



SAGE

BUSINESS COUNSEL

Powered by Hudson Legal, LLC



2022 ANNUAL COMPLIANCE CHECKLIST





BACK TO BASICS

Every year, business owners gear up for Q1 by looking at last year's financials and the coming year's projections, exploring new marketing strategies, and possibly even researching a new product or service launch for the coming year. This is the fun part! Strategizing about how to grow and expand the business is something every team member can get excited about. But, not surprisingly, many businesses fail to spend time revisiting the fundamentals... you know, the boring legal stuff.

Sadly, the boring legal stuff is exactly what can bring all the business's exciting plans to a screeching halt, diverting funds to regulatory audits, complaint management, or worse, full-blown litigation.

We never want to see [good businesses](#) caught off guard by the boring legal stuff, so we created this Compliance Checklist. By following the suggestions below, you can be confident that your business is on sound legal footing and ready to take 2022 by storm!



File Your Annual Registration

First and foremost, you need to make sure your company can legally operate in this state! In Georgia, LLCs and corporations must submit an annual registration every year. The annual registration requirement is a completely different requirement than the reporting required by the SEC (U.S. Securities and Exchange Commission) for public corporations. The Georgia annual registration is simple and straightforward. Note: you must file between January 1 and April 1, 2022, to avoid a penalty. Visit sos.ga.gov to file your annual registration and complete the first step toward staying compliant!

When you do, share with us on [Facebook](#), [LinkedIn](#), [Instagram](#), and [Twitter](#) using [#compliantbusiness2022](#) to let everyone know that your business takes compliance seriously!



Hold Your Annual Meeting

Time is of the essence for a Georgia corporation to hold its annual meeting. Be sure you know when your annual meeting is to be held by looking at your corporate bylaws. Because a statement of the purpose of the annual meeting is not required to be included in the notice sent to shareholders, the corporation can act on any business matters other than those that require a

special notice (e.g., mergers and share exchanges). The most important task for a corporation at its annual meeting is usually to elect the next year's board of directors.

Although LLCs are not required to hold an annual meeting, some have it written in their operating agreements, making it proper governance to hold the meeting as agreed. Remember that conducting the annual meeting is not enough — the company must keep meeting minutes to record what happened and the decisions that were made. These minutes should be kept in a company records book and held in a secure location at the primary business office.

If you would like a free meeting minutes template, email us at info@sagebusinesscounsel.com subject "Free Minutes Offer."



Report Changes to the Secretary of State

If a Georgia LLC or corporation makes key changes to its company, it needs to notify the state by filing "Articles of Amendment" with the Secretary of State. Be mindful that some changes will require publication, such as corporate name changes. Contact your local newspaper within a day of amending the corporation's name and publish a notice such as the following for two consecutive weeks:

"Notice is given that Articles of Amendment changing the name of (corporation's current name) to (corporation's new name) have been delivered to the Georgia Secretary of State for filing in accordance with the Georgia Business Corporation Code. The registered office of the corporation is located at (address)."

A list of legal organs is published at <http://www.gsccca.org/clerks/>, or the Clerk of Superior Court can advise you as to the legal organ in your county.



Renew Business Licenses and Permits

Every Georgia business must have a business license, even home-based businesses. Many business owners assume that simply registering with the Secretary of State is enough — but this is not true. In fact, business licenses are not issued at the state level in Georgia but are issued by local governments. In addition to a business license, some businesses require additional licenses and permits, such as:

- Sales tax permits
- Zoning permits
- Health permits

- Sign permits
 - Professional licenses (e.g., accounting, engineering, law, general contractor)
- © 2021 Hudson Legal, LLC dba SAGE Business Counsel

Not only is it essential to obtain the necessary licenses when starting a business, but it is also critical to renew them, which is typically each year. We encourage business owners to contact the state, county, and municipality offices or [contact](#) SAGE Business Counsel to determine whether they have the right licenses and permits to legally operate in Georgia.



