



# **Madsen and Company**

*Presents*

## **Minutes Compliance**

**BizMinutes™**



# Agenda

1. Why minutes are important
2. Why you need minutes now
3. What the IRS says
4. About BizMinutes
5. How to get started
6. Minutes Pricing

## Why Minutes Are Important

“The sole stockholder did not keep corporate minutes: the court held that such a circumstance justified a disregard of the corporate entity.”

*Cohen vs. Williams*, 294 Ala. 417, 318 So. 2d 279

- Minutes are legal records that document actions and approved decisions made by the principal of a business
- State law requires corporations to prepare minutes of shareholders
- While not all LLCs are required by law to have minutes in most states, the Operating Agreement may require minutes be kept. It's a good practice to document the actions of the members / managers and the approval of those actions
- Without current minutes, the legal protection could be in jeopardy
- The IRS may disallow certain tax benefits resulting from actions not properly documented in minutes



## Why You Need Minutes Now

Some clients ask us why they should do minutes now if they haven't done them before.

Over the years, it's become apparent to us that most clients don't keep minutes because they don't know how to do it, they don't want to have their attorney do it or they're simply not aware of the legal requirement to keep minutes annually.

The risk of having your corporate veil pierced and creditors coming after you personally for any debts or activities of the corporation is greater if you do not have minutes.

If you are audited by any governmental agency, such as the Department of Labor, Dept. of Economic Security, Department of Revenue, you will be required to produce minutes. Also, the IRS will require minutes in the case of an audit. If you are involved in a lawsuit, you will need to produce copies of your minutes to prove the separation between you and the company, which will help protect you from any legal liability.

To help you be compliant, Madsen and Company has partnered with BizMinutes to be our compliance partner and maintain your company's minutes.



## What the IRS Says

*“A majority of new business owners fail to keep corporate minutes properly – if at all. Former Revenue Officers that we have spoken with have found that many small business owners couldn’t determine if notes were ever taken. For this reason, the IRS works with BizMinutes to provide legal compliance services to business owners nationwide. BizMinutes is one of the few sites that concentrates on legal compliance and provides organizational minutes free. Although we don’t endorse companies, we feel their service is worthwhile to business owners.”*

-Tonjua Menefee, Internal Revenue Service

BizMinutes™ provides the statutory compliance solution to accountants to use for their clients utilizing a self-service, web-based platform to facilitate the preparation of and delivery of corporate minutes online.

### Advantages of BizMinutes

- Based on 15+ years experience creating corporate minutes
- LiveHelp for immediate help resolving questions
- Quarterly reminders to the CPA
- Guaranteed accuracy
- On-line storage of all documents



The screenshot shows the BizMinutes website homepage. At the top, there is a navigation bar with links for CONTACT, SIGN UP, VIEW DEMO, SITE MAP, and LOG IN. Below this is a secondary navigation bar with ABOUT MINUTES, OUR SERVICE, and OUR COMPANY, along with a phone number: Questions? Call us at 800.631.2667. The main banner features a group of five diverse professionals in business attire. The text on the banner reads: "START YOUR LEGAL COMPLIANCE NOW. FREE Minutes For First Time Users. No Risk. No Commitment." with a "SIGN UP NOW" button. Below the banner are three columns of content: "Who We Are" (describing BizMinutes as a compliance partner), "Minutes Do Matter" (explaining the legal importance of minutes), and "Take The Tour" (offering a free update service and reporting tools). Each column has a "LEARN MORE" or "VIEW DEMO" button. The footer contains additional navigation links and copyright information for BizMinutes.



## How to Get Started

### Steps to Updating Your Company's Minutes

1. Provide your company information to your CPA (such as company name, officers, directors, date you filed with the state, ownership).
2. Complete the minutes questionnaire which is on the reverse of the informational flyer entitled "Are Your Corporate Minutes Up to Date?" and send this information to your CPA.
3. After you receive your completed Minutes, review them carefully, then obtain the necessary signatures and file the original Minutes in the company Minute Book.



## Minutes Pricing

- Organizational Meeting Minutes: FREE
- Annual Meeting of Shareholders and directors \$195/year
- Annual LLC Meeting of the Members / Managers \$195/year

Discounts apply when multiple years of minutes are purchased for the same company at one time:

1 <sup>st</sup> year . . . . .	\$195
2 <sup>nd</sup> year . . . . .	\$175 (save 10%)
3 <sup>rd</sup> year . . . . .	\$155 (save 21%)
4 <sup>th</sup> year . . . . .	\$135 (save 30%)

The CPA's standard hourly rate will be included on the next invoice sent to you for time spent on this matter.



**Questions?**

**Please contact us with Questions**

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