



BUSINESS **STARTUP**

BLUEPRINT

OPENING A BUSINESS BANK ACCOUNT

TRANSCRIPT



In this lesson, let's talk about banks. One important thing to note is the importance of keeping your personal expenses separate from your business expenses. Many new startups make purchases for their business from their personal bank account.

Keeping your business and personal bank accounts separate makes it easier to track expenses and ensures you get the tax write-off benefits of those expenses. With a separate bank account, it's very easy to document everything properly.

To set up a bank account in your business's name, you typically need to bring proof of registration with your local state agency. This can be called articles of organization or something similar.

Often, banks can access this database online and verify your business name, but it's helpful to bring the actual document. Check with your bank if there are any other documents you need to bring.

Some banks may require an operating agreement, which you may not have if you're a small, brand-new business. Make sure to bring the required resources when you open your bank account.

There are different types of banks you can choose from: small local credit unions, local banks, or larger banks like Chase or US Bank. Each has its pros and cons.

Smaller credit unions might have lower or no fees, but as your business grows, you might need more business-friendly services, such as complex loans and financing options. I've encountered this issue myself, starting with a small community credit union and needing to switch banks when they couldn't provide a loan for a new vehicle.

You don't have to stick with one bank forever; you can switch as your business needs change. The most important lesson here is to set up a separate bank account for your business. Keep those expenses separate for easier tracking and to take full advantage of tax write-offs.

We'll see you in the next lesson.

Summary of Key Points:

- **Separate Accounts:**
 - Keep personal and business expenses separate
 - Easier to track expenses and claim tax write-offs
- **Setting Up a Business Bank Account:**
 - Bring proof of registration (articles of organization) to the bank
 - Check with your bank for additional required documents (e.g., operating agreement)
- **Types of Banks:**
 - Small local credit unions: lower fees but limited services
 - Local banks and larger banks: more business-friendly services as your business grows
- **Flexibility:**
 - You can switch banks as your business needs change
 - Choose a bank that meets your current and future business requirements