

## Why credit cards should be the first choice for business payments



**If your company has been around awhile, there's a good chance you have some manual processes lingering. You might still be writing checks, sending payments via mail and juggling paper receipts—all steps that take extra time and can lead to extra expenses. Could using a credit card be a better choice? And is making the switch worth the effort? For many businesses, the answer is emphatically, "Yes."**

Knowing how to best manage incoming and outgoing money is essential for any small business. Many business owners have extensive expertise in their area of business, but not necessarily in the area of business finances. That's why having a trusted banker makes sense. They can take a close look at your business and uncover specific ways to improve how you manage money. One recommendation that benefits nearly every small business, however, is paying with credit cards. Here's why.

### **Build efficiencies, reduce risks**

Using a credit card consistently can speed up processes and help protect your business from fraud since you don't have to give out your checking account number with each payment. Credit cards also allow you to hold onto your money longer, improving cash flow.

### **Earn rewards**

With every purchase you make, you can earn rewards — money you could use to keep up with rising shipping costs, payroll or new equipment you need to grow your company. Yet while most businesses have a credit card on hand for large purchases, many don't use it for everyday purchases. But why not earn rewards on those small expenses you pay every month? As you're thinking about other purchases that you could switch over to credit card payments, consider utilities such as electricity, phone, internet and water. Software and other subscriptions are also easy payments to transition. Check with your vendors. You might be surprised how many are willing to accept credit card payments.

### **Build business credit**

There's a good chance you want to grow your business, and that may require getting a loan or line of credit in the future. If you aren't using a business credit card, you may not have established any business credit, which is something you'll need in the loan approval process. Look for a credit card that isn't tied to your personal credit but instead reports only to the business credit bureaus. This protects business owners by separating their personal finances from their business finances.

While most small business owners understand the benefits of using credit cards, they sometimes put off moving away from old processes until their business has reached a point of change, such as when they're selling the business or passing operations on to the next generation. By making the switch earlier, you could take advantage of the benefits yourself. Yes, updating payments does take some time, but in the long run the efficiencies of leaving manual processes behind make up for it.