

Sample Corporate Resolution for Signing Authority

One area that can trip up a growing company is the question of who possesses the authority to bind a company through signing legal documents – and when.

When a company is small, has engaged in the same business for a number of years, and has a veteran staff used to dealing with these issues, there usually isn't a problem. That's because even if there aren't established processes, everyone knows who does what and that's been ratified by corporate resolutions that provide the appropriate authority to the appropriate parties.

But in the circumstances described above — a growing company that is acquiring new entities and new personnel, the situation can get confused. Perhaps certain individuals with signing authority have left and others haven't yet been appointed to take their place. Or perhaps signing authority is concentrated with one or two officials and a lack of delegation is interfering with business efficiency.

That's where understanding exactly what corporate resolution for signing authority comes in as well as determining who should have this authority and some sample resolutions that a board can adopt to ensure that the process is done correctly.

What Is Corporate Resolution for Signing Authority?

A corporate resolution is a formal declaration made by a board of directors that officially records specific decisions that are material to a business. These resolutions are passed by the board, officially recorded by a corporate secretary and filed among a company's official records.

The corporate resolution for signing authority is a specific corporate resolution that authorizes specific corporate officers with the legal standing to sign contracts on behalf of the corporation.

Any board wants to be careful as to who it entrusts with signing authority because those individuals can enter into legally binding contracts with other

parties. That's why that authority is usually limited to trusted corporate officers. However, in a large company with many offices, some employees may be given limited to authority to sign specific contracts.

What Sample Corporate Resolutions for Signing Authority Should Include

Fortunately, there's an easy formula to write corporate resolutions for signing authority that check all the boxes and ensure that your board's wishes are carried out when it comes to which officers and employees possess the authority to act on the company's behalf. These characteristics include the following:

- Must be issued by the company's governing body, which is typically the board of directors.
- Must include the specific date and time when the board met to pass the resolution.
- Must authorize a specific person or persons by name and title.
- Must include the types of contracts and agreements the specific individual or individuals can execute on behalf of the corporation.
- Must stipulate that the resolution is in effect as of a specific date.

Furthermore, the corporate secretary or another officer of the corporation — not the person given the signing authority — must sign the corporate resolution certification. The resolution must also contain the exact wording of the resolution authorized by the board. Any contracts subsequently signed by the authorized parties must be signed with their names exactly as they are shown in the board authorization.

Finally, if your corporation has an official seal, that must be affixed to the resolution in an appropriate place. In the absence of a seal, the notation "LS" can be written inside a circle next to the secretary's signature.

Sample Corporate Resolution for Signing Authority

There are many appropriate and legal ways to word a corporate resolution for signing authority. This sample is just one example of how such a resolution may be worded:

Corporate Resolution of Signing Authority

WHEREAS, the Corporation is determined to grant signing and authority to certain person(s) described hereunder.

RESOLVED, that the Board of Directors is hereby authorized and approved to authorize and empower the following individual to make, execute, endorse and deliver in the name of and on behalf of the corporation, but shall not be limited to, any and all written instruments, agreements, documents, execution of deeds, powers of attorney, transfers, assignments, contracts, obligations, certificates and other instruments of whatever nature entered into by this Corporation.

Name:

Position/Title:

Telephone Number:

Email Address:

Signature:

The undersigned certifies that he/she is the properly elected and qualified Secretary of the books, records and seal of _____, a corporation duly conformed pursuant to the laws of the state of _____, and that said meeting was held in accordance with state law and with the Bylaws of the above-named corporation.

This resolution has been approved by the Board of Directors of _____ (Company) on _____, 20____.

I, as authorized by the Company, hereby certify and attest that all the information above is true and correct.

Secretary