

Annual Minutes – Suggested Topics

1. The following are general items included in the minutes:

- a) Was proper notice of the meeting issued in accordance with the bylaws and/or state statute?
- b) Quorum present or waiver of quorum?
- c) Acceptance of prior meeting's minutes?
- d) Election of officers or determination of managing members?
- e) Officers' review of company results for the year?
- f) Ratification of significant officer actions for the prior year?

2. Do the minutes specifically reflect the following:

- a) Approval and accrual of officers' bonuses or members' guaranteed payments for the year (plus ratification of any bonuses previously paid during the year)?
- b) Establishment of fringe benefit plans for employees and owners (such as a retirement, health, or group life insurance plan)?
- c) Determination of retirement plan contribution?
- d) Reasons for accumulations of earnings?
- e) Listing of officer salaries or member's guaranteed partner payments for next year (along with justification if they are likely to be challenged as excessive)?
- f) Approval of loans to employees (and terms of such loans)?
- g) Approval of loans to/from shareholders or members (and terms of such loans)?
- h) Review of the lease agreements and other legal contracts with outside parties.
- i) Board of Directors approval by the end of the tax year of charitable contributions to be paid within 2 ½ months after tax year-end.
- j) Personal use of employer-provided autos to shareholders is part of the shareholder's compensation?
- k) Reasons why a shareholder/employee received inadequate compensation during the year



and intention to pay make-up compensation in future?

3. **Does the corporation's or company's valuation for purposes of a buy/sell agreement or estate valuation need to be updated? If so, are the results included in the minutes?**
4. **Are the following capital structure transactions covered in the minutes:**
 - a) Approval of any new stock issued?
 - b) Approval of any stock redeemed or retired to treasury?
 - c) Approval of any stock or stock options issued as compensation? (Consider whether to recommend that the stock recipient make a Section 83(b) election.)
 - d) Approval of any sale, liquidation, or reorganization?
 - e) Approval of any Section 351 asset transfers?
 - f) How dividend payment amounts were set or reasons for not paying dividends?
5. **Was S corporation status or other IRS elections considered?**

