

Start Your Company Meetings and Minutes

By Wendy Byford

Start Your Business
BUSINESS ADVISORY PROGRAM

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START YOUR COMPANY MEETINGS AND MINUTES

LLC version

By Wendy Byford

with Patricia Sorensen, Esq.

Start Your Company Meetings and Minutes is one module in The Foundation Series of the Start Your Business small business advisory program.

This publication and the accompanying recording are designed to educate and provide general information regarding the subject matter covered. However, laws and practices often vary from state to state and are subject to change. Because each factual situation is different, specific advice should be tailored to the particular circumstances. For this reason, the reader is advised to consult with his or her own advisors regarding that individual's specific situation and should not rely on any situation, regardless of the similarities, discussed herein. Any names, characters, places, companies and incidents are either the product of the author's imagination or are used fictitiously, and any resemblance to actual persons, living or dead, businesses, companies, events or locales is entirely coincidental.

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START YOUR COMPANY MEETINGS AND MINUTES

Why Paperwork is Important

When you start a new business the last thing you want to do is paperwork. After all, you have products to create, services to deliver, marketing to do, finances to manage, and staff to supervise – even if that staff is only you initially. The last thing you need is paperwork to complete. However, as you will discover in this module, paperwork may not be exciting, but it is important. Moreover, it is not difficult to create if you keep up with it from the start. This workbook and a bit of discipline will help you keep your paperwork in order from your very first meeting.

No one starts a business with the expectation that one day they will have to surrender their home, their vehicles, their savings and investments to a judgment creditor. One of the reasons you put your business into an entity¹ rather than starting as an unincorporated sole proprietor or general partner is to give yourself liability protection. In the event your business is sued and the judgment exceeds what your business insurance is willing to pay, you want to ensure that your personal assets are safe. To maintain this protection, you must be able to show a court that you are running a professional organization, separate and distinct from the owners. Failure to provide this proof may result in the court's determining that the business is merely an extension of the owners (an "alter ego"), and all assets – both business and personal – should be made available to settle any judgment. This decision is called piercing the corporate veil.

The Internal Revenue Service (IRS) also relies on the strength of your entity to permit certain tax benefits. If the IRS learns of a court decision in which your corporate veil was pierced, or if it audits you and determines for itself that your business is merely an alter-ego and not a professionally run organization, it will disallow many of the benefits you have claimed and demand back taxes and penalties.

¹ An entity is an association or organization with an identity separate from the identities of the owners. In this workbook, the term entity refers to a corporation, a limited liability company or a limited partnership.

One of the best tools you have to prove you are running a professional business is an up-to-date minute book containing

- your completed set up documentation
- minutes of your organizational, annual and special meetings
- resolutions documenting all decisions of legal, tax and financial significance for the business

As anyone who has ever worked in corporate America knows, professional managers document their decisions and follow set rules for getting actions approved. While you do not need to document every decision you make, you do need to create resolutions for decisions that will have a significant impact on the business. Typically, these decisions need to be approved by the managers or managing members of an LLC. If the decision is significant enough, it may need to be voted on by the members of the LLC.

Your signed resolutions are proof that you have gone through the appropriate approval process. They demonstrate that you are acting responsibly as a manager of your business and that you are treating the business as a separate entity with its own rules and guidelines.

This proof is particularly important for avoiding arguments later. Our memories are not perfect, and it is easy to forget the circumstances surrounding a particular decision. If the decision you are voting on benefits a manager personally, the resolution shows proof that you discussed the matter and its implications for the business, and a majority decided to go forward with the action.

It is also important to support decisions that might come under scrutiny from an outside organization, such as the IRS or a bank. These organizations want to ensure that you have the authority to take the actions you are proposing. Signed resolutions are proof that you have discussed each matter with the appropriate parties and a majority as defined in your operating agreement agrees with your decisions.

How to Record Decisions

As a small business owner, not all your decisions need to be made in a meeting. While it is appropriate to hold an annual meeting to vote in managers of the LLC, it is not necessary to hold meetings to approve most of the decisions that are listed in this workbook. For these, you can create written consents of action without meeting, and have them signed by the same majority that would be required for the resolutions to pass a formal vote.

Decisions that are taken in a meeting need to be documented in the form of meeting minutes. These minutes are written and signed by the Secretary of the meeting. As you will see later in this workbook, unlike written consents, minutes include a number of housekeeping items in addition to a record of the resolutions discussed and the results of the votes.

Decisions that are taken by other means, such as during an informal telephone call or over an email exchange, can be documented in the form of a written consent of action without meeting. Provided the written consent is signed by a majority of those entitled to vote, as outlined above, the document will bear the same weight as votes recorded in meeting minutes.

You do not need to have the single original document signed by everyone. Instead, you can have each person fax or mail in their copy of the resolutions with their signature. All copies would be placed in the minute book. This way there is no risk of losing the original in the mail or having it misplaced by one of the signatories.

Check your operating agreement to ensure there are no clauses prohibiting faxed or scanned signatures.

Meeting minutes and written consents should be circulated not only to those who were party to the decision, but also to those who were entitled to vote but could not do so for some reason. In a small company, it is also a good idea to send copies of the document to all the owners if they are not involved in the management of the business.

Limited Liability Company Meeting Requirements

If your entity is an LLC, you may be told that state law does not require you to hold meetings or to document your decisions. This is true – most states do not require an annual meeting of members or documented decisions. However, there is a difference between the law and common sense. If you are in court and need to prove that you are running your LLC as a professional organization with its own identity separate from the owners, why would you throw away the best tool you have to do so? Moreover, your operating agreement may require that you hold annual meetings and document your decisions. An operating agreement is a contract between the company and the members and managers. You probably signed this contract. Failing to live up to its terms weakens your protection.

Keep in mind that oral agreements and decisions are worth almost as much as the paper on which they are written. Your written minutes and resolutions need not read like they were written by an attorney or be in some specific format, but they need to be clearly written and executed as evidence that everyone had the opportunity to review, understand, discuss and vote on the decisions made.

While doing paperwork may not be the most exciting thing you need to do to build your business, it is certainly essential for protecting your company. That means you should do it regularly and mindfully. It is not enough to simply create the resolutions and place them in your minute book. You must understand your operating agreement and the running of your company well enough to know when items can be voted in by the managers alone, and when owner approval is also required.

And remember – timeliness is important. You do not want to wait to write your resolutions until you are required to produce evidence that a decision was made exactly the way you implemented it. By that point you will not remember the decision in sufficient detail to convince anyone.

Exploring Your Minute Book

If your entity was formed by a third party – that is, by an incorporation company, your attorney or your CPA – you will probably have documents created by your organizer in the minutes section of your book. This documentation may be as simple as a single page of resolutions created by the incorporator of your corporation, or as complex as a waiver of notice, minutes of the first meeting of organizers of your LLC and perhaps an additional written consent of action without meeting.

The purpose of this documentation is to record the decisions made by your organizer before the entity was turned over to the initial managers. These decisions may include the following:

- decision to accept the articles of organization and place them in the minute book
- decision to accept the operating agreement for the LLC and place a copy in the minute book
- decision to accept a seal as the seal of the company
- decision to accept the format of the certificate of ownership
- appointment of the initial managers for the LLC. This is particularly important if they are not named in the articles filed with the state
- decision to resign as organizer and turn the corporation over to the directors or turn the LLC over to the managers

If your incorporator is also a director of the entity or your organizer is also an owner of the LLC, these decisions will probably be taken in your organizing meeting.

Your First Meeting

The purpose of the first meeting that you hold is to complete the organization of your entity. This meeting is sometimes called an organizing meeting. What you accomplish will depend upon what your organizer has already done. If most items were accomplished by your organizer, you might

simply approve their decisions without discussion; then complete the rest of your entity set up to cover whatever they left out. If your organizer did nothing except appoint the managers, you will need to handle each item of organization yourself.

Organizing meetings are generally formal meetings held in person, by telephone or by webinar. However, if you are the sole member of the LLC you can accomplish the same thing by written consent.

Giving Notice

If your first meeting is a formal meeting, you will need to either

- send notice of the meeting to all those who are entitled to attend, following the rules in your operating agreement, or
- create a waiver of notice that will be signed before or after the meeting by those attending

Anyone who attends a meeting and does not object to holding the meeting is generally considered to have waived notice. However, he or she should still sign a formal waiver.

In the minutes of the meeting, the Secretary should note that the meeting was held pursuant to notice or waiver of notice. A copy of the notice or waiver should be attached to the minutes.

Holding the Meeting

For an LLC, the first meeting will be held by the Members.

In addition to noting the notice or waiver of notice, the Secretary of the meeting will list the members who are attending, and will note whether they are all members or simply a majority. For any business to be transacted at the meeting, a specific number of members must be present. This number is called a quorum. Unless your operating agreement specifies something different, a quorum will be a majority. Generally, a majority will be a majority percentage

of ownership in an LLC, not a majority of members. However, to be sure check your operating agreement.

At the start of the meeting, a temporary chairperson and a temporary secretary need to be appointed to fill these posts until the election of managers is complete. The temporary chairperson will call for the elections.

If this is the first meeting of members of an LLC, and the operating agreement calls for the election of managers, the members will elect these managers for the term specified in the agreement. They may also elect officers. Typically one manager will be elected as President. Others will be elected as Secretary and Treasurer. Depending on your operating agreement, neither the manager nor the officers may need to be members; and again, the same person may hold more than one position.

If this is a single member LLC, the member may fill all positions or may simply be the manager with no officers appointed. Alternately, non-member managers and non-member officers may be appointed with the owner playing no management role at all. Again, this depends on your operating agreement and the needs of your company.

Once the elections are finished, one of the managers or the President will take the chair and the Secretary will assume that role.

What happens next depends on what the organizer did prior to this meeting. Generally, the directors or members will approve what the organizer did, and will complete the organization of the company in this meeting.

