of the society

It's also an offence to not provide a record when you're required to without a reasonable excuse.



Offences

Financial mismanagement

- Investing a society's funds in anything other than what bylaws allow
- Issuing financial statements that haven't been signed by the board
- Falsifying an accountant review
- Appointing an accountant who is not independent of a society or who is not qualified
- Refusing to give your accountant the information they need
- Failing to amend your financial statements if information comes to light that requires them to be amended
- Being an accountant for a society and refusing to attend an AGM without a reasonable excuse

Being unqualified

The Societies Act has qualifications for:

- Board members
- Accountants
- Liquidators

Acting in one of these positions without meeting the qualifications is considered an offence.



Offences

Misleading statements

- Making a false or misleading statement that appears in a society's records
- Omitting certain information that makes a statement or a record false or misleading

Other offences

- Failing to notify the registrar when a liquidator resigns
- Failing to assist a liquidator
- Accepting donations or public money as a member-funded society and failing to change to a Class A / B society
- The Act also says that a member can apply for a court order on the grounds that the activities of a society were unfair, oppressive or prejudicial to a member



What to do if you suspect a society of an offence

Penalties for committing an offence can range from fines to imprisonment.



TRY TO RESOLVE THE MATTER INTERNALLY



CALL THE RCMP



TALK TO A LAWYER ABOUT TAKING THE MATTER TO COURT



Approaching the court

What can the court do?

- Prohibit the society from doing something it planned to do
- Regulate the society's internal affairs
- Remove a board member or appoint a new one
- Require the society to provide financial statements to the court
- Order the society to compensate someone
- Order the society to correct its records
- Order the society to be dissolved
- Order the society to release its records
- Stop the society from doing something that doesn't comply with the Act or is contrary to the society's purposes
- Direct someone to comply with the Act
- Order an investigation

Investigations

- A complainant can apply to the court for an investigation.
- The registrar gets notified when an investigation of a society takes place
- The person who asks the court to order an investigation will also be responsible for paying the investigator, unless the court orders that the society pay the cost.
- Work with a lawyer to determine whether going to court for an investigation is the right course of action.





Legal resources



Contact a law firm



[The Law Society of Yukon](#)



[Yukon Public Legal Education Association \(YPLEA\)](#)



Law line: 867-668-5297



[Court services](#)



More resources for societies

- [Sign up for our mailing list](#)
- [Information sessions and resources](#) – where you will find slides and recordings from previous sessions.
- Yukon.ca/societies has lots of useful tips on different topics
- Contact me at 332-7950 or societies@yukon.ca



Next information session

- There will be another information session in October
 - Possible topic: Preparing financial statements according to the regulations
- Sign up for our mailing list to get the invite
- [Give me feedback on my information sessions](#) and tell me what you want to learn about next!