

The Importance of Corporate Meeting Minutes

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Meeting minutes are necessary to comply with New Jersey law, but they are also valuable for good corporate governance. This article summarizes the law on meeting minutes and explains why they are important, when they should be prepared, and what should be included in them.

First, What are Meeting Minutes?

In New Jersey, a corporation must keep minutes of the proceedings (i.e., meetings) of its shareholders, board of directors and, if applicable, the executive committee of its board of directors.¹ But what information must or should be included in the meeting minutes? The New Jersey Business Corporation Act² does not answer the question. The statute does not address the form or content of meeting minutes, nor does it define how detailed meeting minutes should be.³ However, common sense suggests that the minutes should cover significant issues, record the actions taken, and reference the key materials and factors considered in taking such actions, but the minutes are not (and should not be) a transcript of the meeting.⁴

Why are Meeting Minutes Important?

Preparing minutes and maintaining a minute book can be time-consuming, but they are important for several reasons.

- **To Memorialize Action Taken.** Meeting minutes record the significant issues, the actions taken, and reference the key materials and factors considered by the board of directors or the shareholders in taking such actions. The absence of minutes, however, does not affect the action taken. If there are no minutes, a court would determine what took place at a meeting by examining the best evidence.⁵
- **To Avoid Piercing the Corporate Veil.** One of the factors that can lead to a piercing of the corporate veil is a failure to observe corporate formalities, such as preparing and maintaining meeting minutes. When veil piercing occurs, shareholders and directors may be held personally liable for the corporation's debts,

obligations, and liabilities. By keeping corporate minutes, shareholders and directors can improve the odds that a court will respect the limited liability shield of a corporation.

- **To Demonstrate Compliance with Fiduciary Duties.** Directors have a fiduciary duty to act honestly, on an informed basis, and in the best interests of the corporation when making business decisions. By keeping meeting minutes, corporations can show how the directors exercised their business judgment when that judgment is questioned. Meeting minutes provide not only an opportunity to show the completeness of the information considered by the board, but also the thoroughness of the decision-making process.⁶
- **To Prepare for Potential Future Litigation.** Well-prepared meeting minutes that memorialize important actions and decisions of the board of directors or shareholders can help if there is litigation. They reduce a corporation's litigation risk and help with dispute resolutions in an efficient and economical manner.⁷

When to Prepare Meeting Minutes

Minutes should be prepared for every meeting of the board of directors (and its executive committee, if any) and the shareholders. However, it is particularly important to prepare minutes of any meeting where significant action has been taken. For example:

- These actions of the board of directors:
 - adopting and amending bylaws⁸
 - electing or appointing officers, and removing officers⁹
 - selecting people to fill vacancies on the board of directors¹⁰
 - issuing shares of stock¹¹
 - declaring dividends¹²
 - establishing a record date for a shareholders' meeting¹³
 - indemnifying officers, employees, and other corporate agents¹⁴

- making charitable contributions¹⁵
- establishing pension, profit-sharing, and insurance plans
- purchasing major assets
- borrowing or lending money
- opening bank accounts
- changing the location of the principal place of business
- beginning or settling litigation
- These actions of the shareholders:
 - electing directors¹⁶
 - amending bylaws¹⁷
 - guarantying loans not in furtherance of the company's business interests¹⁸
- These actions of the board of directors and shareholders:
 - changing the certificate of incorporation¹⁹
 - merging or consolidating the corporation²⁰
 - selling all or substantially all assets²¹
 - dissolving the corporation

What to Include in Meeting Minutes

The minutes should include the items in the meeting agenda, address the action taken and the discussion or factors considered, and incorporate by reference or attach documents considered in taking the action. For example, meeting minutes should include the following information:²³

- meeting date
- type of meeting (e.g., annual or special)
- starting and ending times
- meeting location
- name of the individual taking minutes
- notice given
- list of present and absent directors / shareholders
- quorum
- list of officers and advisers who gave reports or advice
- list of materials distributed before and at the meeting
- motions made, seconded, and voted upon
- identifying any dissenting or “no” votes
- action taken, which is often in a resolution

The meeting minutes should not be a transcript. Instead, they should include general statements of the matters discussed and the factors considered, although major actions (e.g., mergers and acquisitions) may include more details to reflect the deliberations of the directors and/or shareholders.²⁴

Best Practices

There are certain best practices associated with preparing meeting minutes. For example, the minutes should be prepared promptly after the meeting while the meeting is fresh in the minds of the scrivener and the attendees. The minutes of the meetings of the board of directors should be sent to the directors and the minutes of the meetings of the shareholders should be sent to the directors, senior officers (e.g., president), and major shareholders for review and comment (e.g., correction). Although there is no statutory requirement to do so, the minutes should be approved at the next meeting.²⁵

Written Consents in Lieu of Meeting Minutes

The actions of a corporation's directors and shareholders need not be voted upon at a meeting. Instead, the corporate statute states that the actions may be taken by written consents in lieu of a meeting.