The members will, among other things,

- present the articles filed with the state and instruct that they be placed in the LLC minute book
- review and accept the operating agreement, and instruct that a copy be placed in the minute book
- adopt a seal or declare there is no seal

- discuss banking arrangements and instruct that a certificate of secretary be given to whomever is authorized to open the bank account
- authorize reimbursement of formation and organizational expenses
- accept the format of ownership certificate
- issue units of ownership
- decide to change the tax election, if appropriate

If securities compliance was not discussed in your bylaws or operating agreement, the directors or members may want to state that the issuance of shares or ownership units are exempt from qualification under state securities laws and the offer and sale of units are exempt from registration under the Federal Securities Act regulations. In some states, such as California, unless your entity is an LLC and you can prove all members are active in the management, you must file certain notice forms (25102(f) or (h)) with the secretary of state indicating that you meet the exemptions from registration. This filing must be completed within a short period of time from the issuance of the membership interests (e.g.: 15 days in California).²

Once the business of the meeting is concluded, the meeting is adjourned. The Secretary will create the minutes, sign and circulate them for review and request that any material changes be provided to the Secretary within a limited period of time. A copy of the minutes will be placed in the minute book.

For examples of resolutions for your first meetings, go to Exhibit A.

For examples of these resolutions in the form of written consents, go to Exhibit B.

² For more information on compliance issues, see Module 3 in our Foundation Series, Start Your Company Compliance. Go to www.eBiz-Learning.com

Documenting Significant Decisions

Once your organizing meeting has been held and documented, you are ready to get on with the business of the company. As discussed earlier, you, as the manager or member of your LLC, have the responsibility of running the business of the entity professionally. That means abiding by the terms of your bylaws or operating agreement and documenting any legal, tax or financial decisions that significantly impact the business.

While this is easy to say, new entrepreneurs are often confused over what to document and how much detail to record. In Exhibit C you will find a list of the more common decisions that should be documented. A rule of thumb is to record enough detail so that a stranger to your business can understand exactly what was done.

In Exhibit D you will find examples of written consents that you can use as guidelines for writing your own resolutions. As you will see, resolutions can be written in clear, simple language so you do not need an attorney to create them for you.

The reason most people have attorneys, paralegals or other professionals create their resolutions for them is to ensure that decisions are recorded and annual meetings are conducted in a timely manner. The issue is one of time, not expertise. Most entrepreneurs are busy building their businesses so paperwork is pushed to the back burner and forgotten. It is not uncommon to find an entrepreneur on the eve of an audit or on notification of a lawsuit trying to create five years' worth of minutes.

Understand what makes sense for you. If you are disciplined enough to spend an hour or so a month writing resolutions, then you will find this guide very useful in keeping your minute book up-to-date. If you do not have the time or discipline to spend those hours specifically on this paperwork, hire a professional to create your resolutions for

you and use this guide to ensure you submit all the necessary details.³

Timing of Resolutions

In an ideal world, the resolution documenting a specific decision would be approved before action was taken. However, entrepreneurs do not live in an ideal world. Usually they make decisions and act as needed, then create the resolutions afterwards when they remember or when they are reminded by the professional responsible for keeping the minute book up-to-date. This is especially true if they are sole members.

If the decision is recorded prior to taking any action, the resolution will approve the decision and authorize the officers or managers to take action.

If the decision and action are recorded after the fact, the appropriate parties will approve (ratify) the decisions and actions taken.

In some cases resolutions must be approved prior to any action being taken because an outside party requires the approval in writing. This is sometimes the case when opening a bank account, transferring large amounts of money, selling a property or doing anything else where the outside party needs to ensure that you have the authority to complete the action.

Whenever the resolutions are created, remember it is neither legal nor necessary to back date a document. Accepting, ratifying and approving an action after the fact is fine unless prohibited by your operating agreement.

Foundational Decisions

In this workbook foundational decisions are decisions that are basic to the structure and running of the corporation or company. While they are not financial in nature, they do have a significant impact on the success of the business.

³ For information on Minutes Service to create your minutes for you, go to www.YESBusinessSolutions.com

Company Structure

Your company was formed by filing legal documents with your Secretary of State or other government department responsible for entity formation. At that point, your entity had a specific structure; that is, it was a certain entity type with a distinct legal name, a defined purpose, and specific owners who held definite interests in the company. Over time, that structure may have changed.

Changes in structure can take one (or more) of several forms:

- adding, removing or changing the status of individual owners
- changing the percentage of ownership held by individual owners
- changing the share structure of the corporation
- changing the name of the entity
- repurposing the entity
- adding a fictitious business name

Changes to the structure of the entity must be recorded in several places.⁴ However, before these changes are made, they should be approved by the owners of your LLC.

Changes in ownership

The first thing to do when contemplating a change in ownership is to review your operating agreement. Follow the guidelines for making your change; then, prior to taking action, document your intentions and have the resolutions approved.

When adding owners, be specific about who the additional owners are, what percentage of the corporation or company each will own, and what they are contributing in return for their equity.

⁴ To read more about changing your corporate or company structure, see Module 3 in our Foundation Series, Starting Your Company Compliance. Go to www.ebiz-learning.com.

When an owner withdraws, document who the owner is, whether they sold their equity or gave it back without compensation, when, and whether or not they retain any economic interest in the business. Also detail the effect of any return of equity on the remaining owners.

When an owner transfers all or part of his or her interest (in accordance with the applicable terms of the operating agreement), document who the owner is, to whom the interest is being transferred, how much is being transferred, whether the transfer is a full substitution of ownership or economic only, and the effective date of transfer.

Changes in share structure should be documented in detail. Document that the transaction followed the applicable requirements in the operating agreement. If it did not, state that the requisite number of votes was obtained for any deviation, and explain the reasons for the change.

Changes in Name, Purpose

When changing the entity name or purpose, document the intended change and the reason. If the change has already been made and the resolution is ratifying action that has been taken, detail how the change was made; e.g. by amending the filed articles and filing the correct form with the IRS.

Changes in Management

The management structure of an entity is created during its formation and organization. This structure is usually outlined in the operating agreement of the LLC. Changes in the duties and limitations of an Officer or Manager, therefore, will involve changes to the entity's agreement. This is important to understand since changes to your operating agreement usually require a unanimous vote of the owners.

If an LLC is to be managed by managers, the Managers may be appointed permanently or may be elected. If there are Officers, the Officers are usually elected for a set term. Elections generally take place during the annual Members Meeting. If a Manager needs to be replaced before the next annual meeting, the replacement may be appointed by the remaining Managers, if any, or by the Members.

Decisions to hire Managers and Officers should be approved by the appropriate group.

Business Assets – Personal Property

In a small business, even a relatively inexpensive purchase needs to be seriously considered before the money is spent. Approving a purchase before the asset is bought shows a court and the IRS that you are acting as a responsible manager in a professionally run business.

Speak with your CPA to establish the dollar value that determines when an asset will be treated as a capital item that will be depreciated over time rather than a deductible business expense.

If you are expensing any item that costs less than \$2,500 under the current (2019) tax rules, you will need to create a resolution to this effect.

Whenever you intend to acquire an item valued at \$2,500 or greater, you should create a resolution detailing the item and the reason for the acquisition. State how the item is to be acquired – by lease, sale or assignment. List the cost or fair market value, and how the item will be paid for – by check, cash or credit card.

If you sell an item valued at \$2,500 or more, state the reason for the sale, the amount to be received from the sale and where the proceeds will go.

Professional Team

The members of your professional team can have a significant impact on the success of your business. Consequently, you should document any time you hire or terminate a member of your team. If the member is an entity rather than an individual, state the name of the entity and note whether or not you hired or terminated the company owing to the work of any particular individual.

When documenting a hire, remember to state whether the hire is a contractor (1099) or an employee (W2), whether the employment is for a term or at will, the reason for the hire,

and the payment terms. Place contracts in the appropriate files, not in the minute book.

When documenting a termination, include whether the termination was for cause, whether there is likely to be a lawsuit and whether a severance payment was or will be paid.

Note: Your minutes and resolutions are discoverable in a lawsuit; therefore, you may want to have an attorney review or draft them if there is a concern of potential litigation.

Legal Issues

Legal issues to be documented involve not only lawsuits, but also contracts and policy handbooks.

Lawsuits

Being involved in a lawsuit is a serious issue for a small business. Your resolution should note whether you are initiating or being named in the lawsuit; the nature of the suit; whether you have retained legal counsel and if so, whom; and whether or not you have set up a reserve to pay for the lawsuit.

Contracts

Contracts are legal documents. As a manager of your business you have the obligation to review the contract carefully to ensure the terms reflect the agreement you are making with the other party. In a small business any contract can have a significant impact and should be approved before executing. In a larger business you should assess the value of the contract and have it approved if the value is greater than a specific amount. This amount may be stated in your operating agreement, or you may approve a resolution that states the various levels of authority for execution of contract types and amounts which have been agreed by the managers.

In your resolution state the parties to the contract, the terms, value and penalties if any.

Employee Handbook

Your employee handbook outlines the business policies that affect your employees. These policies must comply with the

laws governing employment in your location. In addition to being a standalone document, compliance with the policies in the handbook may be a condition of employment as stated in your employment contract. Acceptance of the handbook should be documented by resolution.

If you do not have an employee handbook, you should create resolutions to approve each policy. In addition to ensuring that policies are properly approved, the resolutions will document how you wish to handle situations so that decisions are consistent. These policies may include

- business expense reimbursement
- handling of meals in the office and off premises
- travel expense reimbursement, including per diems
- benefit offerings
- adopting a code of ethics
- mileage and company vehicles
- pay for performance

Insurance

As a small business owner, it is important that you insure your business and / or certain individuals against specific occurrences. By purchasing the insurance you need, you take on a significant obligation to pay a contract over a period of months and perhaps years. This obligation should be approved just as you would approve any large purchase. You should also approve borrowing from an insurance policy or creating a captive insurance company.

Educational Programs

Although many courses and educational materials can be written off as ordinary and necessary business expenses without being approved, you should approve the set up of an educational program for employees and the purchase of any program valued at \$500 or more. State the name of the course, the institution providing the program, the purpose of

the course, the cost, who is taking it and how it is being funded.

