How to Use Your Business Credit Card Effectively

A business credit card[1] works best as a controlled purchasing tool, not an open ended source of credit. Used with clear rules and regular review, it can improve cash flow, simplify expenses, and add rewards. Used casually, it can quietly erode margin through interest, fees, and poor visibility. Use the guidance below to get the most value while protecting profit.

Use the Card as a Purchase Tool — Not a Catch All

Decide in advance what expenses belong on the card. The best uses generally include the following:

- Software and subscriptions
- Digital advertising
- Fuel and travel
- Office supplies and low value equipment
- Repeat vendor purchases that can be paid off quickly

Avoid using the card for the following kinds of expenses:

- Owner draws or personal expenses
- Large purchases you cannot repay quickly
- Long term financing better suited to a loan or line of credit

Take these steps:

- Set approved spending categories before issuing cards
- Require approval for higher value purchases
- Treat the card as part of your purchasing process, not a backup wallet

Make a Repayment Plan

Before making a charge, be clear on how it will be repaid:

- Identify the cash inflow that will cover the charge
- Know your statement cycle and due date
- Aim to pay routine operating spend in full each month to avoid interest

Be sure to take note of balances rolling forward month after month without a clear plan. This is a warning sign that you need to take action to protect your credit.

Match Your UFCU Card to How You Spend

Choose the card based on your usual behavior.

- **Great Rate** card: best if you occasionally carry a balance
- **Cash Back** card: best for predictable spend paid off monthly
- **Travel & Rewards** card: best when your business incurs regular travel

Rewards[2] only help when spending is necessary and balances are managed.

Control Authorized Users

Additional cardholders can improve workflow — but only with limits and rules. Consider these best practices:

- Issue cards only when there is a clear operational need
- Set spending expectations and limits
- Require receipts and expense coding for every charge
- Remove access immediately when roles change or employment ends

Use the Card to Support Margin

Your card can help you **buy better**, not just buy faster.

- Consolidate spend with preferred vendors
- Capture time sensitive supplier discounts
- Avoid out of stock inventory on profitable products
- Reduce admin time through cleaner tracking and reconciliation

Always compare reward value against any interest or fees to confirm net benefit.

Watch for Hidden Costs

Small issues add up quickly.

- Set reminders so payment dates are never missed
- Take advantage of vendor cash discounts when available

Reconcile Early and Often

Treat your credit card as a management reporting tool.

- Review activity weekly
- Watch for rising categories, duplicate tools, and unused subscriptions
- Use transaction history to support budgeting and supplier negotiations

Active review turns the card from a payment method into a visibility tool.

Next Steps

1. Review current card usage and reclassify spending that does not belong
2. Choose the UFCU business card that best aligns with your repayment habits
3. Set written rules for cardholders with enforcement practices
4. Review transactions weekly and adjust controls as needed

Used with discipline, a business credit card can support cash flow, visibility, and profit — rather than simply making it easier to spend

Compare business credit cards and choose the UFCU card that's right for you.

[1]UFCU Business Credit Cards subject to credit eligibility. Certain restrictions apply. Rate subject to your credit eligibility and risk score.
[2]Rewards program terms and conditions apply.