



SAGE

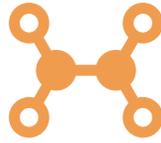
BUSINESS COUNSEL

Powered by Hudson Legal, LLC

**ANNUAL BUSINESS
COMPLIANCE CHECKLIST**

TASKS
RETAIL
INDIGO
SAVANNAH
NEW WEBSITE
POP-UP PITCH
GET A SCALE
EMAIL 2018
EMAIL 6M
YOUTUBE
VACCIN
VANCIT
CORPO
LIST
APP





STAY COMPLIANT!

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



File Your Annual Registration

First and foremost, you need to make sure your company can legally operate in your state! Each year, or some interval thereof, your business must report to the states it operates in whether it is active or not, and take appropriate steps to ensure it has a registered agent and principal business location to satisfy state law. Depending on the entity type, you may also need to disclose certain other information. Remember: registered agents must consent because the law imposes responsibilities on them. So, if your attorney, colleague, employee, or close personal friend is your registered agent, you must get their consent year gayer year to be compliant.



Hold Your Annual Meeting

Time is of the essence for a corporation to hold its annual meeting. Be sure you know when your annual meeting is to be held by looking at your corporate bylaws or your state's corporate code. If your company is not a corporation, you may not be required to hold a meeting but we suggest that you do anyway. In fact, some LLCs or other entities have it written in their operating agreements that annual meetings are required, making it proper governance to hold the meeting as agreed. Remember that conducting the annual meeting isn't 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.

The most important tasks for a company at its annual meeting is to elect the next year's board of directors, identify the annual budget, and review the prior year's financial statements.



Report Changes to the Secretary of State

If you make entity or structure changes to your company, you may be required 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.



Renew Business Licenses and Permits

Every 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 usually, 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)

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 call us to determine whether they have the right licenses and permits to legally operate in Georgia.



Review Your Registered Agent Selection

Companies 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 actually 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 SAGE 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 significant 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

Changing from a sole proprietorship or partnership to a formal entity such as an LLC or corporation requires filing with the 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, in conjunction with your tax professional, can help you decide if that choice is right for your business. To learn more about how SAGE 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](#).



Check Whether Estimated Tax Payments Were Accurate

Passthrough LLC owners, sole proprietors, partners, and S corporation shareholders generally have to make estimated tax payments if they expect to owe tax of \$1,000 or more when their annual return is filed. Corporations generally have to make estimated tax payments if they expect to owe tax of \$500 or more when their annual return is filed. If a company hasn't 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 the IRS's page regarding estimated taxes [here](#).



Send 1099-MISC Forms to Independent Contractors

If a business pays a subcontractor during the tax year, the IRS may require that the company sends a 1099-MISC form to them, depending on how much was paid. The IRS's deadline for furnishing 1099-MISC forms to payees is January 31. To complete the 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 actually 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 impact 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 hasn't 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, you can always reach out to us if you need help keeping your company OUT OF COURT and IN THE BLACK! <https://sagebusinesscounsel.com/contact-us/>