The Greenbelt Farmers’ Market Network

Not-for-Profit Organizations: Resources for Farmers’ Markets

Farmers’ Markets can be organized in a variety of structures - through a residents’ association, through the municipal government or BIA, as an independent grassroots community organization, partnered with a not-for-profit or charity or registered as a not-for-profit entity. Many new markets are adopting a not-for-profit structure, some older markets have transitioned to not-for-profit status and others are considering a change.

The resources collected here aim to:

- assist new markets in understanding if the not-for-profit model is right for them;
- assist established markets considering a transition to not-for-profit status (advantages and disadvantages of incorporation);
- provide resources for administrative and financial tasks including bookkeeping, tax filing, annual returns etc.

While the resources listed below are not specifically aimed at farmers’ markets, they are useful in understanding how markets can incorporate and how they should function as not-for-profits, if they choose to follow that route.

Advantages and Disadvantages of Incorporation

Advantages of Incorporation for Farmers’ Markets:

- A more organized and accountable market
  - Board of Directors and annual general meetings are mandatory
  - Reporting about finances and activities are required
- Expanded funding opportunities
  - It is often easier to apply for funding as a not-for-profit
- Individual vendors, staff or volunteers are not personally liable/responsible for debt
  - It is also easier to get a bank account under the Farmers’ Market’s name
- Requires a detailed mission statement
  - In the process of incorporation, not-for-profits must create a detailed mission statement. This will provide farmers’ markets the opportunity to think through their missions and objectives if they have not yet done so.

Disadvantages of Incorporation for Farmers’ Markets:

- The formally organized structure of not-for-profit may not suit all farmers’ markets
- Navigating rules and regulations: Incorporated markets face requirements including:
  - Providing paychecks for employees
  - Accounting and annual tax return
  - Reporting: not-for-profit are subject to more stringent reporting requirements
  - More paperwork
Resources Relating to Incorporation

The following resources aim to help market managers decide if incorporating is the best strategy for their specific markets. They also indicate how to avoid obstacles in the process of incorporation while benefitting from the not-for-profit structure.

**Not For Profit Incorporator’s Handbook**  
(www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/not_for_profit_incorporators_handbook_en.pdf)  
Provides general information on the nature of a charitable organizations and not-for-profit corporation and guidelines on how to incorporate. This includes:  
- Pros and cons of incorporation  
- Importance of corporate name  
- Steps for how to incorporation  
- Corporate maintenance and filing requirements

**Grassroots Governance: Governance and the Non-Profit Sector**  
(www.cga-ontario/assets/file/publication_grassroots_governance.pdf)  
This handbook offers much of the same introductory information to not-for-profits as the Incorporator’s handbook but in less detail. Instead, it focuses more attention on how smaller, more grassroots initiatives (like Farmers’ Markets) transition to not-for-profit. This includes how grassroots initiatives must reconsider their mission statements, setup (including boards, administration, finances) and accountability. This is an in-depth read that will help grassroots initiatives understand whether incorporating is the best approach and if so, how to effectively transition.

**Keeping the Record Straight: Introductory Accounting for Not-for-Profit Organizations**  
Developed by the Certified General Accountants of Ontario, this resource answers questions regarding record keeping, and provides assistance in properly managing funds for small organizations. This includes the basics such as cash receipts, petty cash, cheque disbursements, invoicing payroll, etc.

Resources Relating to Not-for-Profit Organizations

**About the Not-for-Profit Corporations Act** (www.sse.gov.on.ca/mcs/en/Pages/onca1.aspx)  
Keep checking this website/other online resources as rules to incorporation are changing:  
“Ontario’s Not-for-Profit Corporations Act, 2010 (ONCA) will make it easier for not-for-profit corporations to operate in today’s economy. It is targeted to come into effect on July 1, 2013.”

**Starting an Organization: Ministry of Agriculture, Food and Rural Affairs**  
(www.omafra.gov.on.ca/english/rural/facts/88-017.htm)

**Insurance and Resource Centre for Nonprofits**  
(www.nonprofitrisk.imaginecanada.ca/)