

# Arizona Incorporation Process

The basic mechanics to incorporate in Arizona begin with filing Articles of Incorporation with the corporation commission followed by publication in an approved newspaper. However, Arizona incorporation goes beyond these ministerial tasks. This firm handles all activities involved with the process of forming a corporation in Arizona - from preparing and filing organizational documents to the drafting of corporate bylaws and resolutions incidental to the formation of the company.

Filing articles of incorporation is only the beginning of many steps when incorporation is undertaken. This section explains what to know about the process of incorporating in Arizona as well as ongoing considerations to protect the legal structure of the entity. It is important to know that preservation of the corporation structure (and limited liability to shareholders) depends on observing certain formalities.

## Selecting a Business Name

The first step to incorporate is to decide on a corporate name and checking it for availability. The name cannot already be in use. A search for name availability should be conducted before preparing your documents. The name can be checked at the [Commission's website](#). There is also a section on how to search accurately.

## Filing Articles of Incorporation

A minimum of one person (an incorporator) files Articles of Incorporation with the Commission when a Certificate of Disclosure is filed. A cover sheet and filing fee will accompany the filing.

Arizona articles of incorporation provide very basic information including:

- the name of the business,
- the company's business purpose,
- the street address of the corporation's place of business,
- the number of shares of stock authorized to be issued,
- the names and addresses of the initial board (which may consist of one person),
- the name and address of the incorporator (which may be the same person),

- the name and address of the person or entity who will serve as statutory agent for service of process and notice purposes.

The incorporator, (who does not need to have any other relationship with the company) will sign the document, and the statutory agent must sign an acceptance of the appointment. Sample articles of incorporation for a profit corporation are located on the Arizona Corporation [Commission's website](#).

A cover sheet is filed with the Articles and is a very simple document used for administrative purposes by the commission for routing and transmittal purposes.

A [Certificate](#) of Disclosure is also filed with this initial filing. The certificate is a one-page document that includes information beginning with the name of the Arizona corporation, and whether any person who will serve as an officer, director or shareholder has been convicted of certain felonies.

### Approval of Incorporation Documents

The ACC will review the incorporation documents, and tender a letter of approval or rejection. If the documents were filed on an expedited basis (\$95.00 total fee as opposed to \$60), the approval letter should be received in about 5-10 business days. If the corporation's filing is rejected, the notice will state the reasons for the rejection. Usually, this would be due to a clerical error or choosing a name which the clerk determines to be too similar to another companies.

### Publication Requirements for Incorporating

After receiving the Notice of Approval, the Articles will need to be published in an accepted newspaper within Arizona. The publication must occur within 60 days of incorporating, and you must file an Affidavit of Publication with the commission within 90 days of the filing of articles. Fees for publication will obviously vary by newspaper, county where published, and the length of the document (\$95 to \$125 is the norm in Maricopa County). Here is a [list of Arizona newspapers where the publication can appear](#).

### Maintenance of an Arizona Business Corporation

The acts of filing the incorporation documents, obtaining the commissions approval and filing

the Affidavit of Publication have effectively invoked a legal corporation. However, while the entity is now legally established, the structure of the business still needs to be established to completely incorporate. There is a difference between filing articles of incorporation and incorporating in Arizona.

Structuring a corporation so it will withstand legal criteria should include adopting bylaws, appointing directors, issuing stock, and passing certain resolutions or Consent Actions.

### Adoption of Bylaws for a Corporation

Bylaws for an Arizona corporation include provisions patterned after the statutes. They should also set rules regarding voting rights, calling meetings, and other operational issues. Bylaws will designate the number of Directors to sit on the Board and the names and duties of the officers. The bylaws of an Arizona corporation "may contain any provision for managing the business and regulating the affairs of the corporation that is not inconsistent with law or the articles of incorporation" see ([ARS 10-206.](#)) Bylaws are not filed with the ACC but are required to be kept in its records book.

The bylaws should be prepared at this juncture in order that the directors can formally adopt them at the organizational meeting. We prepare the bylaws for you so they can be approved at the beginning of this meeting.

### First Meeting of Board - The Organizational Meeting

To complete the organization, a First Meeting of the Board is held to elect officers, authorize issuance of stock, adopt Bylaws and such other matters such as opening business bank accounts. Minutes of the organizational meeting must be prepared and kept in the corporate records book. The Minutes should be signed by the Secretary of the Corporation.

The formal purpose of the First Meeting of the Board is "to complete the organization of the corporation by appointing officers, adopting bylaws and carrying on any other business brought before the meeting." (see [ARS 10-205.](#)) Bylaws need to be approved by the directors at this first meeting (see [ARS 10-206](#)), it is best to have the Bylaws drafted before the meeting.

Many corporations will forgo the formality of holding a formal meeting by having all members of the board execute a "Consent to Action Without Meeting" to document the corporations' resolutions. Consent Actions are becoming the norm in operating smaller corporations. As long

as the entire board is in agreement to an action, approval of that act can be legally documented by having each member sign a Unanimous Consent Action, and placing the document in the records book.

The Consent Action procedure is expressly authorized under Arizona Revised Statutes. However, the Articles of Incorporation may override this provision of the act, if that is the choice of the principals to the business.

## Ongoing Affairs

After holding the first meeting, the incorporation has been completed. Arizona requires observance of continuing formalities to know when running a corporation. Disregarding these formalities can void the shareholders limited liability against claims. Your knowing what these formalities are is crucial to maintaining liability protection.

## Corporate Minute Records

It is required that a Corporate Minute Book be maintained. A corporation is legally required to keep certain documents in a records book, including:

- copies of the approved articles of incorporation and any amendments thereto;
- a copy of the affidavit of publication;
- the current bylaws,
- minutes of the organizational meeting of the board;
- copies of minutes of shareholders' meetings;
- copies of minutes of all meetings of directors;
- a list of names and business addresses of current directors and officers;
- any agreements among shareholders;
- stock ledger;
- the most recent annual report, if one has been filed;
- written communications to shareholders within the past three years.

## Filing Annual Reports

Annual reports are filed with the ACC to maintain the corporations' good standing (see [ARS 10-701](#)). An annual report discloses the names and addresses of the current officers, directors and shareholders. If there have been any changes in officers, directors or shareholders, the annual

report is to include that information. Failure to file Annual Reports will result in administrative dissolution of the corporation by the commissioner (i.e. the charter will be revoked).

### Federal Employer Identification Number

A Federal Tax Identification Number for the company (also called an "EIN" or "Employer ID Number") is obtained from the IRS for taxation purposes by filing Form SS-4. Since a Corporation is a non-disregarded entity for taxation purposes, it must file federal and state tax returns.

### State Tax Licensing.

The Arizona corporation may need a sales tax license or a withholding number for unemployment insurance.

Applications for withholding numbers, unemployment insurance and state sales tax licenses can be [downloaded here](#) from Arizona Department of Revenue.

### Summary of How to Incorporate in Arizona

This concludes an overview of how to incorporate a business in Arizona. It is not intended to be a complete guide, but to emphasize key factors to know about incorporating before you start. For more information please telephone any of our Arizona locations. You may also be interested in the resources on incorporating found at the [Arizona resources page](#).