



Important Annual Updates for Corporations and Limited Liability Companies

In accordance with Georgia law, all corporations and limited liability companies formed in Georgia are required to submit an annual registration, including a \$30 filing fee, to the Georgia Secretary of State by April 1 of each year.

Effective July 1, 2008, corporations and limited liability companies can no longer file late annual registrations without penalty. The Secretary of State has now imposed a \$25 charge for annual registrations received after the April 1 deadline.

Annual registrations provide a means for the Secretary of State to keep track of all operational entities. Those that miss multiple registrations in a row will eventually be dissolved by the Secretary of State due to lack of activity. Annual registrations also provide updated contact information to the public, such as addresses, officers, and registered agents, for all entities formed with the Georgia Secretary of State. A copy of each filed annual registration should be kept in your entity's minute book for proof of filing, including any receipt of payment for the \$30 filing fee.

Please be aware that most, if not all, states require some form of annual report to be filed to keep your companies active. If any of your businesses are registered in a state other than Georgia, please verify the annual filing requirements with the state's Office of the Secretary of State. Deadlines and fees are not the same for all states.

It is advisable that every corporation and limited liability company keep a minute book. This becomes increasingly important for corporations due to the number of required annual documents. Minute books are designed to store the organizational records of the entity, as well as other necessary documents required for yearly update. The documents inside the minute book illustrate the basic framework for the entity, ranging from how it was originally created to the various activities and changes that have occurred since its

creation. Minute books for corporations are essential because corporations have multiple organizational and annual documents that must be kept as a record of corporate activity. Limited liability companies do not have the same record requirements as corporations, but it's always a good idea to have a minute book for your limited liability companies to hold any important records.

The Official Code of Georgia dictates various requirements for corporations. Once the Articles of Incorporation have been delivered to the Secretary of State and the Certificate of Incorporation has been prepared, the corporation must hold an organizational meeting, or sign organizational minutes in lieu of a meeting, to set up the bylaws and elect the officers and directors for the following year. Stock certificates reflecting the correct ownership of stock should also be signed at this time. You can obtain stock certificates for your corporation when your corporate minute book is ordered. All organizational documents and stock certificates should be stored in your corporate minute book.

Beyond organizational documents, there are other requirements for corporations that must be met every year. Georgia law requires corporations to hold an annual meeting and record minutes, or prepare minutes in lieu of an annual meeting, to elect the officers and directors for the succeeding year, as well as to acknowledge any important actions or changes authorized by the shareholders of the corporation that occurred during the past year. It is advisable that major events and transactions are noted on annual minutes including:

- Any transfer or sale of shares.
- Any loans to and from the corporation.
- Any purchase, sale, or lease of equipment and real estate.
- Any contracts into which the corporation entered.
- Any lawsuits filed by or against the corporation.
- Payment of any bonuses
- Payment of any dividends.
- Contributions to a profit sharing or pension plan.
- Adoption of a new employee benefit plan.
- Any directors, officers, or executives who resigned or otherwise vacated their position, including the date of resignation.
- Registering to do business in another state (or ceasing to do so).

Also included in the annual minutes should be specific information pertaining to the upcoming year, such as:

- Identification of directors and officers.
- Identification of current shareholders, including their number of shares.

Please keep in mind that the lists above may not be all-inclusive. Any important events, including those not mentioned above, should be recorded in the minute book as documentation of the corporation's business actions.

It's imperative that companies, especially corporations, keep their minute books up-to-date. If your company is ever audited, the first thing IRS agents will request is the

company's minute book to examine the completed documentation in juxtaposition with claimed company actions. We, at Large & Gilbert, understand the importance of keeping a current record of all important business dealings and help many of our clients get and keep their minute books up-to-date. Therefore, if you need assistance in completing updates to your minute book, please contact Joseph Skalski, CPA, JD at (770) 671-1533 x219 or at jskalski@largeandgilbert.com.