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Corporate Minutes - Are you in Compliance?

State law requires that corporations must maintain shareholders and directors annual meeting minutes. Compliance to the minutes may indicate to the IRS that the corporation is being properly operated. Keeping the minutes may seem like a small matter compared to running a successful company, but failing to comply may result in consequences. The most serious consequence is the loss if liability protection for the shareholders' personal assets. If sued, the court will examine a number of factors, of which the corporation has kept proper books, records and minutes of meetings.

3 Ways to "Pierce the Corporate Veil" (gain access to the owner's personal assets):

1. Co-mingling personal with business funds in business accounts
2. No interest paid on shareholder loans
3. No annual corporate minutes

Are you personally exposed to liability suits?

Here's the GOOD NEWS!

The Solution is EASY…

1. Meeting of Shareholders – they elect the board of directors
2. Meeting of the Board – they document accomplishments and future plans

The Shareholders elect the Officers of the corporation: President (CEO), Secretary and Treasurer.

Then, in another document, the Board of Directors record the past year's accomplishments and plans for upcoming year. Here are the areas that the Board can comment:

- Marketing
- Hiring
- Employee Benefits
- Revenue Goals
- Salary Changes
- Large Purchases
- Investing/Saving
- Debt repayment
- Bank acct changes
- Buy/Selling Co
- Vehicle Reimbursements
- Loans
- Strategic Relationships/Alliances
- Profit Goals
- Market Trends
- Technology

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