

# Getting Annual Report Compliance Right

## Annual Report Compliance Guide

States use annual reports to verify a company's status, keep public records up to date, and calculate and collect franchise taxes where applicable. (In some states, a biennial report is filed). Staying compliant with state filing requirements is essential to maintain good standing and avoid fines and penalties.



### Who Must File

Most registered businesses must file a report with the Secretary of State's office, including both domestic and out-of-state businesses operating in a state. These include:



-  Corporations (including nonprofits)
-  Limited liability companies
-  Limited liability partnerships
-  Limited partnerships

### Framework for Annual Report Compliance

Getting annual report compliance right requires expertise in three areas:



#### Entity status

To meet filing deadlines and compliance requirements, track your entity information as listed in each state where you do business. This includes monitoring name changes, new formations or qualifications, and other business updates.

#### State filing requirements

Annual report requirements vary widely by state. The information requested varies, and deadlines can be fixed calendar dates or based on your formation date.

#### Filing reports

Filings must be completed and submitted correctly. States reject filings with missing information or the required fees.

### Common Filing Pitfalls

Annual report compliance is challenging, especially for companies operating in multiple states or with subsidiary entities.

#### Decentralized processes

Managing filings without a centralized system leads to duplicated efforts, missed deadlines, and data inconsistencies.

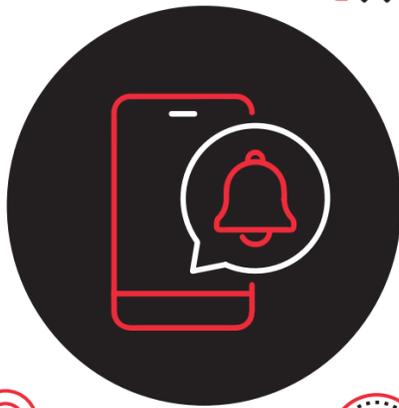


#### Missed deadlines

Filing deadlines can vary by state and entity type. Some states require annual filings; others are biennial.

#### Failing to withdraw/dissolve

Entities remain subject to annual report and other compliance obligations until they formally withdraw or dissolve.



#### Rejected filings

Filings can be rejected for missing information, missing fees, or failure to include required reports or forms.



#### Forgetting to file in foreign states

Companies may neglect to file in states where they are qualified to do business as a foreign entity.



#### Filing errors

Mistakes like misspelled names or incorrect addresses may require amended filings.

### Compliance Best Practices

Strengthen your annual report compliance program with these best practices.



#### Centralize workflows

Assign responsibility to one department instead of spreading it across multiple teams.



#### Formalize communication

Establish clear protocols to notify compliance teams of entity status changes, formations, mergers, or dissolutions.



#### Set up alerts

Implement automated notifications when entities fall out of good standing so issues can be resolved before penalties escalate.



#### Leverage technology

Use a secure, online platform designed specifically for compliance management.



#### Maintain single source of truth

Institute a central, authoritative record of corporate structure, entity ownership, and jurisdictions that require monitoring.



#### Partner with experts

Work with a full-service registered agent to handle all or part of your annual report filing process.



**Managing annual report requirements** requires constant attention, especially if you have multiple entities across different jurisdictions. Learn more about how to efficiently keep all your entities in good standing. Contact a **CT Corporation specialist** today.

