

## Meeting Minutes Requirements for Farm and Ranch Businesses

### **Jessica Groskopf**

Agricultural Economist, Nebraska Extension  
Department of Agricultural Economics, University of Nebraska-Lincoln

### **Dave Aiken**

Professor, Agricultural Law and Water Law Specialist  
Department of Agricultural Economics, University of Nebraska-Lincoln

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“I call this meeting to order...” isn’t something that we often hear in farming and ranching, but according to the articles of incorporation, operating agreements, or bylaws of many agricultural businesses, an annual meeting is a requirement. Holding an annual meeting does not have to be a formal affair. However, under Nebraska statutes § 21-2,221 “A corporation shall keep as permanent records minutes of all meetings of its shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.”

If a corporation does not have minutes regularly kept and the corporation is sued, it could lose its legal status as a corporation. This would include the loss of limited liability for corporate shareholders, who could then become personally responsible for the corporation’s actions. Since limited liability protection for shareholders is one of the main reasons farmers and ranchers may incorporate their business, loss of limited liability protection can be a major blow.

Your articles of incorporation outline many of the details of how meetings within the corporation will be conducted. Many include the date, time, purpose, place, notice requirement, and other specifications of the annual meeting. After you have reviewed these details, you should set an agenda to ensure a productive discussion. Here are some items to consider for your agenda:

1. Approval of the agenda
2. Approval of the previous year’s minutes
3. Approval of company business
4. Election of directors and officers
5. Management discussion
  - a. Financial review
6. Adjournment

Minutes of your annual meeting should be typed, placed on file, and distributed to the stockholders of the corporation. Minutes should be an accurate account of the meeting. Here are some items that should be included in the minutes:

1. Date, time, and location of the meeting
2. Who chaired the meeting — usually the president of the corporation — and who kept a record of the meeting — usually the corporate secretary.
3. Attendance. Consider also including a list of stockholders who were not present, and any stockholder represented by proxy.
4. The complete agenda
5. If motions are made, what the motion was, who made it, who seconded it, “and after discussion, the motion was passed [or defeated]” and the vote.
6. List what topics were discussed. If something was discussed, but no formal action was taken, you do not have to record how the discussion went, who was for, who was against, etc.
7. Any other actions taken by the board
8. Meeting adjournment

Keeping the minutes is not difficult, you just need to do it. The purpose of the minutes is to document in writing that the board is in fact meeting and that the corporate business is indeed being run through the board of directors. After the first time you prepare the minutes, it will become a snap. If you are concerned about whether your minutes are correct, visit with your attorney and accountant — they can review your draft minutes and let you know if you need to make changes. Once you get the hang of it, you will wonder why you ever worried about it.

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