



How to Choose the Right Checking Account for Your Business

Whether you are starting a new business or just looking to upgrade your current account, here are some criteria for choosing the best checking account for your business needs.

Services

The first place to look when choosing a new bank account is the basic services offered. That includes both in-branch, online, and other services.

In-branch, you should be able to deposit cash and checks, make cash withdrawals, and get cashier's checks if needed. You should also have easy access to customer service and support, ATMs and other basic banking services.

Internet banking is the core of financial operations for many businesses. With internet banking, you should be able to view balances and recent activity, initiate transfers to other accounts at the same bank and other financial institutions, access online bill pay, and as desired make deposits remotely.

Additionally, you may consider having your business accounts at the same bank as your personal accounts. This gives you access to mortgages, lending, and related services.

Fees

Once you find banks that have the services you desire, it is time to look at fees. Business banking fees range widely from free to hundreds of dollars a month. For more complex businesses, it is reasonable to expect some fees. However, try to find a bank with the lowest fees for the services you need.

Many banks offer checking accounts with a monthly fee, but that fee can be waived under the right conditions.

Cash and transaction limits

Some banks offer a no fee account up to certain transaction limits, so be sure to lookout for those types of limits when opening a new account. The most common limit to is a cash deposit limit per month with no fee. This makes sense, as depositing cash requires a teller and is cost intensive for a bank branch. The fee is typically based on the total dollars deposited per month.

Additional fees may include a limit of total deposits or withdrawals, including online transfers and/or bill payments, as well as for extra services like cash management. Transaction volume can add up fast if you make a lot of sales each month, so consider accounts that offer higher limits.

Are you a freelancer or online solo entrepreneur? If that is the case, you typically shouldn't be paying any fees for your basic banking needs.

Flexible debit cards

If your business has, and will always have, one employee, you can skip to the next topic. However, if you anticipate wanting to give anyone other than yourself access to your account, it may make sense to give them a debit card as well. Credit cards are more common for a variety of reasons, but that doesn't mean your bank account should limit your options. Most banks and credit unions that cater to businesses give you the flexibility to add additional cardholders.

Compatibility with accounting software

Once your business bank account is up and running, it is essential for it to work with your accounting and budgeting software and any other services you choose. The most common of these services is QuickBooks, but there are other financial systems to think about as well, such as invoicing, payroll, etc. And whatever services you use, the ability to send and receive unlimited ACH transfers is helpful, particularly for online businesses.

Community spirit

Many business owners are active in their respective communities and appreciate banks that also give back. If this is important to you, inquire about each bank's level of philanthropy. Do they have a charitable foundation? How much do they give annually and to what local organizations? Do their employees volunteer at local events? You can often tell a lot about the quality and commitment of a financial institution by how they give back to their communities.

Customer service

At the end of the day, most business checking accounts are similar. What sets one apart from another is often the financial institution that offers them, the services they offer, and how you plan to use your account. Your business' success or failure is determined by its financial performance, and a business checking account is the core of your business finances. Choose a reputable, local bank that offers the services you need so that you can be free to focus on running your business instead of running your bank account. That is something every business owner can appreciate.

Questions? Call us at 978-462-3106 or email us at info@institutionforsavings.com.