

# ROSS LAW FIRM LTD.

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## CHECKLIST OF PROCEDURES TO BE FOLLOWED BY PERSONS ACTING ON BEHALF OF LIMITED LIABILITY COMPANIES

1. All purchase contracts (such as purchases of supplies and office equipment) should be made by the limited liability company and in the name of the limited liability company.
2. All contracts (such as sale or purchase contracts, equipment maintenance and repair, coffee and beverage service, electricity, gas, and telephone service) should be made by the limited liability company and in the name of the limited liability company.
3. All business-related subscriptions (such as professional magazines and journals) should be made in the name of the limited liability company.
4. All stationery, letterheads, bills, invoice, business cards and memo pads which bear the name of the limited liability company should include the full name of the limited liability company and the fact that the limited liability company is an Illinois limited liability company, for example:  

\_\_\_\_\_ , an Illinois Limited Liability Company.”
5. All suppliers and customers should be notified in writing of the limited liability company 's existence and of the fact all bills and invoices should be addressed to the limited liability company (certified or registered mail, return receipt requested provides evidence of mailing).
6. The full name of the limited liability company should appear on advertising, entrances to the building, directories and so on.
7. All telephone companies should be notified to use the name of the limited liability company for listings in directories (e.g., white and yellow pages).
8. All of the limited liability company 's bank accounts should be held in the name of the limited liability company and should only be used for authorized purposes on behalf of limited liability company.
9. A federal employer identification number (“FEIN”), unemployment department number, retailers' occupation tax number, local business licenses and so on should be obtained and used by the limited liability company.
  10. Leases should be prepared in the name of the limited liability company as lessee or lessor (without individual guarantees, if possible).
  11. Any loans or lines of credit should be made in the name of the limited liability company (without individual guarantees, if possible).
  12. All insurance coverages should be carefully reviewed by an insurance professional initially and at least annually thereafter and all policies should reflect the full name of the limited liability company and any other insureds (also check all leases and contracts which require insurance coverage); the managers of the limited liability company should review the advisability or necessity of various forms of insurance coverage, including, for example:

- a. Workers' compensation for all employees - including members and managers;
  - b. Life insurance;
  - c. Disability insurance;
  - d. Professional/liability insurance;
  - e. Public liability insurance;
  - f. Health insurance; and
  - g. Accident insurance.
13. The limited liability company should keep accurate accounting books and records and books at its principal place of business.
14. The managers and members of the limited liability company should consider consulting with their attorney or the attorney for the limited liability company (and/or accountants) before various actions are taken, including, for example:
- a. Change in salaries;
  - b. Granting of bonuses;
  - c. Purchase of real property or significant items of personal property;
  - d. Signing a new lease of space or major equipment;
  - e. Employment or discharge of an employee;
  - f. Signing of contracts; and
  - g. Responding to documents received from governmental authorities (such as the Internal Revenue Service, the Secretary of State, or Department of Registration and Education).
15. The signature of the limited liability company 's managers should be affixed to all business obligations, undertakings and contracts in a manner similar to the following:
- (NAME OF COMPANY) \_\_\_\_\_ LLC,  
an Illinois limited liability company
- By: \_\_\_\_\_ -SAMPLE- \_\_\_\_\_, as member & /or manager  
depending on whether your LLC is member managed or manager managed  
(sign above and print name and title here: \_\_\_\_\_)
- ATTEST:
- By: \_\_\_\_\_ -SAMPLE - \_\_\_\_\_, as member & /or manager  
depending on whether your LLC is member managed or manager managed  
(sign above and print name and title here: \_\_\_\_\_)
16. The members should consider holding their interests in their respective living trusts to avoid probate on disability or death.
17. If you have any questions, please do not hesitate to contact us at [bob@ross.law](mailto:bob@ross.law) or (847) 358-5757