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understand which ones should.

Nellie Akalp • Oct. 18, 2023



By Nellie Akalp.

Accountants are crucial for guiding clients through the various financial and administrative aspects of running a business. Tasks like meeting minutes might not be the most exciting part of running a business, but they are crucial for ensuring transparency, accountability, and legal compliance. As the year-end approaches, your business clients must ensure they have taken proper meeting minutes. Let's

delve into which businesses need meeting minutes, how often they are required, and

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- **Legal Compliance:** Meeting minutes can be essential in proving that a company has adhered to its legal and regulatory obligations. They help establish that meetings were conducted fairly and important decisions were made with due diligence.
- **Accountability:** Minutes hold participants accountable for their commitments and actions. They serve as a reference point for who agreed to do what and when—reducing the likelihood of disputes or misunderstandings.
- **Historical Documentation:** Minutes create a historical record of the company's decision-making process, which is valuable for future reference, audits, or legal proceedings.

Which Companies Need Meeting Minutes?

Not all businesses are required to maintain meeting minutes, but it's essential to understand which ones should. Generally, companies structured as corporations, LLCs, or nonprofits should maintain meeting minutes. Here's why:

- **Corporations:** Publicly traded and privately held corporations are legally obligated to maintain meeting minutes of their board of directors and shareholder meetings.
- **Limited Liability Companies (LLCs):** Although LLCs have more flexibility in their governance, they should still keep minutes to document important decisions and protect the limited liability status of their members.
- **Nonprofit Organizations:** Nonprofits are typically required to keep meeting minutes, especially if they want to maintain their tax-exempt status.

How Often are Meeting Minutes Needed?

The frequency of meeting minutes can vary based on the organization's bylaws and state regulations. However, some standard guidelines exist:

- **Board of Directors:** Most corporations must take minutes at board meetings. These

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What Should be in the Meeting Minutes?

Meeting minutes should be comprehensive and accurately reflect the discussions, decisions, and actions taken during the meeting. Here is a list of what should be included:

1. **Date, Time, and Location:** Begin the minutes with the essential meeting details.
2. **Attendees:** List the names of all attendees, including board members, shareholders, and committee members.
3. **Agenda:** Include a brief overview of the meeting's agenda to provide context.
4. **Discussion:** Summarize key discussions and debates, emphasizing significant points made by participants.
5. **Decisions:** Document all formal decisions, resolutions, and motions made during the meeting.
6. **Action Items:** List tasks assigned to individuals, along with deadlines and responsibilities.
7. **Voting Results:** If there are votes on resolutions, record the outcome, including the number of votes for and against.
8. **Signatures:** Conclude the minutes with the signatures of the meeting's chairperson and the secretary who prepared the minutes.

Advising clients on maintaining accurate meeting minutes is a valuable service accountants can provide. Understanding the state and/or federal laws that mandate keeping minutes for certain business entities, such as corporations and LLCs, is vital. Accountants can educate their clients about best practices for maintaining accurate and comprehensive meeting minutes.

In addition, by stressing the importance of integrating meeting minutes with financial records and annual reports, your clients are assured financial decisions,

such as dividend distributions or capital expenditures, are accurately reflected in

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