



**SECTION: FOUR**

# Corporate Resolutions



## Corporate Resolutions

### Overview

State law requires the board of directors to adopt a corporate resolution to take certain actions. Additionally, a nonprofit often needs a certificate of a corporate resolution as proof that the board of directors has authorized a particular action on behalf of an employee or officer of the nonprofit. Certain types of corporate resolutions require a notary public to witness the signing of the certificate. Check with the person requiring the certificate to see whether this is required.

The following are actions that must be documented by a certificate of corporate resolution:

- ◆ Approving the conveyance of land;
- ◆ Approving a voluntary dissolution of the organization; and
- ◆ Revoking a voluntary dissolution of the organization.

The following are actions that must be documented by a certificate of corporate resolution if the nonprofit has members:

- ◆ Calling a vote of members on a proposed amendment to the articles of incorporation or restated articles of incorporation;
- ◆ Calling a vote on a recommended plan for the distribution of assets;
- ◆ Authorizing any pledge, mortgage, deed of trust, or trust indenture;
- ◆ Approving the sale, lease, or exchange of assets (unless insolvent); and
- ◆ Approving a merger or consolidation.

The following are other actions that should be documented by a certificate of corporate resolution:

- ◆ Designating check signers;
- ◆ Approving corporate borrowing;
- ◆ Investing corporate funds; and
- ◆ Opening a checking account.

## Sample Corporate Resolutions

### SAMPLE CERTIFICATE OF CORPORATE RESOLUTION TO BORROW MONIES AND PLEDGE PROPERTY AS COLLATERAL

Date: August \_\_, 1974  
 Corporation: ABC Nonprofit Organization  
 President: Richard Nixon  
 Vice-President: Gerald Ford  
 Secretary: Henry Kissinger  
 Treasurer: John Connally  
 Date of Meeting of Board of Directors: August 9, 1974

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We, the President and the Secretary of the Corporation, certify the following facts:

1. ABC Nonprofit Organization is a Texas non-profit corporation, is organized and operating under the laws of Texas, is qualified to do business here, and is in good standing.
2. No proceedings for forfeiture of the certificate of incorporation or for voluntary or involuntary dissolution of the corporation are pending.
3. Neither the articles of incorporation nor bylaws of the corporation limit the power of the Board of Directors to pass the resolutions below.
4. The President, Secretary, and (other corporate officers) are the persons authorized to adopt and sign this resolution.
5. The Secretary keeps the records and minutes of the proceedings of the Board of Directors of the Corporation, and the resolutions below are an accurate reproduction of the ones made in those proceedings: they have not been altered, amended, rescinded, or repealed, and are now in effect.
6. The resolutions below were legally adopted on the above-referenced date of the meeting of the Board of Directors, which was called and held in accordance with the law and the bylaws of the Corporation, and at which a quorum was present.
7. The following resolutions have been legally adopted by the Board of Directors:

RESOLVED, that the Corporation authorizes its president, Richard Nixon, and vice-president, Gerald Ford, to enter into a loan agreement in the amount of \$\_\_\_\_, at an annual interest rate of \_\_\_ percent, for a period of \_\_ months from the date of settlement with \_\_\_\_\_ Bank to develop for placement and sale of \_\_\_ housing units for low-income home buyers. They are hereby, authorized, empowered, and directed to execute, acknowledge, and deliver for and on behalf and in the name of the Corporation such deeds, assignments, bills of sale, promissory notes, deeds of trust, financing statements, security agreements, guaranties, and instruments, containing such other terms and conditions which the President, or the Vice-President of the Corporation may, in accordance with the above terms, in each of his sole discretion, deem necessary or desirable, his approval thereof to be conclusively presumed by his execution thereof (except that only those properties listed below may be encumbered in this transaction). The attestation by the Secretary of the Corporation and the affixation of the seal of the Corporation shall not

be necessary;

RESOLVED, that the President and Vice-President of the Corporation be, and is hereby specifically authorized, to execute real estate lien notes and deeds of trust to secure the lien notes on those certain real properties situated in \_\_\_ County, Texas, described below:

*[Enter Property Description Here]*

RESOLVED, that the Board of Directors of the Corporation finds that these authorized transactions shall directly or indirectly benefit the Corporation;

RESOLVED, that the foregoing powers and authority shall continue in full force and effect until written notice of revocation has been given by the Corporation to the Lender, and the Lender's written acknowledgment of receipt is obtained.

- 8. The following individuals are duly elected officers of the Corporation holding the offices set forth opposite their respective names, as of the date hereof; the signatures set opposite the respective names and titles of the officers are their true, authentic signatures; and the Corporation does not have a seal.

NAME	TITLE	SIGNATURE
Richard Nixon	President	_____
Gerald Ford	Vice-President	_____
Henry Kissinger	Secretary	_____

IN WITNESS WHEREOF, I have duly executed this Certificate of Corporate Resolution this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

\_\_\_\_\_  
Henry Kissinger, Secretary

I, Richard Nixon, President of the Corporation, do hereby certify that Henry Kissinger is the duly elected Secretary of the Corporation. I also certify that the signatures set forth above are the correct signatures of the persons therein designated. I further certify that I have executed this resolution for the purpose stated herein for and on behalf of the Corporation.

IN WITNESS WHEREOF, I have duly executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

\_\_\_\_\_  
Richard Nixon, President

STATE OF TEXAS  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 1974, by Richard Nixon, President of the Corporation, on behalf of the Corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**SAMPLE  
RESOLUTION OF THE BOARD OF DIRECTORS OF ABC CORPORATION  
TO CERTIFY GROSS RECEIPTS**

WHEREAS, ABC Corporation, a Texas nonprofit corporation, is applying to the Federal Home Loan Bank of Dallas for support under the Partnership Grant Program;

BE IT RESOLVED, that the Board of Directors of ABC Corporation certifies that the gross receipts of ABC Corporation are less than \$25,000 and that ABC Corporation is not required to file a Form 990.

Signed and dated by the President of the ABC Corporation's Board of Directors on this the \_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
June Smith, President  
ABC Corporation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

**SAMPLE**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF ABC CORPORATION**  
**IN SUPPORT OF GRANT APPLICATION**

WHEREAS, the need for affordable housing in the city is documented through the Affordable Housing Study;

WHEREAS, ABC Corporation, a Texas nonprofit corporation, is committed to building its capacity to provide affordable housing and community development programs to the ABC Neighborhood as documented by the ABC Neighborhood Plan and the mission and bylaws of ABC Corporation;

BE IT RESOLVED, that the Board of Directors of ABC Corporation hereby grants authorization for its Executive Director to apply for the Federal Home Loan Bank Partnership Grant through Texas Bank. The Board affirms that ABC Corporation was approved as a 501(c)(3) tax exempt organization on October 1, 1998, began operations on January 1, 1999, and has been in operation less than 60 months as of July 15, 2002. The board further affirms that the operating budget for the calendar year ending December 31, 2002 will be at or below \$200,000.

BE IT FURTHER RESOLVED, that the Executive Director of ABC Corporation is hereby authorized to furnish Texas Bank and the Federal Home Loan Bank with a copy of our most recent completed IRS Form 990 and current audited financial statements.

Signed and dated by the President of the ABC Corporation's Board of Directors on this the \_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
 June Smith, President  
 ABC Corporation

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Witness

