

What Are Some of the Terms Used During Incorporation and What Do They Mean?

Charity: giving voluntarily to those in need; an organization or institution for helping those in need (Oxford).

Charitable Organization: defined in its simplest form, it's an organization providing relief to those in need. However, this term is most often used to denote an organization that is registered with Canada Revenue Agency as a recognized charity and thus able to issue charitable receipts for donations. Also referred to as Charitable Status or as a Registered Charity.

This term is also used by the Alberta Government to denote an organization that has registered as a Charitable Organization with the Corporate Registry of Alberta Government Services under the Charitable Fund-Raising Act. This is required by an organization that uses a fundraising business, or has contributions from individuals in Alberta exceeding \$25,000 in a financial year.

Non-Profit Organization: a general term denoting any organization formed whereby any profits realized from the activity of the organization are used solely for the purpose of promoting the objects of the organization and not paid to the members.

Non-Profit Company: a term primarily used by Alberta Government Services to denote a nonprofit organization that will operate a company for profit but the profits will be used solely for the purpose of promoting the objects of the organization and will not be paid to members. (e.g., Salvation Army Thrift Shop)

Not-for-profit Organization: synonymous with Non-Profit Organization. The term was coined to rid the notion that the term non-profit may suggest organizations do not make any profit. Not for Profit means an enterprise can make a profit but the organization does not exist solely to do so.

Non Governmental Organization: (NGO) an organization that is not government. Most often the term is used to differentiate between government, which in all respects is a non-profit organization, and other non-profit organizations.

Rules and Regulations, Bylaws, Constitution, Governing Rules, and Charter: synonymous terms denoting the laws established to govern an organization.

Society: an association of persons united by a common aim or interest or principle (Oxford). Alberta Corporate Registry views a society as an association of 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.

Registered Society: a society that has been incorporated with the Corporate Registry of Alberta Government Services.

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The information in this material is written generally and may not exactly fit the needs of your organization. It is meant to be a starting point for you to deal with some of the issues which face many not-for-profit organizations.

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