Financial Decisions

Banking Resolutions

Financial decisions are the most obvious ones to record starting with the opening of your first company bank account. During your organizational meeting, you probably created resolutions giving specific people the authority to open one or more accounts, deposit money by cash, check or electronic transfer and to obligate the company to pay out funds using various proofs of indebtedness, such as signed checks, bank drafts or wire transfers. However, giving people the authority to open an account is not the same as actually setting it up.

A resolution is needed any time you

- open a bank account
- close a bank account
- change the signers on an account for any reason
- give someone significant authority online
- take out a bank loan in the name of the company
- pay back a loan
- set up overdraft protection on an account
- take out a line of credit, secured or unsecured
- mortgage an asset of the company
- pay off a mortgage

When creating your resolution, specify the bank or financial institution and location so there is no confusion if the

company has accounts in more than one financial institution. Also specify the type of transaction.

Opening a Bank Account

If you opened a bank account, detail the type of account that was opened and the purpose. For example, if you opened a checking account, specify if this account is your main operational account or the account for a specific location or project. List the signers on the account, the amount of money deposited to open the account, and whether or not there is a dba on this account. Note any important details; for example, if the account is a money market account that will hold the company reserve funds, state whether or not there is a significant penalty if funds drop below a certain level.

Closing a Bank Account

If you close a bank account, state which account is being closed, the reason for the close, how much money was in the account at the time of the close and whether the money was transferred or withdrawn.

Changing Signers

If you change the signers on the account, detail which account is involved, who the current signers are, who the new signers are and the reason for the change. Also note any limitations on a signer's privileges.

Giving Online Access

New business owners sometimes give bookkeepers and assistants online access to accounts without thinking through the implications of what they are doing. Allowing assistants to set up bill paying accounts online is the same as giving them authority to sign checks. When you give anyone online access, list the account involved, to whom access is being given, the purpose for the access and the specific limitations on the access.

Taking Out a Bank Loan

Taking out a loan is a significant event for a small business. Consequently, the bank might require approval from your board or members before making the loan. In your resolution you should note the particulars of the loan, such as the amount, interest rate, term, monthly payments, penalties for

late payment, and whether or not you had to give a personal guarantee. You should also attach a copy of the loan agreement to your resolution to file in the minute book.

Paying Back a Loan

When you create your resolution to document the repayment of a loan, make sure you give enough detail so that no one will have trouble identifying which loan you are talking about. Specify if this is an early payoff and whether or not there is a prepayment penalty. Give the reason for the early retirement of the loan, the amount of the payoff, and where the money for the payoff is coming from.

Overdraft Protection

One of the easiest ways to begin building business credit is to establish overdraft protection on a bank account. Since the overdraft can be a significant obligation to pay, this action needs to be documented. As in setting up a bank account, the managers will need the authority to sign the banking documents to establish this credit. In your resolution, note which account the overdraft protection is for, the amount involved, the interest rate and terms of repayment. Also note whether the credit was granted based on the bank's experience with the business or based on the owner's personal credit.

Line of Credit

Documenting a bank line of credit for the corporation or LLC is much like documenting overdraft protection. As part of your resolution, note who may sign on the line of credit, whether or not it is secured and, if it is, against what asset.

Mortgage an Asset

If you are a real estate investor, you will be familiar with mortgaging properties. These properties, once placed in your entity, become assets of that entity. If you refinance your property using a commercial or non-recourse loan, you will be able to refinance the property without removing it from your entity first.

The finance company may require a resolution approving the refinance of the property before they proceed. In your resolution you will need to describe the asset being mortgaged, the mortgage bank or other institution offering

the financing, the amount of the mortgage, interest rate, term, prepayment or other penalties and the reason for the mortgage. A copy of the mortgage papers should be placed in the appropriate company files rather than attached to the resolution.

Payoff of Mortgage

Paying off a mortgage is similar to paying off any other loan. Be sure to note if anything specific is to be done with the property now that the mortgage is paid.

Card and Merchant Services Account Resolutions

Most entrepreneurs find that the ink is barely dry on their filed articles before credit card offers start appearing in the mail. They make it easy to just fill out the form and send it in. When the credit card arrives, you put it in your wallet and continue on with your business; but that credit card represents a potentially significant indebtedness for your company. Where did the authority to fill out the application come from?

It is also standard practice in many banks to offer you an array of credit cards, debit cards, and check cards when you open your business bank account. Since the paperwork to apply is completed at the same time, it is easy to forget that you need to create resolutions for these actions.

The same applies for merchant services accounts. Many banks will offer these services, either directly or through a third party, when you begin to work with them. However, setting up a merchant services account is a significant decision; and choosing the right provider can literally mean life or death for your company.⁵ You need to document your approval.

Credit Card

While a credit card provides an easily accessible source of funds to finance the startup of a small business, it comes

⁵ For more information on choosing a merchant services account, see *Start Your Merchant Services Account* in the Financial Series of Start Your Business. Go to www.ebiz-learning.com.

with a significant drawback. Interest rates on business credit cards are often higher than on lines of credit or bank loans, and some have punitive interest rates if you make one late payment. The decision to apply for a card for the corporation or company should not be taken lightly and consequently should have a resolution. Document the credit provider, the credit limit, interest rate, and significant penalties for late payment, if any. Also note if a balance was transferred from another card and if anyone gave a personal guarantee.

Debit Card & Check Card

Debit cards allow ATM access for withdrawals, deposits, transfers and to check account balances. Since you may not want to give a bookkeeper or assistant that much control over your accounts, you can also get debit cards that allow for deposits only.

A check card is like a debit card and can be used the same way; however, it has the additional feature of acting like a credit card if the merchant cannot accept debit cards. Instead of receiving a statement at the end of the month, the charge is taken directly out of your bank account.

Both cards represent some risk to the company; consequently, you should document them the same way you would a credit card.

Cancel a Card

Canceling a credit card, debit card or check card removes a possible source of funds or ease of access to the company bank accounts. You should document which card you are canceling, why you are canceling it and, if it is a credit card, whether you are transferring the balance or paying it off.

Increasing a Credit Limit

Increasing the credit limit on a credit card increases the potential liability to the corporation or company and to the individual who gave the personal guarantee, if any. You should document the card, the previous limit and new limit and the reason for the request.

Opening a Merchant Services Account

The ability to accept credit cards for payment of products and services is crucial to most businesses. Choosing the right services provider for your corporation or company is not a trivial selection. Consequently, it needs to be treated as a major decision. Your resolution should document the services provider, the total allowable billings, and the fees.

Company Loans and Payment Resolutions

Taking a loan from your company is a serious undertaking that must be well documented. A loan that benefits a manager or member is called an insider loan. If the loan is not properly documented as an arm's length transaction, the IRS could treat it as a distribution to the person involved. The loan would then be taxed as income. The loan must be a valid business transaction that would be in the interest of the corporation or company to make with any party and must be documented as such.

To show that your loan is a valid business transaction, you need to

1. ensure that the funds are available and will not put the company in a position where it will have difficulty paying its creditors
2. create a promissory note fully documenting the terms of the loan
3. ensure that the interest rate is acceptable to the IRS; i.e. it is at or just slightly below market rate
4. vote to approve the note

For an LLC, your resolution should be voted in by the members. While there is little chance of a conflict when you are the sole owner of your business, that might not be the case if you have partners. Making a loan to yourself without their involvement could create problems down the road.

When you make a loan to the company, the tax ramifications of failing to document are not as severe; however, you weaken your liability protection because you are not treating

the company as an entity separate and distinct from you, the owner. While not all loans require a promissory note to be approved by appropriate vote, you should create a note for larger amounts. Smaller amounts can be aggregated into a single note at year end and voted in then. Discuss a reasonable cut off amount with your CPA.

Taking profit out of the company in the form of draws, distributions or dividends should also be documented and voted on. You should also create a resolution any time money is set aside for a specific reason.

Taking an Insider Loan

Before the corporation or company makes a loan to any insider, you should check your operating agreement to ensure such loans can be made. If they can, look for any guidelines you must follow. Prepare the paperwork and vote it in as discussed earlier. Be sure to note whether or not the note is secured and if so, by what asset. Attach a copy of the promissory note to your resolution.

Making a Loan

As above, you should check your operating agreement to ensure there are no restrictions on taking loans from insiders. Follow any rules or guidelines in your agreement. Attach a copy of your note to the resolution.

Repaying a Loan

While you do not need to create a resolution regarding the payoff of a note, it is a good thing to document in your written consent or minutes as a formal acknowledgement that all obligations have been met.

Failure to Make a Payment

As in the outside world, failing to make a payment on a loan to or from the corporation or company is a serious matter. This failure needs to be documented together with the resolution. The terms of your promissory note will apply to any failure so make sure it addresses this issue in a fashion you approve. For example, if the business cannot make an interest payment owing to lack of funds, you may want the interest to be rolled into the principal.

Taking a draw, distribution or dividend

As a small business owner, how you pull money out of your business depends on how your entity is being taxed. If your entity is being taxed as a sole proprietor or partnership, you will take a draw. If your entity is being taxed under subchapter S of the tax code, you probably will be a W2 employee of your company and you will take a distribution of profit to the owner. If your entity is being taxed as a C corporation you probably will be a W2 employee and take dividends as the owner. The amount and timing of draws, distributions and dividends are under your control. They need to be documented and voted on.

Contingency Accounts and Reserves

When you move money into a contingency or reserve account it is no longer available to meet the operational needs of the business. Consequently, the decision to do this should not be taken lightly and should be formally approved.

Compensation

The salaries and bonuses of significantly paid employees – that is, the managers, officers if any, or managing members – should be agreed to by the owners of the business. Moreover, the owners need to agree on specifically what happens if the business does not have the money to pay the amount owed. Is it forfeited or is it carried as a liability of the company to be paid when funds are available?

Contest winnings and awards are also forms of compensation and need to be documented along with gifts.

Salaries

In your resolution note the names of the officers, if any, managers or managing members who will be paid and their salaries. Also detail what will happen in the event the business does not have sufficient funds to pay them. For example, if you are the sole owner and manager of your LLC sub-S, you may decide that your salary is lost if the company does not make enough money to pay you.

In your annual meeting, you should record if payment was not made as approved earlier and the reason.

