



Learn How to Pick a Business Credit Card in 5 Simple Steps

Description

If your small business is expanding, you should think about acquiring a business credit card. Choosing one may be difficult, but the Nerds have simplified the process into 5 simple steps. Let's get this party started:

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Understand the fundamentals of business credit cards.

First, it's critical to understand the fundamentals of business credit cards. For example, company credit cards should only be used for business purposes. Do not charge any personal expenses to your corporate credit card.

The CARD Act's safeguards do not apply to company credit cards. This emphasizes the importance of paying your payments on time and in full.

Business credit cards frequently have bigger credit limits than personal credit cards, which is

advantageous if you need to make a large number of transactions each month.

In most circumstances, you'll be able to provide your staff credit cards and track their spending individually.

Most company credit cards require you to provide a personal guarantee. This means you're pledging to pay off your balance with your own money if your company's revenue is insufficient to cover the charges.

These are only the fundamentals. Making an intelligent credit card option for your business requires a solid information base, so do some further research if necessary.

Examine your company's expenses.

Looking over your books for the previous six months and finding your two or three highest running costs provides insight into the type of benefits you should be looking for in a business credit card. Then, begin looking for a credit card that offers significant rewards in these categories.

Examine the 'lifestyle' of your company.

Aside from considering where your firm spends its money, selecting the correct incentives program necessitates taking into account your organization's "lifestyle."

To begin, ask yourself the following questions:

- Is my job requiring me and/or my staff to travel lengthy distances? If this is the case, a credit card that allows you to redeem rewards for flights and hotels is certainly an excellent option.
- Is my job requiring me to drive frequently? If so, a card with good petrol rewards could be just what you need.
- Do I have to entertain clients in pubs or restaurants on a regular basis? If this is the case, a card that pays good rewards on restaurant spending is most likely in order.

Consider the benefits and drawbacks of paying an annual fee.

When selecting a company credit card, rewards should not be your only concern; you need also consider expenses. We don't believe that cards with yearly fees should be automatically disqualified. This is why: Because they frequently come with better rewards rates and signup bonuses, paying the cost is occasionally justified.

The main point to remember here is to do the arithmetic. Consider the annual spending of your company as well as the rewards rates of the cards you're considering. It's an excellent approach to add additional card alternatives or, conversely, to remove a few.

Consider the ancillary benefits.

You've probably whittled it down to just a number of cards by this point. Before making your final decision, consider the additional perks provided by your top rivals. These extra benefits can sometimes make or break a credit card.

For example, if you need to make a major business buy but aren't sure how to finance it, choosing a credit card with an introductory 0% APR rate could be the way to go. Alternatively, if you spend a lot of time at airports, acquiring a card with lounge access may make your trips more comfortable.

These may not be your top priorities when selecting a card, but they may help you make your ultimate decision.

Category

1. Finance

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