

- The president, chair of the board, or secretary calls the meeting and gives adequate notice. State corporation law and corporation bylaws establish how many days notice must be given for certain types of meetings.
- Set a date of the meeting and give adequate notice of the date, time, and place to all shareholders. *Note:* State corporation law may allow a valid meeting if all who are entitled to vote attend or if all who do not attend sign a waiver of notice, see next column.
- For a valid meeting, a quorum must be present. The articles of incorporation, bylaws, and state corporation law establish the quorum. Generally, it is usually a majority of the shares (or directors) entitled to vote.
- Record the type of meeting (meeting of shareholders, meeting of the board of directors, or joint meeting) in the minutes and the shareholders in attendance and absent.
- Record in the minutes any actions taken or resolutions passed and the vote in favor of each.
- Record in the minutes the election of officers (president, secretary, treasurer) and directors for the next year (if indicated as necessary in the corporation bylaws).
- The secretary of the corporation signs the minutes and retains copies with other business documents.

Waiver of Notice Model Language

The undersigned director/officer appointed by the articles of incorporation of _____ Corporation, consents and agrees that the joint annual meeting of the board of directors and shareholders be held on _____ (date) at _____ am/pm at _____ (location).

I do hereby waive all notice whatsoever of the meeting. I consent and agree that any and all business transacted at the meeting shall be valid and legal, as if the meeting was held after giving notice.

Date _____

Director/Officer Title _____

Signature _____

Printed Name _____

Contact Us

There are many events that occur during the year that can affect your tax situation. Preparation of your tax return involves summarizing transactions and events that occurred during the prior year. In most situations, treatment is firmly established at the time the transaction occurs. However, negative tax effects can be avoided by proper planning. Please contact us in advance if you have questions about the tax effects of a transaction or event, including the following:

- Pension or IRA distributions.
- Retirement.
- Significant change in income or deductions.
- Notice from IRS or other revenue department.
- Job change.
- Divorce or separation.
- Marriage.
- Self-employment.
- Attainment of age 59½ or 70½.
- Charitable contributions of property in excess of \$5,000.
- Sale or purchase of a business.
- Sale or purchase of a residence or other real estate.

This brochure contains general information for taxpayers and should not be relied upon as the only source of authority. Taxpayers should seek professional tax advice for more information.

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◆ 2013 ◆ Corporation Meeting Requirements



PO Box 843
155 S Broadview
Greenbrier, AR 72058

Tel 501-679-6399 Fax 501-679-0728

patrick@taxlighthouse.com



Corporation Meeting Requirements

State corporation law and the corporation's own bylaws set the rules by which a corporation holds valid meetings, takes valid corporate actions, and keeps corporate minutes. An organization's legal standing as a corporation is risked if a corporation fails to hold corporate meetings documented by the corporation's minutes.

Piercing the Corporate Veil

Corporations are often formed for purposes of protecting shareholders from liability. If formalities are not followed, the corporate veil can be easily "pierced" by a court, resulting in personal liability for the shareholders. Lack of adherence to corporate formalities (including holding an annual meeting evidenced by annual minutes) is a primary reason why courts may pierce the corporate veil.

Note: Generally, corporation law varies by state. The general concepts of how to properly call a meeting, give adequate notice, and correctly record corporate actions taken are often the same. However, the specific requirements may vary by state or the corporation's own bylaws. Therefore, this information is to be used as a basic guideline only, and care should be taken to check compliance with state law and the corporation's bylaws.

General Requirements for All Corporations

- Meetings need to be held at least annually.
- Give notice of date, time, place of meeting (or retain signed waiver of notice, see reverse) to all shareholders.
- Prepare minutes of the meeting, including the following:
 - The name of the corporation.
 - The date, time, and place where the meeting was held.
 - That notice of the meeting had been properly given or waived in accordance with the bylaws.
 - Record of shareholders present and absent.
 - That the minutes of the previous meeting were presented and approved.
 - Any important changes to the business that happened during the year.
 - Election of officers (by action of the board of directors) and directors (by vote of the shareholders) according to the corporation's bylaws and articles of incorporation, if specified that elections should occur annually.
 - Any other basic information covered and decisions made.

Single Shareholder (S Corporation)

Requirements for meeting minutes are fairly simple for one shareholder corporations, but must still be kept in order to retain corporation status. Use the general requirements as a guideline and also consider the following information.

- Set a date of the meeting (this can be a past date since there is no need to give notice to oneself) to be held at least once annually.
- Record in the minutes, that the meeting is a joint meeting of the shareholders and the board of directors.
- Record in the minutes the election of directors and the election of officers (president,

secretary, treasurer) for the next year (if indicated as necessary in the corporate bylaws).

- Sign the minutes as the secretary of the corporation and retain copies with other business documents.

Two Shareholders

If there are two shareholders, both are on the board of directors and one person is designated as the secretary of the corporation. Use the general requirements as a guideline and also consider the following information.

- Set a date of the annual meeting (if the shareholders meet often, it could be a past date with a signed waiver of notice, see reverse) to be held at least once annually.
- Record in the minutes the two shareholders present and it is a joint meeting of the shareholders and the board of directors.
- Record in the minutes the election of officers (president, secretary, treasurer) and directors for the next year (if indicated as necessary in the corporate bylaws).
- The secretary of the corporation signs the minutes and retains copies with other business documents.

Three or More Shareholders

When there are more than two shareholders, there is greater potential for disagreements. Steps should be taken to ensure that corporate formalities are adhered to so that one individual cannot later contend a meeting (and any decision made at that meeting) was not valid due to inadequate notice or non-attendance. Use the general requirements as a guideline and also consider the following information.