Startups
Mature

Bank Account
Separate personal and business finances with a business checking account.

Why do separate accounts matter?
A good principle to adopt immediately after starting your business is to keep your business and personal finances separate. Separate accounts allow you to understand your business cash flow and profitability, reduce the risk of tax mistakes, and build credibility with bankers and investors.

The majority of small businesses have separate business accounts
% of small business owners who have this type of business account:

<table>
<thead>
<tr>
<th></th>
<th>Checking</th>
<th>Credit Card</th>
<th>Savings/MMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Startup</td>
<td>90%</td>
<td>77%</td>
<td>37%</td>
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Mature businesses use separate business checking accounts more than startups
% of each business using a business checking account for transactions:

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<th>Startup</th>
<th>Mature</th>
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<tbody>
<tr>
<td>Separate personal and business accounts</td>
<td>71%</td>
<td>93%</td>
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Key actions to take
Get the right business account for your startup and avoid the hassles of separating your personal and business transactions.

- **Isolate expenses with a separate bank account**: For accounting purposes, the Internal Revenue Service (IRS) recommends that businesses have a dedicated bank account so they can isolate business income and expenses. Distinguishing personal and business transactions after the fact when they are commingled in a joint account can be a time-consuming and tedious task.

- **Create a separate tax entity**: In the event of an audit by the IRS, having a separate business account legitimizes your business and clearly captures your business financial transactions. A separate tax entity is necessary for certain financial products.

- **Understand your business cash flow dynamics**: Establishing positive cash flow is often “job #1” for a startup businesses. What if you can’t tell whether you have positive cash flow or don’t know where you stand until months later? Mixing personal and business funds makes financial reporting and analysis difficult at best. Few entrepreneurs can afford the time and distraction to separate transactions in their bank account to get a better sense of business cash flow and profitability. Even fewer can risk having imprecise or untimely financial information when trying to get a fledging venture off the ground.

Top techniques to keep business and personal finances separate
% of startup business owners who use these methods:

1. Separate personal and business accounts
2. Use a business credit card
3. Establish an LLC for business
4. Separate business and personal tax preparation
5. Keep accounts up to date in separate business financial software
• Protect personal liability: Different business structures—LLC, partnership, sole proprietorship or corporation—provide varying levels of separation between the business and the owners and managers. Talk to your CPA and attorney for advice on the business structure that is best for your situation, addresses business liability issues and shows that your business is a legitimate entity.

• Establish business credibility: Customers need to have confidence in your professionalism and ability to deliver and support what you sell. Vendors or suppliers want to make sure that you can pay before providing goods and services or extending trade credit. A separate business bank account will save you lots of questions about your business and its stage of development.

How SunTrust can help

SunTrust offers business accounts with the features you need to keep your business separate from your personal accounts.

Take the time and complexity out of managing your cash with a SunTrust Business Checking Account. SunTrust offers a variety of business checking accounts and cash management solutions to fit your business and the volume of transactions you handle. SunTrust Business Checking Accounts help you manage your finances securely and conveniently.

Gain access to your accounts and payments with SunTrust Online Cash Manager, a comprehensive small business cash management system. Enjoy increased visibility across your accounts balances and 18 months of downloadable, printable account history including paid check and deposit ticket and deposited item images. Easily download your account data and information for software packages at your convenience. With secure access to your financial information, you’ll always be prepared to make informed decisions to keep your business pointed in the right direction.

Download the SunTrust Business Mobile app for Online Cash Manager to extend your banking capabilities to your mobile phone or tablet so you can manage your cash wherever your business takes you.

Managing cash flow is easier with Online Bill Pay. Whether paying suppliers and vendors, or handling daily business operations expenses, this helpful feature within Online Cash Manager is a secure and efficient way to manage your company’s payments.

Click below for additional resources:

Find the Right Business Checking Account for You
Check out the different types of checking accounts at SunTrust.

5 Ways to Establish a Favorable Bank Rating for Your Small Business
Set up a business account to create one of the most important financial tools for your business.

Setting up your Business Bank Account
Get your business ready to do business.

Shouldn’t you create a separate account for your business from the start?

• Drop by your SunTrust branch
• Call us at 800.752.2515
• Visit suntrust.com/bizbestpractices

1 SunTrust conducted research with 532 small business owners ranging from $100,000 to $2,000,000 in annual revenue in the first quarter of 2018. Startup companies are those with business tenure of 5 years or less. Mature companies are those with business tenure of 20+ years.

2 Additional charges may apply. See the Online Cash Manager Fee Schedule for details.

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