Review Your Registered Agent Selection

Georgia corporations and LLCs must designate and retain a registered agent to receive service of process (legal and government notices) for them. When initially registering their company, many business owners list themselves or a corporate service company as their registered agent. This is not necessarily bad, but as the business grows, it is important to consider reasons that a business may need to appoint an attorney or law firm to serve as its registered agent. While non-attorney agents are perfectly legitimate, they cannot provide legal advice when a legal or regulatory notice is received. Thus, businesses may end up paying more by then having to retain a lawyer for the limited service of advising on the effect of the notice, or the next steps that need to be taken. An additional benefit to having an attorney or law firm serve as the registered agent is the deterrent effect. If litigious parties are looking to make a demand on or sue a business, having a lawyer listed as the registered agent can be a signal to the party that it won't be an easy fight.

The end of the calendar year is an excellent time for a company to review their registered agent selection to ensure the agent is meeting its needs. To learn more about how Hudson Legal may be able to assist your business in this way, set up a strategy call with us by calling 678-825-4525 or clicking [here](#).



Assess Your Business Entity Choice

Especially with the recent tax law changes, entrepreneurs may want to talk with their attorney and accountant to determine if the current legal and tax structure of their company is still a good fit for their situation. Some considerations that influence this decision include:

- Whether the entity type is providing enough personal liability protection for the owners
- Whether there are tax implications that impact the company's bottom line
- Whether the business has plans to grow that will require investors
- Whether the business be taking on partners in the near future
- Whether the business is looking to expand beyond the state

- Whether the owner seeks to sell the company in the future

© 2021 Hudson Legal, LLC dba SAGE Business Counsel All

Changing from a sole proprietorship or partnership to a formal entity such as an LLC or corporation requires filing Articles of Organization or Articles of Incorporation with the Georgia Secretary of State. Changing an LLC to a corporation, or vice versa, requires an entity conversion. Timing is important when it comes to changing from one business entity type to another. If you believe you may need to reassess your current legal structure, [SAGE Business Counsel](#), in conjunction with your tax professional, can help you decide if that choice is right for your business.



Check Whether Estimated Tax Payments Were Accurate

Passthrough LLC owners, sole proprietors, partners, and S corporation shareholders generally must make estimated tax payments if they expect to owe tax of \$1,000 or more when their annual return is filed. Corporations generally must make estimated tax payments if they expect to owe tax of \$500 or more when their annual return is filed. If a company has not paid enough taxes on its taxable revenue throughout the first three quarters of the year, identifying that in the fourth quarter gives the owner(s) an opportunity to consult a tax professional to avoid penalties for underpayment. For more information about this requirement, read about estimated taxes [here](#).



Send 1099-MISC Forms to Independent Contractors

If a business pays a subcontractor \$600 or more during the tax year, the IRS requires that the company sends a 1099-MISC form to them. The 1099 discloses the compensation paid to the individual. The IRS's deadline for furnishing 1099-MISC forms to payees is January 31, 2022. To complete the 2022 1099-MISC form, go [here](#).



Review Your Employee Manual and Agreements

On that note, now is a great time to review your employee manual and agreements, as well as determine whether your independent contractors are being mislabeled and should be converted to W-2 employees. By and far, this is the most damaging tax and employment law misunderstanding that companies make, resulting in major losses. Both federal and state law

impacts these issues, so if your company has not had these agreements and decisions reviewed by an attorney in a while, now is a great time to [schedule](#) a call with us to see if your business truly understands — and minds — its obligations in this arena.



Officially Close Your Business

If your business has ceased operations but has not notified the Secretary of State, it remains responsible for fulfilling business compliance requirements and paying taxes. It may also open itself up to additional liability to creditors and other stakeholders. To officially close a Georgia corporation, click [here](#). To officially close a Georgia LLC, click [here](#). To make sure you have fully wound up your company's affairs and to avoid potential litigation, schedule a [consultation](#) with us.

GOOD JOB!

Now, you can DARE to DREAM!

And don't forget to share with us on [Facebook](#), [LinkedIn](#), [Instagram](#), and [Twitter](#) using [#compliantbusiness2022](#) to let everyone know that your business takes compliance seriously!



To learn how we can help you move your business forward, schedule a consultation by clicking [here](#).