Bonuses

You should document to whom the bonuses were paid, the dates, amounts and reasons. As above, if a bonus was earned but not paid, you need to record that fact and state what the company's ongoing obligation is.

Contests and Awards

The IRS has specific rules regarding contests and awards. Consequently, you should treat the creation of a contest or award as formally as you would a loan. The terms need to be written down and made available to all employees who qualify; and the programs should be voted in by the managers.

Gifts

The IRS also has specific rules regarding gifts. Before giving a gift, check with your CPA. Then ensure that it is documented in detail; that is, who received the gift, when, what was it, what was the value, what was the reason and who will be responsible for the tax consequences.

Taxes

The status of the company taxes will normally be reported in the minutes of your annual meeting. Specifically, you should record

- whether or not taxes were filed
- if filed, the date of filing and type – state or federal
- if filed, electronically or by post
- if not filed, was an extension filed
- what CPA or firm has been engaged to prepare the tax filings
- did the business pay or is it expected to have to pay taxes
- if it is expected to pay, was an estimated payment set in on time
- did the business receive or is it expected to receive a refund

- is there a loss to carry forward or back

It is also important to record if the company was audited and the results and if you changed your tax election for any reason.

Investments

Most of your attention as an entrepreneur will be on making money in your business. Once you are passed start up and are making money regularly, you may want to invest some of the excess earnings directly from the business. If this is the case, you need to get approval for the investments you want to make, preferably before you spend the money, and report on the status of these investments in your annual meeting.

Since different investments have different tax ramifications for your corporation or company, it would be wise to speak with your CPA before making the investment on behalf of the entity. He or she may deem it wiser to withdraw the funds and make the investment in your own name or to lend the money to you or another entity to make the investment.

You should document

- the type of investment
- the amount invested
- the expected return
- the timing of returns

Special Items

Benefits

Setting up a benefits program of any type is a substantial commitment for any small business. Consequently, the decision to do so should be thought through carefully and approved at the level appropriate to the financial commitment you are undertaking.

When you document the benefit program you are considering, be clear not only on the terms of the program itself but also regarding whom the program will benefit.

Real estate

Pretty much any form of real estate is a sizable asset. So any decisions you make with respect to this real estate needs to be documented and approved. This includes

- purchasing property
- moving property already purchased into your LLC
- selling property
- refinancing property
- exchanging property
- spending significant amounts of money renovating or repairing property
- leasing out property
- terminating a lease
- insuring the property
- adding to, terminating or changing the policy

For templates and sample resolutions, go to Exhibit D.

Annual Meetings

As outlined earlier, corporate bylaws require annual meetings and many operating agreements require them as well. Rather than viewing these meetings as an inconvenience held simply for compliance reasons, you can make them an occasion to meet with other owners to review the previous year's performance and brainstorm new ideas.

Annual meetings are generally held in the company offices where you can guarantee a quiet atmosphere and easy access to files and staff if needed. However, you can decide to hold the meeting in more pleasant surroundings, such as a favorite restaurant or hotel, if you wish. As we point out in the Financial Series module *Start Your Expense Tracking*, just ensure that the cost of holding the meeting is in line

with the amount of money your business is earning. If it is not, the IRS may disallow the expense.

As with your organizing meeting, you need to give notice of the meeting to everyone who is entitled to attend or waive notice and have the waiver signed by a majority of shareholders. If you are giving notice, make sure that you follow the rules in your operating agreement.

For LLCs there is only one annual meeting of members. The purpose of this meeting is

1. to hear the manager's report
2. to ratify any decisions taken previously by managers or members without vote
3. to elect managers and officers, if any, for the coming term if the operating agreement calls for the election of managers and officers.

The meeting might also include any of the following actions:

- approve distributions to members of an LLC-S or dividends to the members of an LLC-C
- approve bonuses for the managers
- set compensation for the managers for the coming year
- review the financial reports
- approve the annual report to be filed with the state, if one is required

For examples of resolutions for your annual meetings, go to Exhibit E.

For examples of these resolutions in the form of written consents, go to Exhibit F.

Now that you have completed this section of the workbook, you are ready to create your own minutes and resolutions. If you have decided to hire someone to prepare minutes and resolutions for you, check out the BizEngaged Done-for-You Minutes Service.

Waiver of Notice of the First Meeting
of the Members of
_____, LLC
a ___(state)_____ *limited liability company*

We, the undersigned Members, agree and consent to the holding of the First Meeting of the Members of the Company at the place, date and time listed below. The meeting shall be held for the purpose listed below and for all such other business as may lawfully come before the meeting. We hereby waive all notice of the meeting and any adjournments thereof.

Place: _____

Date: _____

Time: _____

Purpose: Organizing Meeting

Dated: _____

Signature

Printed Name

Minutes of the First Meeting
of the Members of
_____, LLC
a (state) limited liability company

The first meeting of the Members of the Company was held pursuant to the waiver of notice signed by the Members and prefixed to the minutes of this meeting.

_____ and _____, having been appointed as interim Managers by the Organizer, acted as the temporary Chairperson and temporary Secretary respectively.

The Chairperson called the meeting to order.

The Chairperson informed the Members that the Organizer, having appointed interim Managers to carry on the management of the Company, had resigned. It is therefor

RESOLVED, that the resignation of _____ as Organizer is hereby accepted.

The Chairperson announced that the first item of business was to elect the Managers and Officers of the Company. The following individuals were elected and accepted their positions.

	Manager & President
	Manager & Secretary
	Manager & Treasurer

The Manager then took the chair and presided over the meeting. The Secretary assumed the duties as secretary of the meeting.

The Chairperson announced that the Articles of Organizer were filed with the Secretary of State (or other appropriate government department) for _____(state) on _____, _____. The Secretary presented a stamped copy of the Articles to the Members for inspection. The Secretary was instructed to place the Articles in the corporate minute book.

The Chairperson presented to the Members a copy of the Operating Agreement as adopted by the Organizer for review and approval. On motion duly made, seconded and carried, it was

RESOLVED, that the Operating Agreement submitted in the meeting and reviewed by the Members, are adopted as the Operating Agreement of the Corporation.

The Secretary was instructed to place a copy of the Operating Agreement in the company minute book. The Secretary was also instructed to cause a copy of the Operating Agreement, as amended from time to time, to be maintained at the principal office of the Company.

The Chairperson presented a proposed seal to the Members for approval. On motion duly made, seconded and carried, it was

RESOLVED, that the seal presented to the Members in this meeting is adopted as the seal of the Company.

RESOLVED FURTHER, that the Secretary is directed to affix an impression of the seal in the margin of these minutes below this resolution.

The Chairperson presented to the Members for approval a proposed form of ownership certificate for the Company. On motion duly made, seconded and carried, it was

RESOLVED, that the form of the certificate presented to the Members in this meeting is adopted for use by the Company.

RESOLVED FURTHER, that the Secretary is directed to insert a specimen of this certificate in the minute book following the minutes of this meeting.

[It is not necessary to have a certificate of ownership in an LLC – only use the above language if one is desired.]

The Chairperson announced that the principal office of the Company is

_____ (street) _____
_____ (city) _____, _____ (state) _____, _____ (zip) _____

The Chairperson announced that the next item of business was the reimbursement of formation and organizational expenses.

RESOLVED, that the Managers are authorized and empowered to reimburse all reasonable and proper expenses incurred in connection with the formation and organization of the Company.

RESOLVED FURTHER, that the foregoing expenses be deducted pursuant to Section 248 of the Internal Revenue Code of 1986, as amended.

The Chairperson announced that an Employer Identification Number had been issued by the Internal Revenue Service to the Company. The banking requirements for the Company were then discussed. On motion duly made, seconded and carried, it was

RESOLVED, that _____ (bank) _____ in _____ (city) _____, _____ (state) _____ is selected as the bank for the Company.

RESOLVED FURTHER, that the Managers are authorized and empowered to open accounts in this bank in the name of the Company, using the Company's EIN, and to sign all documents necessary for the bank to accomplish this purpose.

RESOLVED FURTHER, that the Managers are authorized and empowered to open, maintain and close accounts in any other depositories that they deem necessary for the conduct of the Company's business.

RESOLVED FURTHER, that the Managers are authorized to endorse all checks, drafts and other evidences of indebtedness made payable to the Company for the purpose of deposit only to the Company's bank account.

RESOLVED FURTHER, that the Managers are authorized to sign checks, drafts and other obligations to pay in the name of the Corporation.

RESOLVED FURTHER, that the standard resolutions for opening a bank account are adopted by the Members. The Secretary is directed to place a signed copy of these resolutions in the corporate minute book. The Secretary is further directed and to prepare a Certificate of Secretary and give this certificate to _____ to present to the bank with the standard resolutions.

The Chairperson announced that the next item of business was issuing units of ownership. On motion duly made, seconded and carried, it is

RESOLVED, that the Secretary is directed upon receipt of consideration to issue certificates of ownership as follows:

<u>Name</u>	<u>Units of Ownership</u>	<u>Interest Percentage</u>
-------------	---------------------------	----------------------------

RESOLVED FURTHER, that the offer and sale of ownership in the Company is exempt from applicable state securities laws and exempt from registration under the federal Securities Act of 1933. Managers of the Company are authorized to file any forms necessary and desirable to qualify under state and federal exemptions and to comply with legal requirements.

The Chairperson announced that the fiscal year end for the Company is December 31. Taxes for the Company were then discussed. On motion duly made, seconded and carried, it was

RESOLVED, that the tax election of the Company be changed to subchapter S of the tax code.

RESOLVED FURTHER, that the Managers prepare the appropriate documents to effect the change in tax election and file the appropriate forms with the IRS and, if required, the state tax department.

(The section above should be removed if no change in tax election is to be made.)

There being no further business, on motion duly made, seconded and carried, the meeting was adjourned.

Date: _____

Secretary

WRITTEN CONSENT OF ACTION
IN LIEU OF ORGANIZING MEETING
of

_____, LLC
a _____(state)_____ limited liability company

The undersigned, being all the Members of the Company, hereby agree to and ratify the actions taken to organize this Company as follows:

The Articles of Organization filed with the Secretary of State for _____(state)_____ on _____, _____ are hereby approved. The Secretary is directed to place the Articles in the company minute book.

