

## COMMENTARY



# The Importance of an Annual Financial Check-Up for Businesses

In the daily hustle of running a business, it's easy to lose sight of your financial arrangements. Accounts such as operating and reserve funds, business credit cards, and cash management services often go unchecked. Taking time for an annual financial check-up is essential for ensuring you get the best rates and services from your financial institution. This proactive step can lead to significant savings and greater financial stability.

### **Why regular financial reviews matter**

Many business owners rarely review their banking setup, missing out on chances to optimize. A regular financial review helps identify savings opportunities because the market is dynamic. A simple comparison between your current institution and their competitors can reveal if you're in the best possible financial position.

### **Savings interest rates: small differences add up**

Start your check-up by looking at savings interest rates and certificates of deposit if these are part of your financial strategy. These can vary widely between institutions, and even small differences can have a big long-term impact—especially for businesses with sizable cash reserves. Make it a habit to compare rates and ensure you're earning the best return on your funds.

### **Reassessing loan interest rates**

Loan rates are another critical area. Market changes can render once-competitive rates outdated. By reviewing current loan agreements, businesses might find opportunities to refinance at lower rates. This can lead to substantial savings on interest payments. Financial advisors can also help identify these opportunities and guide the refinancing process.

### **Credit card rates and rewards**

If your business carries a credit card balance, interest rates can become a silent cost drain. It's worth comparing options across providers for lower rates. Also, take a fresh look at your card's rewards program. Choosing a card that offers benefits like cash back, travel points, or business discounts—aligned with your spending habits—can unlock additional value.

### **Beyond rates: evaluating business services**

Don't stop at rates. Take time to assess the full suite of services your financial institution offers—like payroll processing, merchant services, and business checking accounts. These often come with fees that differ from one provider to the next. Comparing these costs helps ensure you're not overpaying for essential services.

### **Fraud and insurance risk management**

In addition to reviewing financial services, businesses should assess their insurance coverage—including general liability, property, and cyber insurance—to ensure it aligns with current operations. Needs can shift as a business grows, so regular check-ins help avoid coverage gaps. It's also wise to review fraud prevention tools in place, such as transaction alerts or multi-user permissions for financial accounts. These areas are often overlooked but can play a key role in protecting a business from unexpected financial losses.

### **Real-world example: big savings through a simple review\***

During a recent financial review, a professional client in the medical field was found to be maintaining an average of \$4 million across three separate banking institutions. Despite this substantial balance, they were earning a negligible 0.01% interest and incurring monthly fees of around \$150 per account. Further analysis revealed they were actively using various cash management services like ACH, remote deposit, and wire transfers.

After reassessing the structure of their accounts and consolidating their banking relationship, not only were multiple business entities brought under one roof, but the client also gained access to optimized cash management solutions including electronic payment collection, direct deposit, wire transfers, and lines of credit. The result? Instead of paying fees, they're now earning approximately \$10,000 per month in dividends.

This example highlights how an annual financial check-up can uncover inefficiencies and significantly improve both service quality and financial outcomes.

### **DIY financial check-ups: tools that help**

You don't need a finance degree to perform a basic review. Online tools like NerdWallet, Bankrate, and Investopedia make it easy to compare loan rates, deposit interest rates, and credit card offers. Many accounting software platforms, including QuickBooks and FreshBooks, also include built-in

financial comparison tools. These resources can help you quickly identify better options tailored to your business needs.

### **Conclusion: a small investment for long-term gains**

An annual financial check-up is a smart move for any business aiming to stay financially healthy. Regularly reviewing your savings rates, loans, credit cards, and financial services can reveal cost-saving opportunities and better deals. Whether you consult a financial advisor or use online tools, investing just a little time can lead to long-term savings and stronger financial footing.

### **About Nathan Anderson**

Nathan Anderson is the chief operating officer and executive vice president at Mountain America Credit Union, where he oversees day-to-day operations across the Member Service and Lending departments and leads more than 2,800 employees. He joined the credit union in 2004 and previously held key sales and marketing roles, including vice president of sales and chief marketing officer, after earlier work in consumer product marketing with Black & Decker and Newell Rubbermaid.

Active in the business community, he serves on several boards, including the South Valley Chamber of Commerce Executive Committee, the Regence Blue Cross Blue Shield community board, and the Origence Advisory Council. A BYU marketing graduate, Anderson has earned honors such as CXO of the Year, Utah's 40 Under 40 and the Trailblazer Award. He is an avid cyclist who enjoys travel, golf and time with his family.

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