



## Federal and Provincial Non-Profits and Charities

Last Reviewed: February 2026

Reviewed by: LFNP Contributors

Time to Read: 15 minutes

This Fact Sheet provides information about the differences between federal non-for-profits and Yukon societies.

In the non-profit sector there are a number of ways to become legally established (aka incorporated): federally or provincially. Federal not-for-profits are incorporated under the *Not-for-Profit Incorporations Act*. In Yukon, non-profits are usually incorporated under the *Societies Act*. The table below explains the key differences.

### Key Differences Between Federal Not-for-Profit and Yukon Societies (Non-Profits)

Comparison Factor	Federal Not-for-Profit	Yukon Societies (Non-Profits)
Constitution	Name, purposes, registered office location, range of directors, restrictions on activities, liquidation clause	Name and purposes only
Bylaws	Directors may make, amend, and repeal bylaws to be approved by members	Voting members pass bylaw amendments at general meetings
Board of Directors	Minimum one director  Must have a public accountant on the Board if NPO is a soliciting corporation	Minimum three directors, one of whom resides in Yukon.

Financial Review Requirements	Stringency of review depends on amount of revenue - can be onerous  Members may waive audit if revenue below \$50,000	Not required to have an audit, unless required by the members or the bylaws (or by funders)  Class A Societies are required to have an accountant.
Financial Disclosures	Must prepare financial statements every calendar year  Must send summary financial statements to members prior to AGM	Must prepare financial statements every fiscal year  Must disclose top 10 employees, directors, or contractors paid over \$75,000 per year  Directors can only be paid if bylaws permit  Must provide financial statements to members of public upon request
Operations	Must register extra provincially if carrying on business (such as hiring staff) in each province.	Must incorporate intra provincially if going to operate in other provinces

Once an organization is legally established (incorporated), it can apply for charitable status.

Charities are those non-profits registered with the Canada Revenue Agency (CRA) that can issue tax receipts for donations. There are also only four purposes the CRA accepts for charities: advancement of education; relief of poverty; advancement of religion; or other purposes beneficial to the community (e.g. health, environment, arts, community economic development). An organization will usually have to be legally established (i.e. incorporated) before it can apply for charitable status. The non-profit's purposes and activities must both be charitable to qualify for charitable status. Societies with appropriate charitable purposes and activities can register later for charitable status.



Becoming a registered charity is a major undertaking and can take 9-12 months. The CRA has strict rules regarding, when a charity can run a business aka social enterprise , it must be either run substantially by volunteers or linked and subordinate to the charity's purpose. More information on the process can be found on the Charities Directorate website (link on the Helpful Links page).