

# Club Presidents' Call, April 1, 2020

**This is not a time to panic but to plan.**

The following are notes from Wednesday's call including action items that will be reviewed on our next Club Presidents' call, scheduled for Wednesday, April 15, 2020 at 1:00pm

Also attached below:

- An overview of financial support for clubs and coaches during COVID-19
- Details of changes to requirements for AGMs
- An excerpt from a recent writing by Sport Law & Strategy Group (SLSG) on completing Records of Employment

## Action Items

- Mary Dwyer to confirm with Nancy Au that coaches that have been laid off but choose to volunteer their time with a club continue to be covered under the OAS insurance policy
- Clubs to provide Mark Dwyer with name, email address and phone number for primary club contact dealing with parent concerns to allow her to redirect parents who contact OAS on club matters
- Clubs to provide Sue Marnica-Wall with name and mailing address for refund cheques for Leslie Taylor and Hilton at [smwall@ontarioartisticswimming.ca](mailto:smwall@ontarioartisticswimming.ca). Cheques will be mailed as soon as the information is received
- OAS board to consider whether any registration fees paid by clubs should be refunded at its April 2, 2020 meeting
- OAS to consider whether it's possible to give refunds as email money transfers or credits to credit cards so clubs can avoid making a physical trip to a bank to deposit a cheque
- Clubs and Head Coaches to review the various financial support programs that are available during COVID-19 and develop a financial and employee action plan
  - Clubs should ensure they have a CRA *My Business Account* and are registered with the CRA for direct deposit
  - Coaches should be encouraged to open a CRA *My Account* (if they don't already have one) and make sure they are registered with the CRA for direct deposit as it can take 2-3 weeks for the account to become active (a PIN is sent by regular mail)
  - Both clubs and coaches should assemble records to document eligibility for the various programs

# Notes from Club Presidents' Call

Introduction by Steve Indig, Sport Law & Strategy Group (SLSG)

For those organizations that have a reserve fund for a rainy day, it's pouring: This is what your reserves were intended for. We want to keep people employed for as long as we can

## Social Media

Social media guidelines are still in effect. There should be no one-on-one communication with minor athletes. Clubs should remind coaches of appropriate communication. See the CAS Coach Registration and Certification Policy at <https://artisticswimming.ca/wp-content/uploads/2019/10/CAS-Coach-Regis-Cert-Apprd-Mar4-2019-REVISED-Aug12.pdf>

## Refunds

Organizations will be expected to pay back fees for services not received. Some sport organizations have been creative: They have asked to retain fees as a "donation", or as a credit against fees paid for the next season. The athlete or their family must agree to this, however, and clubs must prepare themselves for refund requests given the difficult financial situation facing many in their community

Fee refunds should be considered as a loss of revenue for the purpose of applications to the Canada Emergency Wage Subsidy (see below)

Clubs should not feel obligated to answer questions on the spot. On refunds, it is reasonable to say that you don't know yet, or are still working on it

OAS was asked whether it would be providing refunds to clubs given the cancellation of events. It was noted that OAS has already processed refund cheques to clubs for all or part of Leslie Taylor (based on cancelled events) and a full refund of any payments made towards Hilton Invitational. The OAS board is meeting April 2 and will consider whether other registration fees paid by clubs should be refunded at this point

## Q & A with Steve Indig and Kathy Hare

*Q1. Do we need to provide written notice to our part-time, hourly coaches that they have been laid off, or just give notice of no hours?*

Coaches that are hourly should be given written notice that they are laid off. It doesn't matter whether the employee is hourly, weekly or monthly; that is just a payment schedule. Organizations should ensure they complete a Record of Employment for all employees that have been laid off

*Q2. Our hourly coaches are fixed term employees through the end of the season in mid-June. Since they already know the end date of the employment contract, are we on the*

*hook for termination pay or notice if we do a temporary layoff through the end of the contract?*

Take a look at your fixed term employment contract to see whether it has a termination clause

Q3. *We've laid off our Head Coach, but she has indicated she would still like to volunteer with our club; is that okay?*

That's fine as long as the individual doesn't receive any remuneration. However, if you're laying someone off, you can't expect them to volunteer

Q4. *Can we move ahead with collecting fees for April while we assess outstanding expenses and provide a refund when we have greater clarity on end of season revenue and expenses? Some streams are paid in full such as Novice and other streams still have fees owing in our club*

Are you providing services? If not, it's difficult to make an argument for collecting fees

