

A GUIDE FOR BUSINESS

Big Support for Small Business



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Introduction

It pays to know what you need. Your small business may need a variety of deposit services and credit products. Deposit services range from how your business accepts payments from customers to how you handle cash requirements. Credit needs include getting a loan for inventory, new hires, and expanding your business. Maintaining good credit and avoiding scams are also important for your small business. Here are some ways to keep you and your business on the road to success.

Personal and business deposit accounts

Keep your personal and business accounts separate. Here's why:

- The separation makes it easier to authorize employees to handle day-to-day business banking tasks on behalf of your business without accessing your personal accounts.
- The Internal Revenue Service recommends separating your personal accounts to make recordkeeping easier for tax time.
- Some consumer laws do not apply to business accounts – for example, the Electronic Fund Transfer Act and Regulation E, which establish liability limits for unauthorized electronic fund transfers, error resolution procedures, and certain disclosure requirements; and the Truth in Savings Act and Regulation DD, which require disclosures about the terms, fees, and other features of deposit accounts.

There are some services your bank can provide to support your business that might not be available for personal accounts:

- Business deposit accounts help establish contactless customer payments, credit cards, or checks specifically for your business, which can make transactions with customers and suppliers more efficient to handle.
- Find an account that best suits your business needs. Rates, fees, and options vary from bank to bank, so shop around to make sure you find the best option for your business.

Maintain a good business credit history

If you are an established business, having good credit history may help you negotiate better terms on loans, which in turn can help save you money. Loans to most new businesses are reviewed based on the personal credit of the owner.

Applying for a business loan

Manage your business credit well to increase the likelihood of getting approved for a loan when you need it. Good credit also helps you qualify for better loan terms. The U.S. Small Business Administration (SBA) has helpful tips on how to get a small business loan. If you find it difficult to get a traditional business loan, you might consider an SBA-guaranteed loan. The SBA has additional tips on how to fund your business activities.

Monitoring your personal and business credit

An accurate credit history will help you guard against identity theft and avoid unexpected credit issues when you go to apply for a loan.

- The Consumer Financial Protection Bureau (CFPB) offers ways to check for errors and how to resolve them, if you discover any.
- For your business credit, the SBA has information on how to monitor and check for data accuracy.

Avoid scams targeting small businesses

Scammers are out there and will do what they can to exploit your business. Here are a few scams to watch out for, so you can protect your business and your money.

Ransomware

Ransomware is a type of malware created to lock or encrypt files on an electronic device like a smart phone or computer. The sender of the ransomware then demands a ransom—generally in the form of a digital asset—in exchange for unlocking or decrypting the information on your electronic device. The scammer typically threatens to publicly disclose or sell the compromised information, if the ransom is not paid. If you believe your business is a victim of a ransomware attack, contact law enforcement immediately. You can also contact a local field office of the Federal Bureau of Investigation (FBI) or U.S. Secret Service to report a ransomware attack and ask for assistance.

Phishing

Phishing is a term for scams commonly used when a criminal uses email to ask you to provide personal financial information. The sender pretends to be from a bank, a retail store, or government agency and makes the email appear legitimate. The approach is often threatening or appears urgent in nature. Criminals also use text messaging and phone services such as a live phone call, a “robocall,” or a voicemail too. Do not open links or provide financial information unless you are sure of the party who is interacting with you.

Smishing

Smishing is similar to phishing, but instead of using email, the criminal uses text messaging to reach you. Same idea, they pretend they are from an organization you might know and trust (such as a bank or the IRS) and try to get your personal information.

Vishing

Vishing, similar to phishing and smishing, is when scammers use phone services such as a live phone call, a “robocall,” or a voicemail to try to trick you into providing personal information by sounding like a legitimate business or government official.

Make the right choices for your business

Making sure you choose the right bank for the services you need for your business is really important. Separating your personal accounts from your business deposit accounts is not only a practical way to run your business, it is also more efficient. Maintaining good business credit will certainly improve the likelihood of getting approved for a loan when your business needs it. Lastly, stay on the lookout for scams to help protect your business' interests.

Interested in learning more?

For additional information, please visit [fdic.gov/resources/consumers](https://www.fdic.gov/resources/consumers).

You can also visit our Resource Center on pbofca.com or contact support@pbofca.com.

If you have any questions or need assistance regarding online banking or any of our products and services, please give us a call at (949) 732-4000 or (323) 556-6544, or email us at onlinebanking@pbofca.com.



partners bank
of california

MISSION VIEJO

Corporate Headquarters
27201 Puerta Real, Suite 160
Mission Viejo, CA 92691

(949) 732-4000

BEVERLY HILLS

8484 Wilshire Blvd., Suite 520
Beverly Hills, CA 90211

(323) 556-6544

pbofca.com