

Importance of Minute Book Maintenance

A well-organized corporate records book benefits both attorneys and paralegals.

BY DENISE ANNUNCIATA

You might call it a minute book. You might call it a company records book or simply a records book. It all boils down to a three-ring binder containing the governance of a business entity. Whether the business entity is a for-profit or nonprofit corporation, a limited liability company, partnership or limited partnership, pursuant to the laws of its state of organization or domestic state, all business entities must maintain some type of record-keeping books. A well-maintained minute book is a timesaver for attorneys and paralegals.

Typically, records found in a minute book are the certificates or articles of incorporation and all amendments as filed with the Secretary of State, bylaws or operating or partnership agreement, management votes, annual filings and qualifications.

Employment agreements, non-competition agreements, nonstock-related agreements, leases and other business agreements are generally filed separate from the minute book.

Corporations

In my experience, corporate records books are typically referred to as minute books as opposed to other entities such as limited liability companies, limited partnerships and partnerships, whose records books have

been referred to as company records books. A well-maintained corporate minute book should contain an index sheet listing sections, separated by written or numbered tabs, for the following documents in chronological order:

- Certificates or Articles of Incorporation together with any and all amendments.
- Bylaws together with any amendments and/or restatements.
- Incorporator minutes and consents.
- Stockholder minutes or consents.
- Directors minutes or consents.
- Foreign qualification filings, if any.
- IRS filings such as the IRS Forms SS-4 (federal identification number application) and 2553 (election of small business corporations).
- Stock ledger and certificates (if the list of stockholders isn't too cumbersome). Otherwise a separate stock records book will be maintained.
- Date stamped copies of all annual reports that have been filed (optional).

It's very convenient to create a summary sheet inserted in the front of the minute book. The summary

sheet should list certain biographical information for easy reference such as:

- The exact corporate name
- State and date of incorporation
- Trade names, if any
- Purpose of business
- Authorized and issued stock
- Names of directors
- Name and titles of officers
- Federal identification number
- Resident agent name and address
- State and dates of qualification
- Fiscal year end
- Annual meeting date.

The trick is to be sure that the information on the summary sheet is always kept accurate. Whenever new votes or any amendments are filed in the minute book, care should be taken to note any changes that affect the information contained on the summary. A chart of information contained on a typical summary sheet together with locations on where the information can be found can be viewed at *LEGAL ASSISTANT TODAY'S* Web site, www.legalassistanttoday.com.

Limited Liability Companies

Records books for Limited Liability Companies (LLCs) should contain similar information to the corporate minute book. The beauty of LLCs is that the management can be structured

in many ways and is defined in an Operating Agreement. An LLC will have members who are counterparts to the corporate stockholders.

Management of the company might be structured so that there is a board of managers or directors, a managing partner, a managing member or a managing director. The management body will appoint officers to fill offices defined in the Operating Agreement, if any.

Typically, an LLC company records book will contain some version of the following documents.

- Certificate of Formation and any amendments thereto as filed with the Secretary of State
- A copy of the Operating Agreement and any amendments thereto
- Members minutes or consents
- Managers or Directors minutes or consents
- Qualification or registration filings
- IRS filings such as the SS-4
- Membership records
- Annual reports.

Again, creating a summary sheet to place in front of the records book is very convenient. The summary sheet should list certain biographical information pertinent to the limited liability company for easy reference such as:

- The exact company name
- State and date of formation
- Purpose of business
- Term
- List of members
- List of managers or name of managing member
- Name and titles of officers
- Federal identification number
- Resident agent name and address
- State and dates of foreign registration
- Fiscal year end.

Again, it's imperative that the information contained on the summary sheet be kept accurate. A chart of information contained on a typical LLC summary sheet together with locations on where the information can be found may be viewed at *LEGAL ASSISTANT TODAY's* Web site.

Limited and General Partnerships

Records books for limited or general partnerships are similar to the LLC records book:

- Certificates of Partnership or Limited Partnership filed with the Secretary of State and all amendments thereto. In some states, general partnerships may not file documents with the Secretary of State but rather they may file a business certificate in the city or town of their principal office.

Whether minute books are maintained physically or electronically, keeping accurate summary sheets can significantly increase efficiency.

- A copy of the partnership agreement.
- Votes of the Partners and/or General Partners (in the case of an LP).
- IRS filings such as the Form SS-4.
- Ownership Interests Records.
- Annual Reports, if applicable.

Summary sheet information will be found in the partnership agreement and/or the Certificate of Limited Partnership. It should contain the following:

- The name of the entity.
- State and date of formation.

- List of partners.
- States where the partnership is qualified, if any.
- SS-4 number.

The Future of Minute Books

Have you ever had to maintain duplicate minute books for a client? Have you ever had to search the recesses of your law firm for a minute book that had been misplaced?

These scenarios may be a thing of the past as technology begins to address minute book maintenance.

Two Step Software Inc. (www.twostep.com) has a product named Corporate Focus that electronically maintains minute books and stock records. Corporate Focus' most recent version allows corporate documents to be scanned and maintained on a Web-based application.

This technology makes it possible for law firms and their clients to access identical corporate information such as the charter, minutes, votes and other documents, thereby alleviating the difficult process of maintaining duplicate minute books.

Keeping track of minute books are a vital part of a corporate legal assistant's job. Whether minute books are maintained physically or electronically, maintaining them well and keeping accurate summary sheets can significantly increase efficiency.

The ability to put your finger on basic information contained on the summary sheet with ease and confidence makes a legal assistant appear organized and knowledgeable. And, as we all know in the legal field, perception is everything. ■

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