

All About the Power of Attorney

What is a power of attorney?

A power of attorney (also known as a POA) is a legal document provided by the client to a freight forwarder that appoints the freight forwarder as an agent on their behalf, and allows them to complete documentation on the client's behalf.

In layman's terms, it is a form the customer signs giving the freight forwarder written authorization to act on their behalf when it comes to transportation. Common tasks include customs clearance, filings with the government, and creating documents.

Why does a freight forwarder need it and why should the customer supply one?

When it comes to importing or exporting cargo to or from the United States, the government tracks, licenses, inspects, and—in the case of imports—requires payment for cargo.

If the customer supplies a power of attorney to their forwarder, they can use this and their expertise to arrange and handle international shipments for the customer within the course of the normal shipping process, ultimately saving the client time and stress.

What happens if the customer doesn't provide a POA to their forwarder?

Without a POA, the client is responsible for handling any import or export clearance documentation, filings, inspections, and general customs questions that may arise. The client will also need to provide all of this information to the freight forwarder so they can arrange for the transportation of the cargo.

Is there anything else to know about the power of attorney?

A power of attorney **must** be signed by an officer of the company or by someone who can legally bind the company to the parameters of the POA.

In addition, a POA can **expire**. There are rules about how long a POA is valid and the forwarder (at least a good one) validates these on a consistent basis.

- Companies that are partnerships have POA's that are only valid for a MAXIMUM of two years;
- POA's contain a field that allows the customer to set an expiration date;
- Expiration dates on a POA can be the minimum of the amount of time it takes to move a single shipment; and
- Expiration dates on POA's that are left blank must be validated by the forwarder on occasion BUT have no technical expiration date.