



CANADIAN SOCIETY OF ASSOCIATION EXECUTIVES  
SOCIÉTÉ CANADIENNE DES DIRECTEURS D'ASSOCIATION

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# A Not-For-Profit Sector Primer

**ASSOCIATIONS MAKE A BETTER CANADA**

**CANADIAN SOCIETY OF ASSOCIATION EXECUTIVES**

The voice and resource for Canada's not-for-profit sector since 1951

## ASSOCIATIONS MAKE A BETTER CANADA

Canada's not-for profit organizations (NPOs) represent an enormous collective presence, imparting economic and social benefits that touch each of us every day.

They directly employ thousands of individuals, contribute billions of dollars to our economy each year, dedicate substantial resources to the education and professional advancement of their members, champion and promote charitable causes in communities throughout the country, and enhance and strengthen product, service and professional standards to ensure greater consumer protection.

### OVERVIEW

All NPOs share some basic similarities: they cannot issue shares; must have a mandate or goals; abide by their constitution or by-laws; and have a governing body or Board of Directors, officers and members. Many employ full-time staff, although smaller organizations may depend upon volunteers or part-time workers for administrative support.

Many NPOs are called associations, while others are referred to as institutes, societies, councils, alliances, non-profits, charities, foundations and clubs. Although there are subtle differences in the meanings, the titles generally describe the organization's role in the community or the rules under which the organization must account for its funding. A foundation, for example, is generally a registered charity or research organization. A non-profit is often a registered charity or community organization, while an institute or society may encompass individuals in a profession or a registered charity.

Industry or trade groups are typically comprised of businesses (usually competitors) that share common activities and interests (associations of manufacturers of certain products or materials, for example, or that provide certain services).

Commercial or business organizations' members usually represent diverse business activities that share common interests, such as chambers of commerce, boards of trade, tourism and convention associations.

NPOs also improve occupational health, safety and environmental standards, serve as clearinghouses for public information, provide much-needed economic indicators and government statistics, and play a constructive role in the development and vitality of Canada's public policy process.

***Codes of ethics are essential to the very functioning of most professional organizations. These professionals are, in fact, bound by the canons contained within their organization's bylaws.***

Professional associations typically consist of individuals who share a specific vocation, background and common interests (lawyers, doctors, dentists, architects, accountants, etc.). Membership is usually involuntary, based on academic credentials, practice rights or accreditation/certification in a profession or vocation.

Certain accreditation-granting bodies, such as those for lawyers, doctors, dentists, accountants, engineers, pharmacists, etc., require individuals to be members of their organizations before being accredited and/or for practicing in their particular vocation. They may also revoke the right to practice and/or use professional designations should membership lapse or practice standards be breached. In effect, anyone who visits a doctor, enters a hospital, consults a lawyer or accountant, flies in a plane or goes to school — or just about anything, for that matter — derives benefits from the not-for-profit sector.

Registered charities (often referred to as non-profit organizations) are eligible for tax exemption under the Income Tax Act and must be registered by the federal government. They may issue receipts for donations, earn income on charitable contributions, and must be constituted for — and operate exclusively in — the areas of social welfare, civic improvement, etc. Special interest groups are typically organizations that share a special interest, such as associations of universities or municipalities, while common interest/advocacy groups consist of individuals from diverse vocations who share a common interest, such as the environment, humanitarian issues, and athletic, ethnic or cultural interests.

## ADDING VALUE TO SOCIETY

NPOs promote shared interests, solve common problems, and exchange, build upon and advance common knowledge. Most have as one of their objectives the need to serve the public interest. Some are involved in writing and enforcing professional standards, and most provide educational and professional development services for their members. Others exist to share industry statistics and market trends, or to keep up with technological advances in a fast-paced information age. Still others are actively engaged in funding research into debilitating illnesses and improving the physical and social quality of life in our communities.

***Most NPOs provide education programs. In many industries and professions, they offer the best – and in many cases, the only – form of continuing education and skills development. Seminars, workshops, conferences, trade shows and online programs are among the many delivery systems used for specialized education.***

Every NPO, whether it's been operating for decades or is just establishing itself, identifies a common interest, need or concern, agrees that change is required and that a collective effort is stronger than that of an individual, assesses the resources needed to bring about the desired objective, and establishes a strategic framework to achieve its goals.

