

Recordkeeping Checklist for Corporations and LLCs

Whether you've created a Corporation or Limited Liability Company, you must maintain records as a part of the "formality" required to guard against preserve your legal status. Each year it is good practice to review the documents that are part of your legal structure.

Here are the ten most important ones:

1. Articles of Incorporation or the Article of Organization – documentation that verifies that the legal entity has been established by the State Corporate Commission. Is your entity in "good standing" with your state?
2. Bylaws or the Operating Agreement – the rules of the corporation or the LLC listing procedures, rights of shareholders/members, how meetings are to be called, etc.
3. Written notices of Meetings/Waiver of Notice
4. Minutes/Consents of Shareholder/Member Meetings and all resolutions – records of the details of every meeting.
5. Management Agreements – if any, written out in detail.
6. Annual Meeting – Every state requires a corporation or LLC to have at least one annual meeting. Be sure to keep a record of all actions taken and/or decisions made in your minute book.
7. Special Meeting/Communications – Keep copies of all communications to shareholders or members. Most states require that you keep these records for no less than three years, but it is good practice to keep such documents permanently to guard against future lawsuits.
8. Shareholder/Member List – A list of who owns what percentage of the legal entity.
9. Annual Report – The Commonwealth of Virginia requires that the legal entity file an annual report with the State Corporate Commission. Again, be sure to keep copies in your minute book.
10. Establish a separate bank account for the company.

While these requirements might seem to be overwhelming, once the process has been put in place it is relatively easy to maintain. If you need help, please be sure to contact the Alexandria SBDC and ask to schedule an appointment with a business counselor.