

## Business Credit Card -- Why Get One?

Contributed by Webmaster

By Pamela Peterson

The most obvious reason for getting a business credit card is so that you will have cash available when you need it. A business credit card is simply an immediately available loan. There are often unexpected expenses in business, and sometimes you just don't have the cash to cover them.

For example, perhaps you have a high deductible on your car insurance, and you just can't come up with the extra \$1000.00 needed immediately for repairs. Or your computer quits working and you've got to replace it right away. Having a business credit card simply makes it possible for you to handle these types of emergencies as soon as possible.

Of course, these examples would apply to a small business, but having ready cash available may be even more important to a larger business. Perhaps you've got a couple of big jobs in progress and you don't get paid until the work is completed. A business credit card allows you to pay your employees while you're waiting for your clients to pay you. Maybe the opportunity to make the expansion for which you've been striving for years comes up, and you've got to have that extra cash to make it a reality. If you don't really have the time to go through all of the steps to secure a loan, having a business credit card could enable you to make the expansion (or at least start it until other financing can be obtained).

Secondly, a business credit card can improve accounting in your business. For example, you could get individual credit cards based on your expenses. Some businesses issue individual credit cards to each of their salesmen. That way all of their expenses can be tracked. It's simpler than requiring them to turn in all of their receipts, and their spending can be monitored easily.

Or if yours is an individual business, it could be used simply for your own travel and client entertainment expenses. One card could be used for all of your office supplies, another could be used for building supplies (if you're a contractor, for example), landscaping supplies, art supplies, advertising, etc. This, of course, would depend upon your business. One card might be sufficient for all of your expenses. I would plan on paying off these cards (or one card if that's what you decide) every month. (If you're getting into debt on your regular monthly expenses, you'd better take a real hard look at your business and cut some expenses soon -- you're losing money!) Of course, this second function could be done with a debit card. The only differences being you don't have to worry about being overdrawn and paying overdraft fees and you do have credit available for unforeseen expenses.

Hope this information has been helpful.

This article was provided by Pamela A Peterson, president and CEO of [www.123creditpalace.us](http://www.123creditpalace.us). She set up and operates this site to provide a variety of credit options (business credit cards, balance transfer cards, student credit cards, travel cards, etc.) so that people can find the credit offer(s) that best suit their needs.