

Business Credit Cards

There are many businessmen out there who have heard the term [Business Credit Card](#), but do not know what exactly the term refers to. In order to clarify this issue, people should know that these cards are issued by corporations and given to their executives in order to compensate them for business-related expenses. The main reason for using these types of credit cards by corporations is to avoid the annoyance of keeping track of the executives' own accounts, which can be more difficult and may cause many inconveniences. Besides this, by not being able to have a central check of the accounts, some important and costly items might escape the notice of the corporation's accountant.

So by using business credit cards, corporations can easily keep track of the expenses related to the executives. Thus, it becomes obvious whether it is right to provide a certain executive with the requested reimbursements or not. In one word, a business credit card will make easier and safer the job of the whole Accounts Department.

In order to ensure accountability, all of the executives have to submit their expenditure accounts monthly to the Accounts Department of that particular corporation. The reason is to forestall the misuse of the corporation's funds. Using Business Credit Cards ensures that these funds are spent for business purposes. On the other hand, business executives may also enjoy the advantages of business credit cards, as these usually come with incentives such as travel rewards given to frequent fliers, different kinds of discounts and many others. Finally, the possession of a business credit card suggests a social status of the concerned executive.

We can agree by now that corporate executives or people having a small business can really make advantage of business credit cards that have many benefits for the owner of the card. Although they are similar to a traditional credit card, Business Credit Cards have some additional features, such as low (or sometimes 0%) introductory rates, various kinds of rewards and rebates.

It is true that a business credit card has many advantages, but one has to be eligible for this card-type. The application-procedure is a matter of the card-type. Moreover, whether a person is eligible for this card does not depend on the applicant's personal finances, but on the business' financial situation. People should know that Business Credit Cards are especially designed for small companies in order to help them handle efficiently and maintain control over their expenses. More than that, small businesses can make use of this type of card by making savings. How is this possible? By getting rewards, thank you points, business-deductions, discounts, as well as different kinds of rebates.

After making sure that one needs a business credit card, and finding out if that person is eligible for it, the applicant needs to study carefully the available offers. For small businesses the small business credit card is recommended. Larger companies are advised to opt for corporate cards with similar features. If one has questions concerning the card-type, the benefits or the usage of these, he/she should feel free to ask a company who is able to issue such cards. They will certainly help, and will have useful tips regarding business credit cards.

If one compares business cards with the traditional credit cards, the difference becomes obvious: the first one is used in order to have low rates when making purchases. The result is that the business will have considerable savings which is a profit that may be reinvested. Moreover, business credit cards are characterized by transparency, and thus their administration is easier. The card-owner can have free account statements whenever he/she needs it, and these statements treat business-related and personal expenses separately. Such expenditure reports can be very useful both for the card-owner and for the company's managers. If that makes sense, the company can provide this card-type for all of its employees. By this it will be easier to manage the company's finances.

In addition to these defining features, business credit cards usually have higher credit limits than traditional credit cards. This makes easier for a businessman to make large business-related purchases. Compared to lines of credit, business credit cards are easier to obtain. Moreover, small business cards have advantageous APR for [balance transfers](#) as well. In order to know these features exactly, people have to familiarize with the terms of the business credit card in question. This is even more important as the charged interest rates may vary from card to card, and from time to time.

In order to use them efficiently, business credit cards have to be used cautiously. If one uses it for any purpose (and not for business-related expenses only), without paying attention to its terms, this card can also become a burden for the business. So keep in mind that the owners of such cards have to have good credit card management skills! Let's have an example! The owners of these cards can use the 21 day grace-period before payment to have more cash on hand. Nevertheless, it is of primary importance not to forget paying by the 21st day, otherwise the card-owner will incur late payment fees and the overall credit rating of the business may also suffer. So people have to pay attention to cash advances, and use these only if these seem to be an absolute necessity!

Paying attention to the responsible usage of this card is also important because of the possibility of increasing credit rating. If one has this kind of credit card and uses it properly (by making regular payments), this will boost very fast the credit rating of the business. In order to improve credit reports, people should do business with suppliers who do report to credit bureaus.

Besides improving credit rating, these special credit cards are known for providing business perquisites. The rewards provided for businesses may involve business-travel and business-related shopping discounts. By using business credit cards, the business in question also demonstrates its growth. Even small businesses may profit from this by promoting the business and by gaining credibility due to using this type of card.

Finally, Business Credit Cards offer separate business credit from one's personal finances. This also means that the owner's personal credit history is not reflected in his/her transactions, and the credit-limit is not affected by card-owners credit ratings. In addition to this, business owners can have control on employee-spending because it is easier to set spending limits for a business credit card than it would be with traditional cards.

In order to find the best deal, future card-holders should compare several offers such as [American Express](#) Visa, MasterCard, and other credit-card companies. People should compare interest rates, grace-periods, discounts and rewards-programs, and other features of the cards that are offered. Do not forget looking at additional fees, such as late payment charges as well as at the fine print. It is also recommended not to have more than two or three cards in the same time as too many cards can have a negative impact on one's overall business credit rating.