

## ORNAC SEEKS FEDERAL INCORPORATION

Operating Room Nurses Association of Canada (ORNAC) has recently begun the process of applying for Federal Incorporation. Based on recommendations from the finance committee and ORNAC's legal advisors the Executive and Board have retained professional legal services to assist with the application process.

Understanding the details involved in this undertaking would be similar to learning a foreign language. Between the legal terminology, and the language used by Industry Canada, an interpreter is definitely in order!

A corporation is defined as a legal entity or structure created under the authority of the laws of a province or territory consisting of a person or group of persons who become shareholders. The entity's existence is considered separate and distinct from that of its members. Like a real person, a corporation can enter into contracts; sue and be sued; pay taxes separately from its owners; and do the other things necessary to conduct business. Since a corporation is an entity in its own right, it is liable for its own debts and obligations. As a result, providing that corporate formalities are followed, the corporation's shareholders typically enjoy limited liability and are legally shielded from the corporation's liabilities and debts.

Each province and territory and the federal government can grant an incorporation. All provinces and territories recognize corporations from other provinces, as well as ones that have been incorporated federally, so other factors determine whether an organization should incorporate federally.

Since ORNAC manages its organization and does business via a "virtual office" through the secure [www.ornac.ca](http://www.ornac.ca) website and has no physical head office, the best choice was to seek Federal Incorporation. The most convincing aspect of incorporation is that it will facilitate ongoing operations and decision-making. There are no set restrictions with regards to the province or territory where the head office is located, the corporate records are maintained and where the annual general meetings are held. Equally as appealing is the potential for increased credibility

from both the public and political perspectives. The disadvantages of federal incorporation include start-up costs that are directly related to the process of setting up the corporation as well as professional fees for legal and accounting services. Additional downsides to this process include the complex application process itself and the requirement by Industry Canada to receive approval from the Minister of Industry when ORNAC wishes to make changes to certain bylaws. Carrying on business as a corporation will require ORNAC to file an annual return and inform Industry Canada of any changes to the Board of Directors and/or location of our registered office. All of this will lead to an increase in the ongoing professional costs for legal and accounting services.

The basic tenet of incorporation for ORNAC to be considered a not-for-profit Corporation is that its directors (Executive and Board) share the responsibility to act in best interests of the corporation. ORNAC currently aspires to practicing all elements of good governance within the organization. Incorporating will emphasize these elements. A few of the elements of good governance include steering toward the mission and guiding strategic planning, being transparent, developing appropriate structures, maintaining fiscal responsibility, ensuring an effective management team is in place and overseeing its activities, and planning for succession and diversity of the Board. Incorporation will also emphasize the requirement of the directors to practice fiduciary duty (obligation of loyalty, honesty and good faith).

Operating a not-for-profit corporation involves complex legal, accounting, and tax issues. It is mandatory that the ORNAC Executive and Board have sufficient knowledge about these issues. ORNAC has the duty to seek professional advice and assistance to ensure compliance with applicable laws. Reliance on outside professionals provides evidence of due diligence by ORNAC.

To date, ORNAC has made the necessary changes to the bylaws in order to align with Industry Canada requirements. It has also begun the enormous task of reviewing and revising its

Rules and Regulations to reflect the current bylaws and practices of the ORNAC Executive and Board. Once the Executive and the Board have approved all bylaw revisions, the new bylaws, along with the application for Letters Patent, an open letter issued by the government granting a right or status to a corporation, will be submitted to Industry Canada. Once both items have been approved ORNAC, Inc. will begin conducting business as a corporation.

The entire process is expected to be completed by late fall 2006. The transition should be completely seamless and without disruption of services to the membership. For more information please do not hesitate to contact ORNAC at [www.ornac.ca](http://www.ornac.ca). 🍁

### Bibliography

Industry Canada, *Guide to Federal Incorporation*, [www.corporationscanada.ic.gc.ca](http://www.corporationscanada.ic.gc.ca)

## 2006 ORNAC AWARDS

### LE PRIX DE RÉDACTION DE L'AIISSOC / ORNAC JOHNSON & JOHNSON MEDICAL PRODUCTS DRAKE-THOMPSON WRITING AWARD

Out of all of the CORNJ articles published in 2005, nine met the award criteria. After reviewing blinded articles, the Award Committee selected authors **Margaret Farley** and **Linda Socha** for their joint efforts in the March 2005 CORNJ article titled *Severe Acute Respiratory Syndrome and its Effects on Health Care: How Canada has Dealt with this Ordeal*.

Parmi les articles publiés dans la revue de l'AIISSOC en 2005, neuf ont satisfait aux critères de ce prix. Après la révision d'articles anonymes par le comité de prix, celui-ci a choisi l'article de **Margaret Farley** et **Linda Socha** publié dans le numéro de mars 2005 de la revue : *Le Syndrome Respiratoire Aigu Sévère et ses Effets sur les Soins de Santé : Comment le Canada à fait face à cette crise*.

### BOURSE AIISSOC / ORNAC JOHNSON & JOHNSON MEDICAL PRODUCTS BURSARY FOR OR NURSES / POUR PERSONNEL INFIRMIER DE SALLE D'OPÉRATION

Six applications were received for this bursary. After review by the awards committee, education bursaries were awarded to **Jackee Higgins**, *Doctorate of Education, University of Toronto*; and **Bonnie Patterson**, *Bachelor of Science in Nursing, Ryerson University*.

Nous avons reçu six demandes pour cette bourse. Après la révision de celles-ci par le comité de prix, **Jackee Higgins**, *candidate au doctorat en pédagogie à la University of Toronto*, et **Bonnie Patterson**, *candidate au baccalauréat en sciences infirmières à la Ryerson University*, ont toutes deux reçu une bourse.

**CONGRATULATIONS TO ALL THE WINNERS!!!**

**FÉLICITATIONS À TOUS LES RÉCIPENDAIRES!**