

It's Time to Schedule Year-End Corporate Board Meetings

If your business operates as a corporation, it's time to schedule a year-end meeting of the corporation's board of directors. This is more than just good management planning; it's also an important step in maintaining the legal status of the corporation.

While there are certain tax, accounting, public relations and other considerations, most corporations are formed in order to maximize the ability to limit the personal liability of the business owner(s) to third parties arising from business operations. This liability protection includes potential exposure to lawsuits or other legal actions involving contracts, personal injury and other activities arising in the ordinary course of business.

Under California law, corporations are required to observe certain corporate formalities in order to enjoy the continued protection of the corporation laws. One of the most important factors in determining corporate compliance is whether the corporation held meetings of its board of directors. It is imperative that the corporation have some written record of the meetings of its board to discuss those matters normally addressed by a corporate board of directors. These written records, or minutes, should be retained by the corporation's legal counsel, corporate secretary, or other authorized individual with the corporation's other key documents for reference and safekeeping.

The duration and topics to be covered at the board meeting depend on the size, complexity and activity level of the corporation and its operations. Contact a corporate attorney to schedule your corporation's board meeting and establish an agenda. This simple step will be a key factor in reviewing your corporation's activities for the past year, planning for upcoming operations and protecting your corporation's legal status as an operating entity.

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