

## What are Bylaws for a Corporation?

**Bylaws** (sometimes spelled as "by-laws") are the rules of a corporation, established by the [board of directors](#) during the process of starting a corporation. When a corporation is formed (a process called incorporation), one of the first tasks of the new corporation is to have corporate bylaws formed.

In the process of creating a corporation, first the company files [Articles of Incorporation](#) with the state in which it wants to do business.

Then, a [board of directors](#) is established. The bylaws are then created to direct the board in its duties.

. The bylaws cover such topics as:

Location of the corporation

- Location of annual meeting and special meetings of the corporation
- For a [stock corporation](#), information about stockholders and voting of shares of stock
- Date and place of the [annual meeting](#)
- Corporate officers and their duties
- Board of directors membership, meetings, compensation, selection and removal of board members
- Information about corporate records

## How are the Bylaws Created?

Corporate by-laws are written by the owners of the corporation at the time of its founding. Your Articles of Incorporation need to be filed with the state in which you incorporate, but the by-laws do not need to be filed with the state or federal government (unless the corporation is applying for non-profit status), but they should be kept with other corporate records in case of audit.

## What is Included in Corporate Bylaws?

The by-laws should include:

- The corporation's identifying information: name, address, and principal place of business; designation of the corporation as public or private.
- Number of directors and corporate officers authorized for the corporation and their qualifications
- If the corporation is a [stock corporation](#), the number and type of shares and stock classes that the corporation is authorized to issue.
- Procedure for director and shareholder meetings -- including frequency, location, and protocol.
- Procedure for corporate record-keeping -- including rules for preparation and inspection of records and location of [corporate record book](#).
- Procedure for amending articles of incorporation and bylaws
- Title and compensation of corporate officers
- The fiscal (financial) year of the corporation
- Rules on approval of contracts, loans, checks, stock certificates, and other types of corporate resolutions.
- Financial audits and inspection of the corporate records.

## How are the Bylaws Used by the Board of Directors?

After you or another corporate director or a committee of your board of directors has prepared the corporate by-laws, they must be approved by the board. The by-laws are part of your corporate records and must be in a place where they can be viewed by the Internal Revenue Service or your state or another entity which might want to audit your records.

## Do I Need an Attorney to Prepare Bylaws?

Bylaws are complex documents, and they contain many pitfalls and requirements in order to comply with tax and legal requirements of the state and the IRS. [Using an attorney](#) to prepare corporate bylaws will save you money and legal issues later.