The following are appointed Managers and Officers of the Company to serve for a period of one year or until their successors are elected and qualify:

- _____ Manager and President
- _____ Manager and Secretary
- _____ Manager and Treasurer

The Operating Agreement adopted by the Organizer is hereby approved and adopted as the Operating Agreement of the Company. The Secretary is instructed to place a copy of the Agreement in the company minute book. The Secretary is also instructed to cause a copy of this Agreement as amended from time to time, to be maintained at the principal office of the Company.

The Company shall have no seal.

The proposed form of ownership certificate is hereby adopted as the ownership certificate for the Company. The Secretary is directed to insert a specimen certificate in the company minute book.

The principal office of the Company shall be _____, _____, _____, _____.

The Managers are authorized to open a bank account with _____ bank located at _____ and are authorized to execute the standard resolutions of the bank for this purpose.

The Managers are authorized to issue units of ownership at such times and in such amounts as they shall determine and to accept payment in the form of cash, services or property.

It is contemplated that the offer and sale of the Company's stock is exempt from applicable state securities laws and exempt from registration under the federal Securities Act of 1933. Managers of the Company are authorized to file any forms necessary and desirable to qualify under state and federal exemptions and to comply with legal requirements.

This Written Consent is executed in accordance with the Operating Agreement of the Company and shall be filed in the company minute book.

Dated: _____

Exhibit C Resolution Checklist

MINUTES CHECKLIST

An aide for creating monthly minutes or the minutes for your annual meeting.

Company: _____

Month / Year: _____, _____

FOUNDATION ITEMS	DETAILS	✓
<p>Annual Meeting:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Hold an annual meeting in compliance with the terms of your operating agreement? - Hold the annual meeting outside the company office? 	<p>For each meeting:</p> <p><u>Meeting not held on schedule:</u></p> <p> Create resolution to postpone.</p> <p><u>Meeting held on schedule but outside the office:</u></p> <p> Create resolution to move meeting to location outside the office. Additional business to be conducted at the site?</p> <p><i>Waiver of Notice:</i></p> <p> State location, date and time of meeting.</p> <p> Sign by majority entitled to attend.</p> <p><i>Meeting Minutes:</i></p> <p> Who attended? What percentage of ownership?</p> <p> Election of officers/manager</p> <p> Ratification and acceptance of actions of the officers/managers not previous approved by members</p> <p> Adoption of marketing plan, business plan or budget for the year.</p> <p> Vote on matters reserved to the members</p>	
<p>Changes to the Company /</p>	<p>Details of Change:</p>	

FOUNDATION ITEMS	DETAILS	✓
<p>Company:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Add / delete / change members of an LLC? - Change the percentage ownership of current members? - Change the name of the company? - Establish a DBA? - Repurpose the company? - File a foreign registration? - Change the entity type through conversion? - Dissolve the entity? 	<p><u>Change in Ownership:</u></p> <ul style="list-style-type: none"> - list members added, deleted, changed and details of the change - list details of changes in percentage ownership - detail the change in structure of the shares <p><u>Change in Name:</u></p> <ul style="list-style-type: none"> - how was the name changed? By amendment to the articles or other? - has a letter been filed with the IRS or name change box checked on tax return? - list dba. State whether the dba was filed with the county or state. Was the bank notified? <p><u>Repurpose:</u></p> <ul style="list-style-type: none"> - what is the new purpose of the entity? - what is the reason for the change? <p><u>Foreign registration:</u></p> <ul style="list-style-type: none"> - in what state - purpose of filing <p><u>Conversion</u></p> <ul style="list-style-type: none"> - from what entity type to what - purpose of conversion <p><u>Dissolution</u></p> <ul style="list-style-type: none"> - effective date of dissolution - reason - Manager in charge of wind up 	
<p>Change to the Management:</p>	<p><u>Resignation, termination, replacement</u></p>	

FOUNDATION ITEMS	DETAILS	✓
<p>Did you:</p> <ul style="list-style-type: none"> - accept a resignation - terminate an officer or manager - replace an officer or manager - grant additional authority or rescind authority 	<ul style="list-style-type: none"> - who resigned, was terminated or replaced? - if resignation, was it accepted? - who is being appointed to the position? - the reason for the action <p>Authority</p> <ul style="list-style-type: none"> - who is being granted authority or having it rescinded - reason for the action. 	
<p>Business Assets - Personal Property:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Purchase an item valued at greater than \$2500 or the value established with your CPA for capitalization of an item? - Sell an item valued at greater than \$2500? - Lease an item or terminate a lease? - Assign a vehicle, equipment or furniture to the company for use by officers or employees? 	<p>For each item purchased /sold / assigned:</p> <ul style="list-style-type: none"> - The business reason for the purchase, sale, assignment or lease. - The cost of the purchase or lease, fair market value of item assigned or proceeds from the sale. - Purchase was made by cash, check or credit card. If by credit card, which one? - Where did the sale proceeds go? 	
<p>Your Professional Team for the Company:</p> <p>Did you hire or terminate any of the following:</p> <ul style="list-style-type: none"> - CPA / Accountant - Bookkeeper - Attorney / Paralegal - Insurance broker - Financial Advisor - Trainer / Coach / Consultant - Resident Agent / Agent for Service of Process? 	<p><u>Hiring:</u></p> <p>What firm or individual was hired?</p> <p>When was the firm or individual hired?</p> <p>In what capacity was the firm or individual hired?</p> <p>Is employment by contract or at will?</p> <p>What is the rate: monthly, hourly, retainer?</p> <p><u>Termination:</u></p> <p>Who was terminated?</p> <p>On what date was the termination?</p>	

FOUNDATION ITEMS	DETAILS	✓
	Was a contract terminated for cause? Was any severance payment made or is one due? Is there likely to be a lawsuit?	
<p>Legal Issues:</p> <p>Did you :</p> <ul style="list-style-type: none"> - Begin a lawsuit? - Defend a lawsuit? - Retain an attorney on threat of a lawsuit or to file a lawsuit? - Sign a contract initiated by the company? - Sign a contract initiated by another organization? - Create an employee handbook? - Create an employment contract? - Create an employee policy 	<p><u>Lawsuit:</u></p> <ul style="list-style-type: none"> - nature of suit or threatened suit, - amount at risk, - attorney retained. <p><u>Contract:</u></p> <ul style="list-style-type: none"> - with which company / individual, - business reason, - amount, term, penalty <p><u>Policy:</u></p> <ul style="list-style-type: none"> - what did the policy address and who did it affect? 	
<p>Insurance:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Take out an insurance policy for the company? - Take out insurance for an executive? - Borrow against an insurance policy? - Create a Captive Insurance Company? 	<p><u>State policy details:</u></p> <ul style="list-style-type: none"> - Type of insurance - Company - Amount - Terms <p>If an amount was borrowed, state details of the loan.</p> <p>If CIC, where was it created?</p>	

FOUNDATION ITEMS	DETAILS	✓
<p>Education / Development:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Take any course or program costing more than \$500. - Did you purchase any course or program costing more than \$500. - Establish an employee education plan? 	<p><u>State details of the program:</u></p> <ul style="list-style-type: none"> - Name of course or program - Purchase from what institution or company? - Business purpose? - Amount? - Paid by company or education reimbursement? 	

FINANCIAL ITEMS	DETAILS	✓
<p>Banking:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Open / close a business checking account? - Open / close a money market or savings account? - Change signing privileges on any company account? - Secure a line of credit - secured against which asset? - Take out a loan – personal guarantee? - Pay back a loan? - Mortgage a company asset? - Give your Bookkeeper or another online access 	<p><u>State details of the action:</u></p> <ul style="list-style-type: none"> - Which bank? Include the address - Type of transaction? Loan, LOC, Mortgage? - Amount? - Interest rate? - Term? - Penalty? - Change of signing authorization from whom to whom? - Online access to whom for what reasons? 	
<p>Card & Merchant Services Accounts:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Acquire or cancel a credit card, debit card or check card for the company? - Increase the credit limit on a card? Why? - Secure / terminate a 	<p><u>State details of the action:</u></p> <ul style="list-style-type: none"> - Who is the credit, debit & check card provider? - What is the approved credit line? - What is the interest rate? - What are the significant terms? - Who is the Merchant Services provider? 	

FINANCIAL ITEMS	DETAILS	✓
<p>merchant services account?</p>	<p>- What are the fees? - What are the total allowable billings per month?</p>	
<p>Finances:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Take a loan from the company as a Member, Manager or Officer? - Repay a loan from the company as a Member, Manager or Officer? - Take draws or distributions? - Vote dividends? - Set up a contingency account for possible lawsuit or emergency? - Fail to make payments on any loan or contract owing to lack of funds? - Set up spending limits? 	<p><u>State details of the transaction:</u></p> <p><i>Loans and Notes:</i></p> <ul style="list-style-type: none"> - To whom / from whom? Individual or company? - Amount? - Terms? - Secured or unsecured? - Date of loan? - repayment details <p><i>Distributions:</i></p> <ul style="list-style-type: none"> - Amount of draw or distribution? To whom? Dates. <p><i>Contingency fund or Reserve:</i></p> <ul style="list-style-type: none"> - Contingency fund or reserve account details: set up where, in what amount, for what purpose? 	
<p>Compensation:</p> <p>During the year did you:</p> <ul style="list-style-type: none"> - Take any salary or bonuses? - Forego compensation because the company could not afford it? - Create any contests or awards? - Give anyone a substantial gift? 	<p><u>For each type of compensation detail</u></p> <p>Member, Officer name</p> <p>Salary and/or bonus amount. Date of bonus & reason.</p> <p>Reason for not paying compensation due. Does payment become a liability to the company or is payment lost?</p> <p>Contest and award details.</p> <p>Details of gifts – what, value, reason</p>	
<p>Taxes:</p> <p>Did you:</p> <ul style="list-style-type: none"> - File taxes for the year? - Fail to file taxes? - Pay taxes? - Receive a refund? 	<p><u>State filing details:</u></p> <ul style="list-style-type: none"> - accounting firm used - date of filing - type of filing – paper or electronic 	

FINANCIAL ITEMS	DETAILS	✓
<ul style="list-style-type: none"> - Carry forward a loss? - Carry back a loss? - File an extension? - Go through an audit? - Change your tax election? - 	<ul style="list-style-type: none"> - type of taxes – federal or state <u>State tax election change details:</u> - effective date of the change - from what to what tax election - was the change a revocation of a previous change - the request made by March 15 or by rev proc 	
<p>Investments:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Make any investments during the year? 	<p><u>State details of the Action:</u></p> <ul style="list-style-type: none"> - Type of investment - The amount invested - The expected return - Timing of returns 	

SPECIAL ITEMS	DETAILS	✓
<p>Benefits:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Set up a health insurance plan? Set up a defined benefit / defined contribution plan? - Set up any other benefit? 	<p><u>State details of the plan:</u></p> <ul style="list-style-type: none"> - Type of plan - Held through which company - Specific details. 	
<p>Real Estate:</p> <p>Did you:</p> <ul style="list-style-type: none"> - Move a property into the company? - Sell a property out of the 	<p><u>Details:</u></p> <ul style="list-style-type: none"> - Property address? - Book value? 	

