



How to give someone signature authority in your NPO?

*news
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Appointment as director

By general meeting

If you want to give a person in your NPO the power of signature, a first option is to appoint the person as (co-)director. This appointment is made by the general meeting of the members and in accordance with the statutory provisions. This general meeting also determines the duration of the mandate (indefinite or fixed term). The general meeting also has the power to dismiss directors. In principle, it can even do so at any time and without additional justification.

Attention! If you wish to dismiss the person as a director, you must take into account that the minimum number of directors remains respected. A NPO always has at least three directors. The only exception is if the association has fewer than three members, in which case two directors suffice.

Registering as self-employed

If your NPO is subject to corporate income tax and the new director receives compensation, he must register as self-employed. If your NPO is subject to the legal entities tax, then it is only necessary if the new director receives compensation in excess of €1,815.41 (amount 2023).

Points of attention

Director does not have to be a member. A director can be a member of the NPO, but he certainly does not have to be. The possibility can even be excluded in the bylaws.

What powers? In principle, all directors, including the new ones, have the same powers. In principle, any director can represent your NPO. At least, that is the starting point if the bylaws do not stipulate anything else.

Statutory restrictions. Often the bylaws state that a signature of one director is sufficient to sign

an agreement. One director may then suffice to bind and represent your NPO to the outside world. But things can be different. The bylaws can introduce internal limitations on authority that bind the directors. These restrictions can apply to all directors, or they can be differentiated between them.

Examples of such jurisdictional restrictions include, e.g., that each director may act alone, except in the case of expenditures over a certain amount. In that case, the signatures of more than one director could be required.

Attention! Authorization restrictions only work "internally" within the NPO. Third parties, such as customers or suppliers, don't have to worry about this, even if it is published in the Belgian Official Gazette. For them, the contract is validly signed anyway.

Special proxy

Delegation

A special proxy allows the board of your NPO to grant certain powers to whomever it deems appropriate. It is a pure delegation, there is no appointment as director, nor membership or the like involved. The proxy can perfectly be a trusted person who did not already have existing ties with your NPO.

Certain powers

Which powers the board wants to delegate via the special proxy it can determine itself. The enumeration of powers, whether or not linked to a certain amount, in the special proxy is preferably also published in the annexes to the Belgian Official Gazette.

Tip. Without publication, it is best for the proxy holder to submit the minutes in which the board's decision to grant the proxy was recorded.

Attention! There must be a difference between what the board itself can decide and what are the powers of the proxy. If the powers of the proxy are too broad, the proxy may be considered a "de facto" director with all the obligations and liabilities that come with it.

Revocation of Proxy

If the board wishes to revoke the proxy, it can do so by a simple decision. Please note that a new publication in the Belgian Official Gazette will be required at that time.

Conclusion

Your NPO can give a person the power to bind your NPO by appointing him as a director, or by delegating certain powers to him through a special power of attorney. In neither case is it necessary that that person already had ties to your NPO and is e.g. a member.



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