Erika Lindner (Waterloo) noted that for clubs that amortize their payments over 10 months, an April cut off of fees is not representative of what parents owe. For instance, National teams would normally have been done in early May. Assuming March is a wash, the season for those kids is essentially done 5 weeks early. Adjusting fees by the 5 weeks and then requiring April fees and a few weeks of May would be understandable

# Financial Support for Clubs and Coaches During COVID-19

as at 3 April 2020

*The information contained in this summary document may not be the most up-to-date. Please refer to [Canada's COVID-19 Economic Response Plan](#) for the latest information*

## Federal Government Financial Initiatives

### 1. Support for Businesses

#### i. [Work-sharing Program](#)

- The federal government is extending the maximum duration of the existing Work-sharing Program from 38 weeks to 76 weeks (March 15, 2020 to March 14, 2021)
- The program is available to employees who agree to reduce their normal working hours because of developments beyond the control of the employer. It's a 3-way agreement (employees, employer & Service Canada)
- Work-sharing may assist in mitigating employee termination risk

#### **Eligibility**

- At least 2 employees who agree to reduce their normal working hours by the same percentage and share the available work (i.e., a work-sharing unit)
- Applies to year-round, permanent, full-time or part-time employees needed to carry day-to-day functions of business ("core staff")
- Employees must be eligible to receive EI benefits
- Program only applies to employees earning \$63,500 or less from all sources (after that, there will be a claw back to EI)

#### **Administration of the program**

- This program is available now
- Employers must submit applications 10 calendar days prior to the requested start date
- Employers must submit 2 documents found on the Government of Canada website at <https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>
- There is a 30-day waiting period for the program to take effect once approved

#### ii. [Canada Emergency Wage Subsidy](#)

- Offered to employers and applied at a rate of 75% on the first \$58,700 earned by employees, representing a benefit of \$847 per week per employee
- There is no employer maximum
- Program will be in place for a 12-week period, retroactive to March 15 and ending June 6, 2020)

- Employers are expected to make best efforts to top-up the salaries to 100%
- This program does NOT extend to contractors; contractors may consider applying for the Canada Emergency Response Benefit

#### **Eligibility**

- Businesses including not-for-profits will have to demonstrate that their gross revenue for March 2020 is lower than March 2019, April 2020 is lower than April 2019 and May 2020 is lower than May 2019 by 30% or more. They will also have to demonstrate that wages have been paid
- The government is still considering rules to measure revenue reductions for not-for-profits

*Note. Fee refunds and loss of revenue from cancelled events including meets and water shows should be considered when calculating reductions in revenue*

#### **Administration of the program**

- Program will be administered via the CRA *My Business Account* portal, however the CRA portal will not be available for another 3 to 6 weeks
- Businesses will need to apply every month
- Funds will not be available from the government for at least another 6 weeks (i.e., mid-May)
- Direct deposit should be set up with CRA now to ensure access government funds as soon as they are available

#### **Alternative – Temporary Wage Subsidy of 10%**

- The Canada Emergency Wage Subsidy is different from the previously announced Temporary Wage Subsidy of 10%
- Businesses that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the 10% wage subsidy, which is more limited in application
- This subsidy is for 10% of remuneration paid from March 18 to before June 20, 2020
- The wage subsidy is up to \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer

### **iii. Canada Emergency Business Account Loan**

- Provides for interest-free loans of up to \$40,000 to small businesses and not-for-profits through their financial institutions
- The loans are interest-free for the first year. The purpose is to help cover operating costs during a period where revenues have been temporarily reduced
- Up to 25% or \$10,000 of the loan will be forgiven if repaid by December 31, 2022

#### **Eligibility**

- Small businesses and not-for-profits
- Demonstrate that \$50,000 to \$1 million in total payroll was paid in 2019

- Funds must be used for operating costs that cannot be deferred (i.e., payroll, rent, utilities, insurance and property tax)

#### **Administration of the program**

- Program will roll out April 17
- Organizations should contact their financial institution in advance of roll out for more information and to assess eligibility

#### **iv. Deferral of GST/HST payments**

- All businesses (including self-employed individuals) may defer their payments of GST/HST until June 30, 2020
- Deferral will apply to GST/HST remittances for:
  - the February, March and April 2020 reporting periods for monthly filers
  - the January 1, 2020 through March 31, 2020 reporting period for quarterly filers
  - for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year