SPECIAL ITEMS	DETAILS	✓
<ul style="list-style-type: none"> - company? - Refinance a property owned by the company? - Exchange (1031) a property owned by the company? - Lease a property for business reasons? - Terminate a lease? 	<ul style="list-style-type: none"> - Mortgage company and amount? - Date purchased? - Buyer - name on mortgage? - Exchanger - Sale details versus purchase details. - Details of lease. 	

Exhibit D Sample Resolutions

Sample Template – Written Consent, Limited Liability Company

WRITTEN CONSENT OF ACTION WITHOUT MEETING
OF THE MEMBERS OF

_____, LLC
a ____ (state) _____ limited liability company

The undersigned, being a majority of the Members of
_____, LLC (hereinafter referred to as the “Company”)
approve the following actions by written consent in lieu of meeting.

WHEREAS, ____ (state the purpose of the resolution if applicable) _____

IT IS THEREFOR

RESOLVED, that

RESOLVED FUTHER, that the Manager of the Company be, and hereby is, authorized, empowered and directed in the name and on behalf of the Company, to execute such other agreements, instruments and other documents, and to take such other actions, as any of them may approve as necessary, appropriate or desirable in order to perform and otherwise carry out the intents and purposes of the foregoing resolutions, the execution of any such document or the taking of any such action, as applicable, to be conclusive evidence of that approval.

IN WITNESS WHEREOF, the undersigned have executed this Action by
Written Consent as of ____ (date) _____.

Member

Member

Notes for Completing Templates

The templates above give you sample formats for how a written consent might look. When using a template, remember to do the following:

- If all Members will sign, you can change the name to Unanimous Written Consent of Action Without Meeting. Change the first paragraph from “a majority of” to “all of”. Ensure there are a sufficient number of signature lines for all Directors or Members to sign.

Change

**WRITTEN CONSENT OF ACTION WITHOUT MEETING
OF THE DIRECTORS OF**

To

**UNANIMOUS WRITTEN CONSENT OF ACTION WITHOUT MEETING
OF THE DIRECTORS OF**

Change

The undersigned, being a **majority of** the Directors of

To

The undersigned, by **all** the Directors of

- If you do not have a specific reason for the decision or action, remove both the WHEREAS and IT IS THEREFOR. Note: Reasons given in the samples are for illustration only and should be changed to suit your specific situation.
- Use the sample resolutions as a guide for completing the written consent. Choose Company, Members and Managers if your entity is an LLC. Choices are usually underlined. Remove the choice that does not apply.

All templates and sample resolutions are in Microsoft Word format, and can easily be changed to suit your particular situation.

Example

WRITTEN CONSENT OF ACTION WITHOUT MEETING
 OF THE MEMBERS OF
 EXAMPLE, LLC ← Name of your LLC

State of your LLC → *Nevada limited liability company*

The undersigned, being a majority of the Members of Example, LLC (hereinafter referred to as the “Company”) approve the following actions by written consent in lieu of meeting.

WHEREAS, _____(state the purpose of the resolution if applicable)_____

IT IS THEREFOR

RESOLVED, that

RESOLVED FUTHER, that

Insert resolutions, modified to reflect your specific situation.

BE IT FURTHER RESOLVED, that the Manager of the Company be, and hereby is, authorized, empowered and directed in the name and on behalf of the Company, to execute such other agreements, instruments and other documents, and to take such other actions, as any of them may approve as necessary, appropriate or desirable in order to perform and otherwise carry out the intents and purposes of the foregoing resolutions, the execution of any such document or the taking of any such action, as applicable, to be conclusive evidence of that approval.

IN WITNESS WHEREOF, the undersigned have executed this Action by Written Consent as of _____(date)_____.

Member

Changes in Ownership

Add a Member

WHEREAS, John Masters is a marketing professional with a skill set that will benefit the Company; and

WHEREAS, John Masters is a long time friend of the current Members;

IT IS THEREFOR

RESOLVED, that John Masters shall receive 20,000 units of ownership in the Company upon payment of \$20,000 and upon agreement to abide by the terms of the Company operating agreement. These units shall represent a twenty percent (20%) interest in the Company.

RESOLVED FURTHER, that the Manager of the Company is directed upon receipt of consideration to deposit such into the Company reserve bank account and to issue the certificate of ownership.

Transfer Ownership

WHEREAS, John Masters wishes to transfer his ownership in the Company to his family limited partnership for estate planning reasons; and

WHEREAS, this transfer is acceptable to the other Members;

IT IS THEREFOR

RESOLVED, that John Masters transfer his 20,000 ownership units to his family limited partnership, The Masters Group, LP. This transfer is free of consideration.

RESOLVED FURTHER, that John Masters, as Manager of the General Partner of his family limited partnership, Management Excellence, LLC, shall represent the family limited partnership in all matters involving the Members.

Withdraw Ownership

WHEREAS, John Masters has resigned as Manager and Secretary of the Company; and

WHEREAS, John Masters desires to withdraw as a Member of the Company; and

WHEREAS, John Masters has delivered a letter to the Members giving up all rights to the assets and future earnings of the Company;

IT IS THEREFOR

RESOLVED, that John Masters resignation is accepted.

RESOLVED FURTHER, that the Company agrees to purchase John Masters' twenty percent (20%) interest in the Company for a consideration of \$2,500.

RESOLVED FURTHER, that the Treasurer is directed to issue a check in the full amount of \$2,500 to John Masters upon receipt of his ownership certificate.

RESOLVED FURTHER, that Mary Jones is hereby appointed as Secretary of the Company until her successor is voted in at the next annual meeting and qualifies.

Change in Percentage Ownership

WHEREAS, the Members of the Company wish to issue 15,000 ownership units to Mary Jones in recognition of her work on behalf of the Company;

IT IS THEREFOR

RESOLVED, that the Treasurer is directed to issue the certificate of ownership for 15,000 units on close of business December 31, 2008.

RESOLVED FURTHER, that interest in the Company as of January 1, 2009 shall be as follows:

Member	December 31, 2008	January 1, 2009
John Master	20%	17%
Andrew Smith	40%	35%
Linda Phillips	30%	26%
Mary Jones	10%	22%

Name Change

WHEREAS, the Members desire to change the name of the Company to better reflect the Company business;

IT IS THEREFOR

RESOLVED, that the name of this Limited Liability Company shall be changed from _____ to _____.

RESOLVED FURTHER, that the Members shall file all appropriate documents with the state of __state__ to amend the Articles of Organization to reflect the change of name of the Company.

RESOLVED FURTHER, that the Company seal shall be changed to reflect the new Company name of _____.

RESOLVED FURTHER, that the certificates of ownership of the Company shall be replaced with new certificates bearing the new Company name of _____. All old certificates issued to Members shall be returned to the Company and new certificates shall be issued in the same number of units as the originals. The Secretary is hereby directed to attach a specimen of the new Company certificate to this Written Consent.

RESOLVED FURTHER, that the Members shall notify the bank(s) holding the Company bank account(s) that the name of the Company has been changed. The Secretary is directed to attach a conformed copy of banking resolutions and certificate of secretary to this Written Consent.

Repurpose Company

WHEREAS, no business has been transacted in this Company since its formation; and

WHEREAS, the Members desire to use this Company for a purpose other than the one given to the Internal Revenue Service when the Company was formed;

IT IS THEREFOR

RESOLVED, that the purpose of the Company is changed from _____ to _____.

RESOLVED FURTHER, that the Manager of the Company is directed to file any and all documents required with both state and federal government departments and agencies to effect this change.

Change in Management

Resignation of Officer

WHEREAS, Andrew Smith has tendered his resignation effective January 1, 2009 citing health reasons;

IT IS THEREFOR

RESOLVED, that Andrew Smith's resignation is accepted.

RESOLVED FURTHER, that Polly Prentice is appointed to the position of Manager to serve until her successor is elected and qualifies.

Replacement of Manager

WHEREAS, Peter Radcliffe can no longer fulfill his duties as Manager and President of the Company;

IT IS THEREFOR

RESOLVED, that Peter Radcliffe is replaced by Samuel Campbell effective immediately. Mr. Campbell will assume the duties and responsibilities as Manager and President, and will serve until his successor is elected and qualifies.

Rescind Authority

WHEREAS, it is no longer necessary to the interests of the Company that the Manager set up a line of credit without prior approval of the Members;

IT IS THEREFOR

RESOLVED, that the authority granted on May 26, 2018 to Samuel Campbell, Manager, for the purpose of setting up a line of credit is hereby rescinded and is no longer in effect.

Business Assets – Personal Property

Purchase an Asset

WHEREAS, the Company has outgrown the capacity of the current computer server;

IT IS THEREFOR

RESOLVED, that the Manager is directed to purchase a new computer server with the following specifications:

(general specifications)

RESOLVED FURTHER, that the purchase price for this server shall not exceed \$5,000 and the funds for this purchase shall be taken from the Company reserve account.

