



# Corporation Meeting Requirements

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### 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, the following information should 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 next page) 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

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 next page) to be held at least once annually.