



THE BENEFITS OF SMALL BUSINESS CREDIT CARDS

Business credit cards are very essential for small businesses. These credit cards offer the most important accountant benefit to small business owners, which is to keep business expenses separate from personal expenses. What would have been a nightmare trying to figure out various expenses are now recorded on your free monthly statements. This saves the business owners a vast amount of time trying to manage expenses since there is no need to save receipts, worry about losing receipts, reimbursements errors or sorting out personal expenses from business expenses. With this statement, business owners are able to monitor and control expenses and make it easy in filing income tax. Do not use a personal credit card to make purchases. This will only cause confusion, inaccurate reporting and poor business management. Running a small business requires business owners to maintain accurate record keeping and track expenses. This is where the business credit card plays a pivotal roll. It separates personal expenses from business expenses and categorizes expenditure with no need for reconciling your expenses. Credit card companies can also generate itemized spending reports for individual employees to track employees spending. This information is the key to having a successful business. Business owners are able to manage their business more wisely because of the detail transactions recorded on their monthly business statement. The Business Credit Card statement gives a categorized report of all purchases made and the ability to generate itemized employees report. Knowing where every dime is spent will enable the business owner to cut expenses where needed and improve on investments that are showing a profit. The major objective in doing business is to make a profit and to stay in business. Therefore keeping track of every purchase made and bill paid is very important in running a successful business. Accurate records at your finger tips will help in managing cash flow with accuracy, making right decisions, making a profit and eventually staying in business as the business grow. Business credit cards have features comparable to standard credit cards such as, low introductory APR, cash back, rewards, frequent flyer miles, no annual fees, 0% Intro APR, balance transfers etc. The big difference is that business credit cards are optimized to save money on business purchases. Business owners can save money by leveraging their buying power, getting merchant discounts, group discounts, buying in bulk and getting a higher credit limit. The more you spend the better the rewards and cash back you receive. Business credit cards have additional benefits such as online account management and may have option to download statement into QuickBooks, auto insurance, higher cash advances, personalized business credit card, free additional cards, year end statement to file income tax, higher unsecured credit limit. No need to spend time reconciling your expenses. Protect your credit by making credit card payments on time to avoid penalties. Credit card activities are reported to the credit bureaus Experian, Equifax and Trans Union. Before applying for a small business credit card you will need to do some research. This is to help in finding the best business credit card suited for your company. All business credit do not have the same features. Some may be better suited for travel rewards, entertainment, credit limit, gasoline purchases, car rental, etc. An example would be business owner maximizing the benefits of the business credit card by having the fleet of vehicles buy its gas from a company that offers the most cash back or employees flying on airlines that offers the most bonus miles that can be used for free airline ticket. Read the terms and conditions to know about the features offered such as interest rates, cash back, rewards and fees. Small business owners should know about the repercussions about making late payments, default on payments and who is responsible for any expenses incurred if your credit card is stolen etc. Small business owners are generally a sole proprietorship and are personally liable for the debts. Therefore if the business owner defaults on credit-card payments the creditors can go after the person who signed the credit card application.

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