

Building Business Credit

This playbook outlines the steps necessary to establish and maintain a positive credit profile for your business. It guides through the initial setup, actions to build credit, and monitoring to ensure a good credit rating.

Step 1: **Legal Structuring**

Form a legal business entity such as an LLC, Corporation, or Partnership to separate your personal and business finances.

Step 2: **EIN Registration**

Obtain an Employer Identification Number (EIN) from the IRS to identify your business entity.

Step 3: **Business Bank Account**

Open a business bank account in the legal business name to store your business finances separately.

Step 4: **Business Phone Number**

Set up a dedicated business phone number and have it listed in the directory to establish your business's presence.

Step 5: **Credit Reporting Agencies**

Register with business credit reporting agencies like Dun & Bradstreet to start tracking your business credit.

Step 6: Credit Lines Establishment

Open accounts with vendors and lenders who report to the credit reporting agencies to start building your business credit history.

Step 7: Responsible Management

Ensure timely payments on all business-related debts and keep your credit utilization low to build a positive credit history.

Step 8: Regular Monitoring

Regularly review your business credit reports for accuracy and to monitor your progress in building a solid credit profile.

General Notes

Annual Review

Conduct an annual review of your business credit to reassess and set goals for the upcoming year.

Credit Mix

Gradually diversify your credit accounts by adding different types of credit (e.g., credit cards, lines of credit, loans) to improve your credit score.

Credit Disputes

File disputes for any inaccuracies found on your credit report to maintain the integrity of your business credit profile.