## **2. Support for Individuals**

### **i. [Canada Emergency Response Benefit \(CERB\)](#)**

- Provides a taxable benefit of \$2,000 a month for up to 4 months to support individuals who have lost their income due to COVID-19
- The intent is to cover those who are not eligible for EI as well as contractors

#### **Eligibility**

- At least 15 years old
- Stopped working because of COVID-19
- An income of at least \$5,000 in 2019, or in the 12 months prior to the date of application
- Are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, the individual expects to have no employment income

#### **Administration of the program**

- Applications open Monday, April 6, 2020 through the CRA *MY Account*
- To manage the volume of applicants, CRA has established rotating days for individuals to apply on based on the month of birth (see table below)
- Benefits will start within 10 days of application; there is no waiting period
- Applicants re-apply every 4 weeks, up to a maximum of 16 weeks
- An individual cannot claim both the Canada Emergency Wage Subsidy and CERB

## Day to apply for the Canada Emergency Response Benefit

If you were born in the month of	Apply for CERB on	Your best day to apply
<b>January, February or March</b>	Mondays	April 6
<b>April, May, or June</b>	Tuesdays	April 7
<b>July, August, or September</b>	Wednesdays	April 8
<b>October, November, or December</b>	Thursdays	April 9
<b>Any month</b>	Fridays, Saturdays and Sundays	

### ii. Deferral of GST/HST payments

- See 1. (iv) above

## Calendar of earliest possible payment dates

**April 9:** CERB: applications open April 6. Payments flow 3 business days from application date

**May 1:** Work-sharing applications (assuming current applications)

**Middle of May:** Canada Emergency Work Subsidy (we are still waiting for passage into law)

**Middle of May:** Canada Emergency Business Account Loans. The program is scheduled to roll out April 17, so provide time for financial institutions to service

# Governance – Annual General Meetings

as at 3 April 2020

## Ontario

The Government of Ontario has implemented an Emergency Order to provide flexibility for corporate meetings:

### 1. Virtual Meetings

- All not-for-profit corporations under the Ontario *Corporations Act* (OCA) may hold meetings of directors, shareholders and members virtually (i.e., electronically or by telephone) even if the bylaws of the corporation do not provide for virtual meetings
- All participants in the virtual meeting must be able to communicate with each other “simultaneously and instantaneously” (i.e., voice dialogue must be possible, and participants must be able to vote anonymously)
- SLSG is currently negotiating a preferred price with Simply Voting to facilitate anonymous voting. Contact Steve Indig at [sji@sportlaw.ca](mailto:sji@sportlaw.ca) for further information

### 2. Timing of Meetings

- Under the OCA, a not-for-profit corporation must hold an AGM within 15 months of its last AGM, and within 6 months of its last financial year end. The Emergency Order provides a 90- day extension for the holding of an AGM that would otherwise be required to be held during the “period of the declared emergency.” The AGM must instead be held within 90 days of the termination of the emergency. Further, if an AGM is required to be held within 30 days of the termination of the emergency, a 120-day extension for the holding of the AGM is granted

## Federal

There have been no changes to requirements under the Canada *Not-for-profit Corporations Act* (CNCA).

- Virtual meetings may be held only so long as they are permitted under the corporation’s by-laws
- A Corporation must apply to Corporation’s Canada to delay the calling of its AGM where it would be “detrimental” for it to be held in the normal timeframe, with the application having to be made at least 30 days before the notice for the AGM must be sent out

# Records of Employment

*Prepared by Steve Indig of Sport Law & Strategy Group, March 31, 2020*

During this time of heightened layoffs due to COVID-19, it is important that employers complete the Record of Employment correctly so that there is no delay in employees being able to access EI benefits. Of particular importance is ensuring that the Reason Code included on the ROE is correct.

Depending on the circumstances, your COVID-19 related reason codes will either be:

- A – Shortage of Work: If company is temporarily closing because of COVID-19 or parts of their business are shutting down
- D – Illness or Injury: If employee has COVID-19 or if employee came back from a trip and is in quarantine
- N – Leave of Absence: If employee is staying home because of no daycare or if employee refuses to work because of COVID-19 or if employee is back from trip not sick but Mandatory Quarantine

For layoffs related to COVID-19, it is very important that the employer does NOT enter anything in Box 18 of the ROE. Any ROE's that have notes in this box will be removed from the automated processing system and transferred to a case worker. This will greatly increase the processing time for the EI claim.