

Multi-state Practice: Certificates of Authority

Contributed by AIA Knowledge Resources Staff

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SUMMARY

Architecture firms that desire to open branches in various states need to obtain certificates of authority (unless they are sole proprietorships which are not state entities). Filing companies can help firms navigate the terrain of multiple state licensing procedures.

CONSULT YOUR ATTORNEY

The information herein should not be regarded as a substitute for legal advice. Readers are strongly advised to consult an attorney for advice regarding any matter related to the intrastate conduct of business.

CONDUCTING BUSINESS IN ANOTHER STATE

Many companies, including architecture firms, may be incorporated in one state but desire to open a branch office and transact business in another. Often, in order to conduct any legitimate business activity in another state—entering into a lease, opening a bank account, registering vehicles, obtaining insurance or a business license, using the local court system, or hiring employees—it is necessary to obtain permission from the government of that state in order to conduct business officially and legally. Although it is typically not necessary to incorporate in every state in which a corporation does business, many states require that “foreign” companies (companies incorporated in other states) obtain a “certificate of authority” (sometimes called a “certificate of qualification”) to conduct business in that state.

It should be noted that sole proprietorships are typically not eligible to obtain certificates of authority, since they are not state-registered entities.

CONDUCTING BUSINESS IN MULTIPLE STATES

Registration requirements and filing deadlines may vary from state to state. For firms with offices in multiple states, timely filing of certificates of authority and payment of any required fees can prove

burdensome (as is the maintenance of multiple state architecture licenses).

A number of companies offer “government filing services” for routine regulatory filings such as certificates of authority. Such companies should be knowledgeable about the specific laws and deadlines regulating the filing of certificates of authority in each state in which your firm does business. They can file certificates annually on your behalf, and can help ensure that your firm remains in compliance with applicable registration requirements. The following companies provide these services in all fifty states:

Business Filings Inc.

8025 Excelsior Drive, Suite 200
Madison, WI 53717
608-827-5300 (phone)
800-981-7183 (toll free)
www.bizfilings.com
info@bizfilings.com

CT Corporation

3 Winners Circle, 3rd Floor
Albany, NY 12205
518-451-8000 (phone)
800-624-0909 (toll free)
www.ctadvantage.com

HUBCO Inc.

77 East John Street
Hicksville, NY 11801
800-443-8177 (phone)
www.inc-it-now.com

Incorp Services Inc.

3155 East Patrick Lane, Suite 1
Las Vegas, NV 89120
702-866 2500
www.incorpservices.com/

RESOURCES

More Best Practices

The following AIA Best Practices provide additional information related to this topic:

- 04.02.02 Legal structures of Architecture Firms
- 04.06.01 Forming Strategic Alliances
- 04.06.02 Strategic Alliances: Insurance Consideration

For More Information on This Topic

See also “Firm Legal Structure” by Philip R. Croessmann, AIA, Esq., *The Architect’s Handbook of Professional Practice*, 13th edition, Chapter 6, page 123.



See also the 14th edition of the *Handbook*, which can be ordered from the AIA Bookstore by calling 800-242-3837 (option 4) or by email at bookstore@aia.org.



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Keywords

- Practice
- Business planning