

Title:

Smart Yearend Planning-Corporate Formalities

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Summary:

There are three main areas we need to keep in mind as the year ends:

1. Taxes
2. Corporate formalities
3. Planning for next year

Keywords:

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Article Body:

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The power of documentation—shifting the burden of proof

For those who have an LLC (opposed to a sole proprietorship, S Corporation or C Corporation), it's always better to over-document. By keeping a tax diary, you shift the burden of proof from yourself to the IRS, who then has to disprove its validity.

Annual meeting—an opportunity to have some fun

Make sure you've done your annual meeting by the end of the year. Why you're at it, you might as well make it fun. You can hold it anywhere in the continental United States without a problem, and you can hold the meeting abroad or Hawaii or Alaska if you can show why you needed to hold the meeting there.

Get corporate minutes and meetings in line.

1. Prepare a notice or waiver of notice (available on Pathfinder's Web site). When you have a corporation, you need to notify in writing by certified mail all the shareholders of the meeting. If you're the only shareholder, you certainly do not need to send a notice to yourself; instead, you can print out a waiver of notice because the notice is unnecessary.
2. Print out a form for the meeting's minutes. Minutes are what you discuss

at the meeting (or think about, if it is just you at the meeting). You can hold your annual meeting in Aspen and ski. When you're in the lodge thinking about what you want to do the next year for marketing, etc. and jotting down ideas, this could be your annual meeting.

3. Extracurricular things need a resolution. Resolutions are decisions you made at the annual meeting. You don't need one to take a client to dinner or attend a seminar. You do, however, need one if you rent new space, open up a new bank account, buy a car. It's better to be safe than sorry and have a resolution.

4. This is a good time to make sure you have a medical reimbursement plan in writing. Fill out the form off Pathfinder's Web site and keep it in the corporate kit. Use the same advice in regard to your educational assistance plan. Preparing this document does not take long, but it's very important.