

The Entity Health Check

CORPORATE VEIL PROTECTION FOR SMALL BUSINESSES & LLCs

The Legal Reality: An LLC provides an extraordinary asset-protection shield—but it is not a set-it-and-forget-it entity. If you commingle funds, neglect state filings, or sign agreements incorrectly, a court can easily "pierce the corporate veil," exposing your personal home, savings, and investments to business lawsuits. Use this audit to verify your shield is intact.

1. STRICT FINANCIAL SEPARATION

☐ **Absolute Zero Commingling**

Zero personal expenses are processed through the business account, and zero business items are paid personally without a rigorous, documented expense reimbursement trail.

☐ **Clean Initial Capitalization Trail**

The initial cash or asset injection used to start the business was cleanly transferred from your personal account into the business account and explicitly logged as a Member Capital Contribution in your accounting ledger.

☐ **Merchant & Payment Platform Alignment**

All Stripe, PayPal, Square, or point-of-sale profiles are registered strictly under your LLC's legal name and Employer Identification Number (EIN), never your individual social security number.

2. STRUCTURAL INTEGRITY & EXECUTION

☐ **Executed Written Operating Agreement**

A formal, written Operating Agreement must be signed and on file. Even for single-member LLCs, this document is the primary evidence that your business functions as a distinct legal entity rather than a personal hobby.

☐ **The "As Authorized Representative" Signature Rule**

Every single client contract, vendor lease, and vendor agreement is signed explicitly as: *[Your Company Name LLC], By: [Your Name], Title: Managing Member*. Signing solely your individual name waives corporate liability protection.

☐ **Registered Agent Physical Availability**

Your designated registered agent address filed with the state must be current, accurate, and capable of receiving physical, time-sensitive legal notices and service of process during standard business hours.

3. LICENSING & COMPLIANCE CONTINUITY

☐ **State Annual Report Submissions**

State corporate filings must be up-to-date. Missing a state deadline triggers immediate delinquency and automatic administrative dissolution, stripping away your legal liability protections overnight.

☐ **Local Municipal Business Licenses**

Active municipal business licenses must be held in the city where your primary office sits, as well as any neighboring cities where you generate consistent client transactions or maintain physical operations.

Don't wait for a legal dispute to find out if your corporate veil is compromised.

Let Centioli Compliance Services protect your assets with a professional entity audit.