



This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.

Electronic Signatures for Nonprofits

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Background

Nonprofit organizations can often use technology to streamline otherwise time consuming paper and pen processes. Electronic signatures offer one such opportunity to simplify agreements with your beneficiaries, volunteers, staff, and other third parties using an automated process, instead of a labor intensive, paper-based process.

You've likely heard the terms, "electronic signature" and "digital signature". How are these two terms different? How are they similar?

Electronic signatures make up a broad category of ways people can enter into contracts using computer technology. Electronic signatures can take many forms, so long as they generally:

- 1) Confirm the person's intent to sign the agreement;
- 2) Identify accurately the person or entity who signed the agreement; and
- 3) Comprise a consistent, trusted method that can be reliably verified.

For instance, if an electronic signature can be altered or otherwise be compromised, then it becomes unreliable and invalid. And, to make sure the electronically signed document can be verified by either party, it must be retrievable and readable. Documentation of the parties' names, the date and time of signature, and the agreed-to contract terms are key to the verification step.

A common method of signing electronically would be: a website visitor, who is logged in to her account, clicking a checkbox near the instruction that that doing so means she accepts the defined contract terms and conditions. Another example can be something as simple as returning an email with the phrase, "I agree" to a specific emailed offer.

Digital signatures represent a subset of electronic signatures that use encryption to formally tie a specific user to a digital mark, used in place of his or her hand-drawn signature. Digital signatures provide a formalized method of authentication that the person signing is who they say they are. A person with a valid digital signature has a unique computer code that cannot be altered and can be verified by a trusted third party. These digital marks provide an additional level of security to both the person

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signing and the person or entity accepting the signature. Specialized third party providers offer digital signature products and services for use in business transactions.

Using electronic signatures

With this background, you may want to take advantage of electronic signatures. However, before converting from written paper agreements, think about the following issues:

1. **Ask yourself if the contract itself will be valid and well presented (as you would for a written contract).** Is it clear what you're asking the person to agree to? Does the person signing have an opportunity to print and read through the agreement before signing it? Is there a clear method to decline the agreement? Is the person signing a minor?
2. **Electronic signatures, by themselves, do not necessarily authenticate the person signing.** In some cases, you may need additional evidence that the person purporting to sign the contract is actually the person who signed it. Can you have the person authenticate who they are in some way? Note that even GIF and JPEG image files of hand-written signatures can be copied and manipulated. Depending on the circumstances, you may want to require a digital signature to provide better evidence of the person signing.

Even with these points, the benefits of electronic signatures can outweigh using written signatures. You can get rid of printing and scanning of documents, transfer and present contracts via email and mobile devices, and store signed materials on secure computers instead of in locked file cabinets. Some examples of how you can take advantage of electronic signatures include, online volunteer waivers, timesheets, and assistance requests. Of course, if you're storing or transferring personal information via computers and the Internet, you'll also want to properly protect that data with encryption.

Setting up an Online Waiver

We'll consider a hypothetical online liability waiver as an example. There are many ways to provide these, but there are some items to display in any scenario:

1. The organization's waiver agreement in a clear, complete, and printable format;
2. The waiver agreement's version number or "last updated" date;
3. Clear identification of what specific, affirmative step the reader must take to accept the agreement, for instance, typing his/her full name and clicking a checkbox;
4. A clear method for the reader to decline acceptance of the waiver;

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5. After acceptance, a confirmation page with instructions on how to print or get a copy of the accepted waiver; and
6. Contact information for someone at the nonprofit who can assist with questions and issues with the online waiver process.

With the online waiver website content, certain information must be saved with each “signature”:

1. The full name or user account information of the person signing;
2. The date and time of the acceptance; and
3. The accepted waiver agreement version number or “last updated” date.

Or, as noted earlier, you may want to consider using digital signature technology for user authentication.

Conclusion

To move forward with electronic signatures at your nonprofit, consider the specific needs of your organization first. Let your technology experience, budget availability, and organization’s culture drive your technology choices. Used wisely, though, electronic and digital signatures can allow you and your staff to focus on your organization’s primary goals, instead of managing paperwork.

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