



Women's Business Center of California
El Centro de Mujeres Empresarias de California
Supporting the Successful Growth of Entrepreneurs
Apoyando el Crecimiento Exitoso de Empresarios

Best Business Banking Practices: Advice from USA Federal Credit Union

Most small business owners do not think it necessary or even optimal to maintain separate personal and business accounts. The thought of having to juggle funds from one account to another due to low cash flow, or having to "rob Peter to pay Paul" is overwhelming. Not to mention the amount of time it takes to make those transactions and the fear that the tiniest mistake can result in endless fees and headaches.

USA Federal Credit Union believes, however, that every small business owner, no matter how small, must separate personal and business funds as soon as possible.

Commingling Funds, an IRS Nightmare

Jere Batten, CPA, CFE, and owner of Batten Accountancy, Inc., agrees. "It's important for small business owners to run their business as a separate entity and not just an extension of themselves," says Jere. Batten Accountancy is a full service accounting practice in Ocean Beach, CA that specializes in working with new, start-up companies. Their approach is to educate business owners on the Do's and Don'ts of accounting.

According to Jere, keeping track of and analyzing your business is much easier for you and your accountant if you resist the urge to commingle personal and business activities. If it is all jumbled together, someone has to extract the business income and expenses before your tax return or financial statements can be completed. Keeping the activities separate will save both time and money.

Also, if you are audited as a small business owner with a schedule C, the IRS will request business as well as personal documentation. If all the business activity is run through one separate business checking and/or one credit card account; the information is more concise and the IRS is less likely to dwell into the details on the personal bank account.

Jere recommends that all small business clients maintain a separate bank account for their business. When the business owner needs money, they can simply write a check out of the business account and make a deposit into their personal account. If you have established a good relationship with your banker, the transaction can be done in a New York minute.

**Credit Unions, The Best Kept Secret:
A viable alternative for small business**

Many credit unions offer the same types of business accounts you would find at any large commercial bank. According to USA Federal Credit Union there is one major difference; they offer personal service to their members with much better rates and lower fees. For some, credit unions are a viable alternative to traditional banks. Some of the benefits touted by the credit unions are as follows:

You can have your own personal banker ... just like Bill Gates

USA Federal Credit Union has developed a basic small business checking account offering the affordability and personal relationships we all want. If you think you can't qualify, think again. USA Federal Credit Union's minimum account balance is a whopping \$100.00. Their goal is to provide all of the products and services required to meet the needs of their business clientele.

You are more than a number on a piece of paper

USA Federal Credit Union understands how important it is for small business owners to develop a strong relationship with their banker; they not only suggest those practices, they foster those business practices through their landing reviews.

The History of USA Federal Credit Union

USA Federal Credit Union was established in 1953 at the Naval Training Center in Point Loma. USA Federal Credit Union is a federally chartered financial institution which comes with many advantages. All members are "member owners"; therefore any profits are redirect to the members in the form of lower rates on loans and higher dividends deposit accounts.

In addition to offering full service banking to individuals, in 2005 the Credit Union decided to offer business services to the San Diego, Riverside and Las Vegas communities. In researching the business market, they discovered over one thousand of their current members were using consumer accounts for business purposes which reinforced their opportunity to serve the business community.