# **Societies**

#### 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 <u>Societies Act</u> 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 <u>Application to Form a Society</u> (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 Names**

The first step in incorporating a society is to choose a name. Your society's name must not be the same, or similar to, any other society or corporation's name. A society name is made up of three parts, or elements, all of which must be present in the name but not in any particular order. An example of a society name is the "John Smith White Water Rafting Memorial Foundation".

The "distinctive element" is a unique word or location that makes the society's name different from others. In our example, "John Smith White Water Rafting Memorial Foundation", the distinctive element is "John Smith". This part should set your name apart from other names, making it distinctive and easy to remember.

The "descriptive element" describes what the society is or does. In our example, the descriptive element would be "White Water Rafting Memorial".

The "legal element" must be one of the following words:

- Society
- Association
- Club
- Fellowship
- Guild
- Foundation
- Institute
- League
- Committee
- Council
- Board
- Centre
- Bureau

In our example, the legal element is "Foundation".

Once you have decided on your name, you will have to obtain a <u>NUANS Report</u>. This report will be used to decide whether your group can use the name you have chosen. If you choose to have a name that is similar to another name, you will need to obtain written permission from the other group to use the similar name.

### **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.

### **Handling Internal Disputes**

Occasionally, society members disagree on how to handle internal matters. Corporate Registry does not supervise the conduct of societies, nor does it provide a counseling service on matters other than forms and the documents filed with them. Societies must be prepared to resolve their own internal disputes.

To ensure that internal disputes are handled fairly, Corporate Registry recommends including a bylaw outlining an arbitration procedure. See "General Information" and "Section 22 of the Societies Act" for further information.

### Where do I send the documents to incorporate a society?

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