In the case of the board of directors, unless otherwise provided in the certificate of incorporation or bylaws, it may act without a meeting if *all* directors consent in writing and the written consents are filed with the minutes of the board proceedings.²⁶ There are no exceptions to the unanimity requirement.²⁷

Likewise, shareholders may act by written consent in lieu of meetings.²⁸ Written consents replace meeting minutes and should be filed with the minutes of shareholders' meetings.²⁹

In the case of the shareholders, any action may be taken without a meeting if *all* shareholders consent in writing.³⁰ However, the corporate statute also provides that the written consents of the shareholders need not be unanimous.³¹ That is, unless otherwise provided in the certificate of incorporation, a non-unanimous written consent of the shareholders is valid if the shareholders holding a majority of the shares entitled to vote have provided their written consent to the action.³² However, there is one exception—annual election of directors requires *all* shareholders to provide their written consents.³³

The corporate statute does not require a particular form of consent to be used, nor does it require all written consents to use the same language.³⁴ The directors or shareholders may use the same or separate written consents. The corporate statute does not require the written consents to be signed or dated.³⁵ Nonetheless, it is a best practice for all directors or shareholders to use the same language or sign the same written consent.³⁶

Doing so eliminates the possibility of ambiguity in the action taken and prevent a director or shareholder from later asserting that they did not authorize the action in the written consent.³⁷

Conclusion

This article summarizes the basics of corporate meeting minutes and written consents. An attorney representing a corporation should review the applicable

provisions of the New Jersey Business Corporation Act and the relevant sections of the leading texts on New Jersey corporate law. ■

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Endnotes

1. N.J.S.A. 14A:5-28(1). See also *Cain v. Merck & Co., Inc.*, 415 N.J. Super. 319, 331 (App. Div. 2010). A limited liability company ("LLC") does not have to hold meetings, prepare minutes of meetings, or record actions of its members or managers. See N.J.S.A. 42:2C-1 et seq. An LLC does not have to observe any formalities. See, e.g., N.J.S.A. 42:2C-30(b). Still, for the reasons noted in this article, an LLC would be prudent to prepare minutes of meetings of its members and managers. The same can be said for any other entity.
2. N.J.S.A. 14A:1-1 et seq.
3. See Stuart L. Pachman, *Title 14A – Corporations*, Comment 3 to N.J.S.A. 14A:5 at 249 (Gann 2025) ("Pachman").
4. See Leo E. Strine, Jr., *Minutes Are Worth the Minutes: Good Documentation Practices Improve Board Deliberations and Reduce Regulatory and Litigation Risk*, 29 Fordham J. Corp. & Fin. L 561, 564-65 (2024) (hereinafter, "Strine"), available at ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1549&context=jcfl.
5. See John R. MacKay II, Jeffrey M. Shapiro & Alan Wovsaniker, 1 *N.J. Corporations and Other Business Entities* §10.04[9] n. 57 & §6.04[16] n. 207 (LexisNexis 2025) (hereinafter, "MacKay").
6. *Corporate Minutes: A Guide for the Corporate Secretary*, Society for Corporate Governance (October 2022) (hereinafter, "Corporate Minutes Guide"), available at bpb-us-w2.wpmucdn.com/sites.udel.edu/dist/8/12944/files/2024/10/Corporate-Minutes_A-Guide_Society-for-CorpGov_2022.pdf.
7. Strine at 577-78.
8. N.J.S.A. 14A:2-9(1).
9. N.J.S.A. 14A:6-15(1); N.J.S.A. 14A:6-16(1).
10. N.J.S.A. 14A:6-5.
11. N.J.S.A. 14A:7-4(1); N.J.S.A. 14A:7-5.
12. N.J.S.A. 14A:7-15; N.J.S.A. 14A:7-15.1.
13. N.J.S.A. 14A:5-7(1).
14. N.J.S.A. 14A:3-5(6).
15. N.J.S.A. 14A:3-4.
16. N.J.S.A. 14A:5-2.
17. N.J.S.A. 14A:2-9(1).
18. N.J.S.A. 14A:3-3(1).
19. N.J.S.A. 14A:9-2(4)(a); N.J.S.A. 14A:9-2(4)(c).
20. N.J.S.A. 14A:10-1, 14A:10-2; N.J.S.A. 14A:10-5.1, 14A:10-3(2), 14A:10-3(4).
21. N.J.S.A. 14A:10-11(1)(a); N.J.S.A. 14A:10-11(1)(c).
22. N.J.S.A. 14A:12-4(2), 14A:12-4(4).
23. See Corporate Minutes Guide; MacKay, §6.04[16], §10.04[9], Form 6.15 (shareholders meeting), Form 10.09 (board of directors meeting); Pachman, Comment 3 to N.J.S.A. 14A:5; Bradley J. Bondi & Bart Friedman, *Corporate Secretary Guidelines: Taking Notes and Preparing Official Minutes*, NACD (Aug. 2, 2016), available at nacdonline.org/all-governance/governance-resources/directorship-magazine/online-exclusives/corporate-secretary-guidelines-taking-notes-and-preparing-official-minutes?itemnumber=6125&aitrk=nacd-gs.

24. See, e.g., MacKay, §6.04[16] & §10.04[9].
25. For more on best practices, see, e.g., MacKay, §10.04[9].
26. N.J.S.A. 14A:6-7.1(5).
27. See MacKay §10.03.
28. N.J.S.A. 14A:5-6(2).
29. N.J.S.A. 14A:5-6(3) & (4).
30. N.J.S.A. 14A:5-6(1). There are more steps required for extraordinary actions (e.g., mergers and the sale of asset) under N.J.S.A. 14A:10-1 et seq. See N.J.S.A. 14A:5-6(1).
31. N.J.S.A. 14A:5-6(2).
32. *Id.*
33. *Id.*
34. See MacKay, §§6.03[1] & 10.03.
35. *Id.* The statute provides only that the consents must be in writing or electronic transmission. N.J.S.A. 14A:6.7.1(5).
36. *Id.*
37. *Id.*