

Seal

Checklist

Seal

Introduction

Although not common in sport organisations, it is worth considering the tradition of seals.

Overview

A seal is an official seal used by companies and certain other incorporated bodies, to authorise and authenticate important documents.

Seals were once commonplace and were once compulsory for companies (under previous company law) but are now less so.

Checklist

Companies

- The Companies Act 2006 provides for the company seal to be optional, so a company may choose to have a seal or not.
- If it has a seal, it may execute documents under its seal or choose to use any of the alternative execution methods now available to companies under the Companies Act 2006.

CIOs

- A CIO may choose to have a seal.
- If it has a seal, it may execute documents under that seal, in accordance with the CIO general regulations, or use the alternative execution method for CIOs specified in the regulations.

Other charities

- Charities in other incorporated legal forms may choose to have a seal (e.g. charitable industrial and provident societies or charities incorporated by Royal Charter).
- An unincorporated charity will not have a seal, because the charity itself does not have independent identity and legal competence to enter into agreements, contracts etc. in its own right.

International/cross-border matters

- An incorporated organisation that undertakes international activities and/or cross-border or overseas transactions may encounter practical difficulties and legal queries if it does not use a seal on major documents. This can be the reason for some organisations opting to retain a seal and use it on certain documents.

Seal

Procedure

Initial adoption of a seal

- Initial adoption of a seal should be by formal resolution of the trustees.
- The decision should be recorded in the minutes of the meeting.
- It is good practice to make an impression of the new seal in the margin of those minutes.

Authorising use of the seal

- Ensure any use of the seal is properly authorised and recorded.
- In the case of a company, its articles will normally specify who can authorise use of the seal (probably the board of trustees) and who can be authorised to countersign the seal on a document.
- The articles may permit non-trustees to be authorised as countersignatories to a document that is being sealed, or they may only permit authorisation of trustees (and perhaps any company secretary) for this purpose.
- At least two countersignatories are usually required. They should be present when the seal is placed on the relevant document, as their signatures witness the sealing.

Recording use of the seal

- As it is usually the board of trustees who must authorise use of the seal on a particular document, the decision should be recorded in the relevant board meeting minutes.
- The minutes should also record authorisation of the relevant countersignatories.
- It is good practice to keep a copy of the sealed document with the relevant minutes.
- Some charities will choose to keep a register of sealings to record all documents sealed by the charity. In the case of a charitable company, this is a non-statutory register (i.e. an optional register).

Filing requirements

- The use of a seal does not have to be notified to charity regulators or Companies House.