Sell an Asset

WHEREAS, the Company no longer needs the furniture in the conference room;

IT IS THEREFOR

RESOLVED, that the sale of the conference room table and six chairs to _____ for the fair market value of \$900 is approved.

RESOLVED FURTHER, that the sale of the flat panel screen to Member _____ for \$500 is approved. It was noted during discussion that the fair market value of the item is \$700; however, the Members deemed it in the best interests of the Company that the sale be made quickly with flexible terms for the removal of the equipment.

Terminate a Lease

WHEREAS, John Masters has resigned as Manager and President of the Company; and

WHEREAS, his replacement has no need of a Company vehicle;

IT IS THEREFOR

RESOLVED, to terminate the lease on the 2017 Lexus 400h previously driven by John Masters.

RESOLVED FURTHER, that the \$_____ penalty for early termination of the lease will be paid from the Company operations account.

Assign a Vehicle

WHEREAS, it is in the best interests of the Company to provide the President with a vehicle for business use; and

WHEREAS, the President owns a black 2019 Lexus 360 VIN _____ with an odometer reading of 5, 821 miles and a fair market value of \$_____;

RESOLVED, that said vehicle is assigned to the Company for the use of the President.

RESOLVED FURTHER, that the President is directed to report to the Bookkeeper monthly the total business miles driven and total personal miles driven. This report shall be delivered on the last business day of the month.

Professional Team

Hire a Professional

WHEREAS, the Company requires the services of a contracts attorney;

IT IS THEREFOR

RESOLVED, that the decision to hire Patricia Sorensen, Esq. is approved.

Ms. Sorensen is hired under contract with a retainer of \$1,000 per month plus \$200 per hour for the work she performs for the Company. The contract can be terminated by either party with 30 days written notice. A copy of the contract is attached to this resolution.

Terminate a Professional

WHEREAS, the work of _____, CPA has been unsatisfactory

IT IS THEREFOR

RESOLVED, that the services of _____, CPA are terminated effective immediately. Employment of _____, CPA is at will and no termination fee or severance package is due and payable.

Legal

Sign a Contract

The Managers were presented with a proposed contract to be entered into between the Company and Zippy Delivery Services, LLC for the purpose of delivering legal documents and packages to Company clients. The President reviewed the terms and made the following points:

(add specifics)

The President then asked that the proposed contract be approved.

WHEREAS, this contract has been reviewed by the Managers and Officers of the Company and found to be fair and reasonable; and

WHEREAS, the Officers have determined that Zippy Delivery Services has provided excellent service to its clients over the past ten years;

IT IS THEREFOR

RESOLVED, that the President is instructed to execute the contract in the name of the Company and to see that a copy of the contract, executed by all parties, is placed in the corporate minute book with this resolution.

In office meals

WHEREAS, it is in the best interests of the Company that certain employees remain on the Company's premises during meal breaks from January 1, 2019 through April 16, 2019;

IT IS THEREFOR

RESOLVED, that the Company will provide on premises meals to the following employees for the convenience of the Company's business, should these employees decide to stay on the premises.

Employee

Position

RESOLVED FURTHER, since the continued presence of these employees is critical to the Corporation's business at certain times of the year, taking meal breaks on premises is approved for employees hired in future to these positions. Remaining on the premises is at the employee's discretion.

Insurance

Purchase a Policy

WHEREAS, the Managers and Officers of the Company are indemnified under the Operating Agreement of the Company; and

WHEREAS, the reserve of the Company is insufficient to fund a major lawsuit;

IT IS THEREFOR

RESOLVED, that the purchase of an insurance policy from Axiom Insurance Group is approved. The cost of the policy for fiscal year 2019 is \$3,500. The policy will pay a maximum of \$1,000,000 per lawsuit. Attorney's fees are included in this amount. All Managers and Officers of the Company are covered by this policy.

Modify a Policy

WHEREAS, the President of the Company has become the corporate spokesperson and figurehead; and

WHEREAS, it would be a significant hardship to the Company if the President was not available to fulfill her duties;

IT IS THEREFOR

RESOLVED, to increase the corporate key man insurance covering the President from \$1,000,000 to \$2,000,000. This policy is provided by Axiom International for an annual premium of \$_____.

RESOLVED FURTHER, that an increase in disability insurance covering the President to permit payment of the ongoing expenses of the business during recuperation is approved.

Educational Programs

Employee Education Program

WHEREAS, it is in the best interests of the Company to maintain an educated workforce;

IT IS THEREFOR

RESOLVED, that the Company implement an employee education program. The purpose of this program is to encourage employees to take a maximum of three college or university level courses per year to increase their knowledge and skills. These courses must be directly related to the employee's position and may be taken using a medium offered by the institution.

RESOLVED FURTHER, that this program shall provide funding in the form of an employee reimbursement for 100% of the course fees plus books. The Treasurer is directed to reimburse the employee when proof of expenses and achievement of a passing grade are submitted.

Banking Resolutions

Opening Bank Account

RESOLVED, that the actions of the Managers _____ in opening the following bank account in the following depository are hereby approved:

Type of Account: _____

Purpose of Account: _____

Depository: _____ (name) _____

_____ (location) _____

The account was opened with \$_____.

The signers on the account are _____, _____,
and _____.

This account pays no interest.

Closing Bank Account

RESOLVED, that the Managers _____ are authorized to close the following bank account in the following depository:

Type of Account: _____

Account Number: _____

Depository: _____ (name) _____

_____ (location) _____

The account is being closed because _____
and any funds contained therein will be transferred to __ (depository) _____ at
_____ (location) _____.

Changing Signers

WHEREAS, _____ (reason for the change) _____
IT IS THEREFOR

RESOLVED, that the signers on the following account in the following
depository be changed from _____ and _____ to
_____ and _____.

Account Number: _____

Depository: _____ (name) _____

_____ (location) _____

There are no limitations on the signers' authority.

Setting Spending Limits

RESOLVED, that the following spending limits and signing authority
be and are hereby established:

Hiring: any employee hired at a basic salary in
excess of \$_____ must be authorized by
the Members.

Capital Equipment Member approval required for
expenditures/contract in excess and
Contracts of \$_____ Manager's (or
delegate) approval required for those less
than \$_____

Expenses: Member approval required for any single
requisition of \$_____ or more

Signing Authority:

Officer: any agreement or other obligation
committing the company up to
\$_____

Manager

Giving Online Access

WHEREAS, it is the desire of the Members to permit the Bookkeeper to monitor the Company accounts in the _____(bank)_____ located at _____ ,

IT IS THEREFOR

RESOLVED, that the Bookkeeper is given online read only access to the following Company accounts located in the depository named above.

Account Type:

Account Number:

RESOLVED FURTHER, that the Bookkeeper is not given online access to transfer funds, send domestic or international wires, or set up bill paying accounts.

Taking Out a Bank Loan

WHEREAS, the Managers of the Company desire to _____(specific reason for loan)_____; and

WHEREAS, the terms of the loan detailed below are deemed to be fair and reasonable;

IT IS THEREFOR

RESOLVED, that the Company borrow the funds in the amount and on the terms outlined below.

RESOLVED FURTHER, that the Manager of the Company is authorized and empowered on behalf of the Company to execute the notes and documents as required by the bank to effect this loan.

Name of Bank: _____

Address: _____

Amount of Loan: _____

Term: _____(number of months_____

Interest Rate: _____

Full Repayment Amount: _____

Monthly Payments: _____

Date of Final Payment: _____

RESOLVED FURTHER, that _____, as Member of this Company, is authorized to give a personal guarantee if needed to secure the loan.

Repayment of Loan

WHEREAS, the final payment on the loan detailed below has been made in accordance with the loan contract;

IT IS THEREFOR

RESOLVED, that the repayment in full of the loan detailed below is approved.

Name of Bank: _____

Address: _____

Amount of Loan: _____

Term: _____ (number of months _____)

Loan Number: _____

Date of Final Payment: _____

This loan has been paid over the full term of the contract.

Overdraft Protection

WHEREAS, the Members of the Company wish to build credit in the name of the Company; and

WHEREAS, overdraft protection on a bank account is a simple way to begin this process;

IT IS THEREFOR

RESOLVED, that Manager of the Company is authorized and empowered on behalf of the Company to execute the documents required by the bank to effect overdraft protection on the account listed below.

Name of Bank: _____

Address: _____

Account Type: _____

Account Number: _____

Amount of Overdraft Protection: _____

Interest Rate: _____

There is no personal guarantee for this protection.

Taking Out a Line of Credit

WHEREAS, it is deemed in the best interests of the Company to establish a line of credit for ease of borrowing funds; and

WHEREAS, _____(bank)_____ offers a line of credit with terms that deemed are fair and reasonable;

IT IS THEREFOR

RESOLVED, that the Manager of the Company is authorized and empowered on behalf of the Corporation / Company to execute any notes and documents necessary to obtain a line of credit from the institution named above.

RESOLVED FURTHER, that borrowing against the line of credit shall not exceed \$_____ per year unless approved by the Members of the Company.

RESOLVED FURTHER, that the Managers permitted to use the line of credit are the following:

Manager

Title

Mortgage an Asset

WHEREAS, the Members of the Company have determined that it is in the best interest of the Company to purchase additional properties; and

WHEREAS, the property located at _____ (address) _____ has sufficient equity to permit it to be refinanced; and

WHEREAS, the terms of the mortgage detailed below are deemed to be fair and reasonable;

IT IS THEREFOR

RESOLVED, that the property named above be refinanced as outlined below for the purpose of generating funds to purchase additional properties.

RESOLVED FURTHER, that this property may be removed from this Company if necessary to refinance the mortgage, and shall be transferred back to the Company within six months of the refinance.

Name of Financial Institution: _____

Address: _____

Amount of Mortgage: _____

Type of Mortgage: _____ (fixed rate, 30 year etc.) _____

Term: _____ (number of months) _____

Interest Rate: _____

Full Repayment Amount: _____

Monthly Payments: _____

Date of Final Payment: _____

Amount of Payout: _____

RESOLVED FURTHER, that the following Members of the Company are authorized to give personal guarantees if needed to secure the mortgage.