In the absence of NPOs, other institutions – many of which are coming under increasing economic pressures and social expectations – would face additional burdens in the areas of product performance and safety standards, continuing education, public education, professional standards, ethics, research and statistics, and community service.

In a nutshell, NPOs:

- Play a prominent role in setting professional, performance and safety standards, ethical codes of conduct, and other guidelines, all of which help reduce consumer risk in the marketplace.
- Develop and disseminate valuable information that might otherwise be unavailable. Legislators, policy-makers, journalists, researchers, consumer groups and individuals use that information to broaden their understanding of the Canadian economy and enhance their awareness of the issues confronting our society.
- Provide information that informs the public about the effectiveness, quality and safety of products and services to help them make informed choices and purchasing decisions to bolster consumer confidence in the marketplace.
- Educate their members on technical and scientific matters, business practices and legal issues to elevate the quality of publicly delivered goods and services. In many industries, professions and causes, NPOs are the only sources having the depth of broad-based knowledge needed to provide continuing education.
- Galvanize extraordinary amounts of voluntary labour – estimated in the millions of hours annually – for community service. The sector mobilizes and trains volunteers to give expression to, and focus public attention on, issues and conditions that would not otherwise be consistently addressed.
- Raise funds for purposes that positively impact the communities and regions in which they operate, as well as the provincial, national and international programs and causes they support.
- Play a constructive role in Canada's public policy process through the provision of information, research and statistics.

## ADVANCING THE ECONOMY

Government estimates with respect to the size and scope of the sector — including the number of organizations, the people it employs or its annual economic impact on Canada's economy — are not well documented. Some estimates have placed the number of organizations as high as 160,000, although it's safe to predict that more than half rely exclusively on volunteers to manage operations and have operating budgets that are virtually nonexistent. In all fairness, countless organizations emerge and disband each year before government officials can accurately gauge the correct number.

## ABOUT THE CANADIAN SOCIETY OF ASSOCIATION EXECUTIVES (CSAE)

### MISSION

*CSAE promotes the value of not-for-profit organizations to Canadian society by reinforcing and advancing the excellence and professionalism of its members through relevant education, advocacy, information and research.*

Established in 1951, Canada's "association of associations" serves as an important gateway to Canada's vast not-for-profit community. Managed by professional staff and a dedicated team of volunteers, CSAE is committed to reinforcing the many valuable contributions Canada's NPOs provide to the country by supporting and strengthening the professionalism of the individuals who lead them.

Indeed, CSAE remains Canada's only national organization dedicated exclusively to serving the needs of not-for-profit management executives. A comprehensive certification program — combined with an extensive array of relevant education and professional development offerings, current and future-focused research reports, studies and information, national conferences, local seminars, and online resources and publications — are designed to keep members abreast of the demanding management challenges now emerging in today's increasingly complex not-for-profit sector.

*Estimates of the number of Canadian NPOs reach above 160,000. Their value to our society is more than the billions of dollars they spend each year and the thousands of people they employ. Their most significant impact is in the areas of education, product and safety standards, professional standards and codes of ethics, public information, research and statistics, and community service.*

The 2275 individual members of the Canadian Society of Association Executives (CSAE) represent 1,295 organizations which, in turn, consist of more than 14,500,000 individual and 2,000,000 company memberships. CSAE-member organizations also directly employ over 20,000 individuals — and over 1,500,000 indirectly — and have combined annual operating budgets exceeding \$3 billion.

## CHAPTERS — A NATIONAL NETWORK FOR CSAE MEMBERS

CSAE Chapters provide professional development opportunities for members to exhibit leadership, discuss issues, and meet informally with peers to enhance management skills.

Vancouver, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, Halifax

### FOR FURTHER INFORMATION, PLEASE CONTACT



CANADIAN SOCIETY OF ASSOCIATION EXECUTIVES  
SOCIÉTÉ CANADIENNE DES DIRECTEURS D'ASSOCIATION

10 King Street East, Suite 1100,  
Toronto, Ontario M5C 1C3

TEL 416-363-3555

TOLL FREE 800-461-3608

FAX 416-363-3630

EMAIL [csae@csae.com](mailto:csae@csae.com)

WEBSITE [www.csae.com](http://www.csae.com)

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