

Architectural Conservancy Ontario Policy for Branch Wind-Down and Transition



Purpose and Scope

This policy establishes the requirements and process for the wind-down of branches of Architectural Conservancy Ontario (ACO) and for the transition of branch activities and community presence to affiliated not-for-profit organizations where applicable. Wind-Down applies to all ACO branches undertaking closure and transition activities.

1. Wind-Down of Branches

a) Finances

Branches are to cease operations no later than 31 October 2026. Local ACO bank accounts are to be closed by 30 November 2026. All outstanding Cost Share contributions are to be paid to ACO by 30 November 2026 or prior to the signing of an Affiliate Agreement, whichever occurs first.

b) Assets & Community Activities

To support a smooth and orderly transition, each branch and ACO have a shared interest in developing a clear inventory of branch assets and planned activities by 31 July 2026. This inventory will help ensure that decisions about assets, funds, records, and community activities are made collaboratively, transparently, and in a manner that supports both the branch's local legacy and ACO's reputation and charitable obligations. In consultation with representatives of the ACO Executive and the Finance and Audit Committee, each branch will develop a branch-specific plan for the disposition of assets and the wind-down of activities before the new not-for-profit corporation begins operating. The plan should address activities scheduled between 31 July 2026 and the establishment of the new not-for-profit corporation, any activities intended to be undertaken by the new not-for-profit corporation before closure of the ACO branch and branch bank account, and the branch's preferred disposition or future use of funds remaining in the branch bank account. The plan may also include recommendations to transfer or assign assets to a qualified donee, to transfer or assign assets to a non-qualified donee in accordance with applicable legislative and regulatory requirements, or to adopt another lawful arrangement considered appropriate.

ACO recognizes that branches typically schedule community activities throughout the year as part of their regular local operations, and that thoughtful coordination will benefit both the branch and ACO during the wind-down period. Some activities will continue through 2026, while others may be assumed by the new not-for-profit corporation. Wherever possible, activities of the new not-for-profit corporation should begin after the branch closes on 31 October 2026, so that community communications remain clear and financial transactions can be kept separate during the close-out process.

As a general principle, ACO and the branches should work toward completing branch closure before activities, membership drives, or fundraising efforts are launched in support of the new not-for-profit corporation. At the same time, ACO recognizes that some early planning and communication may be helpful or necessary during the transition period, including communicating with prospective members, sharing information, and marking the new organization's establishment in the community.

c) Members

Members are central to the strength, continuity, and future success of any new not-for-profit organization that may emerge from the branch transition process. At the same time, the reorganization should respect and continue to support the principles, values, and mission of ACO by ensuring that members are informed, treated fairly, and given a clear opportunity to understand how they may remain connected to heritage conservation work in their community.

The new not-for-profit corporation will develop its own membership policy in accordance with its governance needs and legal requirements. The classes or types of membership will be set out in the new not-for-profit corporation's by-laws, while membership fees and related administrative practices may be developed and approved as an internal policy of that organization.

Upon closure of a branch, ACO members attached to that branch will automatically be transferred to the Provincial Office as members of ACO. They will continue as members of ACO until their membership expires, at which time they will be notified and will have the standard option to renew or not renew. At the time of closure, a courtesy notification of the branch closure and an invitation to contact the new not-for-profit corporation may be sent to affected members in order to support the branch and the implementation of the not-for-profit organization in the community.

2. Transition

a) Transition from Branch to Not-for-Profit Corporation

Branches have the option of transitioning to a not-for-profit corporation. This may lead to an Affiliate Agreement and a Licensing Agreement with ACO, or to continuing in a manner that is not related to ACO. Only not-for-profit corporations will be eligible to enter into an Affiliate Agreement or a Licensing Agreement with ACO.

Branches pursuing incorporation as not-for-profit corporations in Ontario will have the option of participating in a working group to support the transition process. The working group will assist branches in working through the common processes required for the establishment of an Ontario not-for-profit corporation and will encourage collaboration where appropriate in order to realize cost efficiencies. The working group's scope and terms of reference shall govern its operation.

b) Costs Associated with Establishing a Not-for-Profit Corporation

Initial clarification has been obtained from legal counsel suggesting that it may be acceptable for ACO funds, including funds held in local branch bank accounts, to assist with or offset certain costs associated with establishing new not-for-profit corporations.

The following legal advice has been provided:

ACO funds may be used to support incorporation and organizational costs for a new not-for-profit corporation where the expenditure furthers ACO's purposes, is aligned with the branch transition process, and is supported by appropriate evidence and documentation. Any financial support should be subject to appropriate due diligence, written restrictions, reporting, approvals, and records. ACO should not **fund** the general creation or capacity-building of independent not-for-profit corporations solely because they are successor organizations to former branches; however, incorporation and transition costs may be considered where they are necessary to continue specific activities formerly carried on by the branches and where those activities are clearly aligned with ACO's purposes.

Further clarification, legal guidance, and input from branches transitioning to not-for-profit corporations will inform the circumstances, conditions, appropriate approval process, and final approach for any such expenditures.

c) Disposition of Assets and Liabilities

For the purposes of the transition process, branch assets and liabilities include funds held in local ACO branch bank accounts, leases, local commitments and arrangements, property, inventory, and any obligations or arrangements with other local organizations. Although branches have developed these assets, relationships, and commitments over time, the branches are not separate legal entities. As a result, once a branch closes, the associated assets and liabilities remain the responsibility of ACO.

To uphold both the branch's and ACO's reputation in the community, it is important that all obligations, commitments, and responsibilities be documented and resolved as part of the transition process. Each branch is therefore being asked to prepare an inventory of its assets, obligations, and responsibilities. While this inventory should address all relevant matters, ACO recognizes that the disposition of funds held in local ACO branch bank accounts will be a primary concern for many branches.

A discussion paper circulated with the Transition Team information package outlined possible approaches to the disposition of remaining funds. Simpler options may include donations to other charities, funding renovation grants in accordance with ACO's granting policies, or providing grants to non-qualified donees, including a new not-for-profit corporation, to deliver activities on behalf of ACO where those activities are consistent with ACO's purposes. Given the differences among branches, each plan forward will likely be specific to the branch's circumstances. The starting point for each branch is the completion of a clear and comprehensive inventory.

Approved 13 June 2026