Members

Payoff of Mortgage

WHEREAS, it is deemed to be in the best interest of the Company to pay off the mortgage detailed below;

IT IS THEREFOR

RESOLVED, that the final payment on the mortgage detailed below be made on the date specified.

RESOLVED FURTHER, that the funds for the final payment shall be taken from the Company's reserve account.

Name of Financial Institution: _____

Address: _____

Amount of Mortgage: _____

Amount of Final Payment: _____

Loan Number: _____

Date of Final Payment: _____

There is no prepayment penalty.

Card and Merchant Services Account Resolutions

Credit Card

WHEREAS, the Managers of the Company wish to obtain a Company credit card to facilitate purchasing, travel and expense control;

IT IS THEREFOR

RESOLVED, that the Manager is authorized to apply on behalf of the Company for the business credit card outlined below.

RESOLVED FURTHER, that the Manager is authorized and empowered to execute any notes and documents necessary to obtain the credit card from the institution named below.

Name of Financial Institution: _____

Address: _____

Credit Limit: \$_____ (total or per card)_____

Interest Rate: _____

Terms: \$39 late fee; no change in interest for late payment

Personal guarantee required.

RESOLVED FURTHER, that _____, as the majority Member of the Company will provide a personal guarantee.

RESOLVED FURTHER, that individual cards will be distributed to the following Managers upon written acknowledgement that the card is to be used for corporate / company business only and the recipient of the card is responsible for the full and timely payment of any charges.

Manager

Debit Card and Check Card

WHEREAS, _____ (reason for the card) _____;

IT IS THEREFOR,

RESOLVED, that the Manager is authorized to secure a debit card / check card for the Managers listed below. This card will be linked to the following account:

Name of Bank: _____

Location: _____

Type of Account: _____

Account Number: _____

RESOLVED FURTHER, that the Manager is authorized to sign on behalf of the Company any forms or documents required to secure the card.

Manager

Cancel a Card

WHEREAS, it was deemed to be in the best interest of the Company to replace the credit card issued by ___(name of financial institution)___ for use by the Members and Managers of the Company ;

IT IS THEREFOR

RESOLVED, that all use of this credit card be terminated effective immediately.

RESOLVED FURTHER, that any and all balances on this credit card account be paid from the Company operations bank account.

RESOLVED FURTHER, that the credit card account be terminated.

Increase a Credit Card Limit

WHEREAS, _____(reason for the increase)_____;

IT IS THEREFOR

RESOLVED, that the credit limit on the credit card account detailed below is increased from \$_____ to \$_____.

Name of Credit Card Provider: _____

Type of Card: _____(Visa/MC/AmEx)_____

Credit Card Account Number: _____

RESOLVED FURTHER, that the Manager is authorized to execute any documents required by the financial institution named above to effect this change.

Opening a Merchant Services Account

WHEREAS, the Members deem it is in the best interest of the Company to accept payment for products and services by credit card; and

WHEREAS, the terms of the contract with the merchant services account provider outlined below are deemed to be fair and reasonable;

IT IS THEREFOR

RESOLVED, that the Manager is authorized to open a merchant services account with the provider named below.

RESOLVED FURTHER, that the Manager is authorized and empowered to complete and sign a contract and any other paperwork required by the merchant services account provider to open this account.

Merchant Services Account Provider: _____

Total Allowable Billings per Month: _____

Fees: _____

Taking an Insider Loan

RESOLVED, that the following loan to the following individual is approved.

Name and Title of Borrower: _____

Amount of Loan: \$_____

Interest Rate: _____

Terms: See Promissory note attached

Security: This note is unsecured

RESOLVED FURTHER, that this loan is expected to benefit the Company through the regular payment of interest at a rate that approximates what the corporation could have received from a disinterested party.

RESOLVED FURTHER, that executing this loan in no way jeopardizes the Company's ability to meet its current obligations.

Making a Loan

WHEREAS, the Company does not have sufficient funds to pay its current obligations; and

WHEREAS, _____, a Manager/ /Member of the Company has offered to lend the Company the money required;

IT IS THEREFOR

RESOLVED, that the loan from _____ in the amount of \$_____, evidenced by the promissory note attached, is approved.

This note is secured by the Company's receivables.

Repaying a Loan

WHEREAS, the final payment of principal and interest was made by _____(company / individual) to ____ (individual / company)____ on _____;

RESOLVED, that the promissory note attached is now paid in full.

Failure to Make a Payment

WHEREAS, the Company does not have the funds to make the payment of interest / principal and interest required by the promissory note / loan contract between the Company and _____ (“Lender”) dated _____; and

WHEREAS, Lender does not wish to foreclose on the loan;

IT IS THEREFOR

RESOLVED, that the amount of interest owing be added to the principal of the loan. Future interest shall be calculated on the increased principal and shall be due and payable on ___date_____.

Taking a distribution

WHEREAS, the Members of the Company have reviewed the financial statements of the Company; and

WHEREAS, the retained earnings and profit of the Company are sufficient to support a distribution to the owners;

IT IS THEREFOR

RESOLVED, that the Company shall distribute \$_____ to the Members on ___(date)_____.

RESOLVED FURTHER, that the Manager of the Company is instructed to pay each Member a share of the distribution equal to the Member's percentage interest in the Company as of ___(date)___.

Taking a draw

RESOLVED, that the owner draw of \$_____ paid on __ (date)___ to _____ is approved.

Contingency Accounts and Reserves

WHEREAS, the Managers of the Company anticipate a decrease in sales over the third quarter of 2019; and

WHEREAS, current revenues exceed the operational needs of the business;

IT IS THEREFOR

RESOLVED, that the Manager is authorized and instructed to open a reserve bank account as outlined below.

Name of Bank: _____

Address: _____

Type of Account: Money Market

Opening deposit: \$20,000 from operational account number _____

Compensation

Salaries

RESOLVED, that _____, as Manager of the Company, shall be paid a salary of \$_____ per month for the year commencing January 1, 2019.

RESOLVED FURTHER, if in any month the Company does not have sufficient funds to pay this salary and still meet its other obligations, payment will be accrued as a liability of the Company and will be paid when funds are available. No interest will be due or payable on these funds.

Bonus

WHEREAS, the Company has exceeded its revenue and profit targets for 2018 by 20%;

IT IS THEREFOR

RESOLVED, that a bonus of \$_____ is approved for distribution to the Manager of the Company, _____(name)_____ on _____(date)_____.

Contests and Awards

WHEREAS, the Members of the Company wish to incent the staff to increase sales by 50% to a level of \$100,000 per month;

IT IS THEREFOR

RESOLVED, that the Manager of the Company is authorized to create a sales contest as outlined below.

RESOLVED FURTHER, that the maximum expenditure for this sales contest shall be \$_____ in 2019.

(List details of the contest below.)

Gifts

WHEREAS, the Manager and Treasurer of the Company has resigned effective __ (date) __ in order to pursue personal interests; and

WHEREAS, the Manager and Treasurer has been responsible for keeping the Company profitable for the past five years;

IT IS THEREFOR

RESOLVED, that the Members, to express our thanks on behalf of the Company, present to the Manager and Treasurer a set of golf clubs emblazoned with the corporate logo. This gift is valued at \$2,000.

Taxes

RESOLVED, that the following actions taken by the Managers of the Company are approved:

Taryle Accounting, CPAs, PLLC were hired to prepare the corporate / company taxes for 2018.

An extension was filed on March 1, 2019.

The preliminary tax return prepared by Taryle Accounting showed that no additional taxes were owed, so the extension was filed without payment.

The Manager believes that the final return will result in a small refund to the Company.

Investments

WHEREAS, the Company has generated profits in excess of that needed to fund current operations and grow the business;

IT IS THEREFOR

RESOLVED, that the Manager is authorized to invest \$_____ on behalf of the Company in _____. This investment is expected to return _____% per year for five years.

Exhibit E Annual Meetings

Waiver of Notice of the Annual Meeting
of the Members of
_____, LLC
a ___(state)_____ *limited liability company*

We, the undersigned Members, agree and consent to the holding of the Annual Meeting of the Members of the Company at the place, date and time listed below. The meeting shall be held for the purpose listed below and for all such other business as may lawfully come before the meeting. We hereby waive all notice of the meeting and any adjournments thereof.

Place: _____

Date: _____

Time: _____

Purpose: Annual Meeting

Dated: _____

Signature

Printed Name

Minutes of the Annual Meeting
of the Members of
_____, LLC
a (state) limited liability company

The annual meeting of the Members of the Company was held pursuant to the waiver of notice signed by the Members and prefixed to the minutes of this meeting.

_____ acted as the temporary chairperson and _____ acted as the temporary secretary of the meeting.

The Chairperson called the meeting to order.

The Chairperson announced that the first item of business was to elect the Managers and Officers of the Company for the coming term. The following individuals were elected and accepted their positions.

	Manager & President
	Manager & Secretary
	Manager & Treasurer

The President then took the chair and presided over the meeting. The Secretary assumed the duties as secretary of the meeting.

The Chairperson presented the following items for discussion:

(insert items to be discussed. If none, delete this section.)

After discussion, it was agreed that these actions taken and decisions made by the Managers are approved, ratified and affirmed by the Members.

The financial statements of the company, salary increases and bonuses were then discussed. It was agreed that the financial statements of the company are approved. It was also agreed that no salary increases or bonuses are awarded to the Managers this year owing to the unprofitable nature of the company business.

There being no further business, the meeting was adjourned.

Secretary

Exhibit F Annual Written Consents

WRITTEN CONSENT OF ACTION
IN LIEU OF ANNUAL MEETING
of the MEMBERS of

_____, LLC
a ____ (state) _____ limited liability company

The undersigned, being all the Members of the Company, hereby take the following actions by written consent in lieu of an annual meeting of the Members.

RESOLVED, that the actions taken and decisions made by the Managers and Officers without vote during the preceding year are approved, ratified and affirmed by the Members.

RESOLVED, that the following persons are elected to the offices below to serve for the next term or until their successors are elected and qualify:

Manager & President: _____

Manager & Secretary _____

Manager & Treasurer _____

RESOLVED, that owing to the unprofitable nature of the business no salaries or bonuses are approved for this fiscal year.

Dated: _____

