

# Business Credit Builder Checklist:

*How to Build your Business Credit  
within 90 Days Using No SSN*

**Presented by: Gibbs Financial Fitness**

## **Stage 1: Business Compliance and Credibility**

**CHOOSE A NAME FOR THE BUSINESS:** A name should reflect the mission of the corporation/business, but it will also need to comply with applicable laws. A name must: (1) Not conflict with the name of another business; (2) Not infringe on a trademark; (3) Not use certain words that imply an affiliation (“bank,” “federal,” or “insurance”); (4) If required by the state, use words like “Corporation,” “Company,” “Inc.,” or “Incorporated” to describe its business structure. You can determine the availability of a name by searching the prospective name at Secretary of State’s Office website for your state.

**DETERMINE THE BUSINESS’S PURPOSE AND TAGLINE:** Draft clear, concise written mission statement, vision statement, core values, and goals. Brainstorm to create a “catchy” and memorable motto that will help customers or clients remember your company or product.

**GET A VIRTUAL OFFICE ADDRESS:** A **virtual office** address provides communication and address services for a fee, without providing dedicated office space.

**DRAFT THE BUSINESS’S ARTICLES:** For businesses that want to incorporate, draft your Articles of Incorporation, or to establish a Limited Liability Company, you will need to draft your Articles of Organization and Operating Agreement. Requirements for forming and operating a corporation or any other legal entity such as a Limited Liability Company are governed by state law.

**FILE THE BUSINESS’S ARTICLES OF INCORPORATION OR ORGANIZATION:** Incorporate your business or form your LLC with your **Secretary of State**. Forming a business as a corporation or LLC helps to protect the owners’ personal assets from the debts and liabilities of the business. There are also other advantages to forming a corporation or LLC, including certain tax advantages and establishing credibility for your new business with potential customers, vendor, employees, and partners.

**OBTAIN EMPLOYER IDENTIFICATION NUMBER FROM IRS:** Employer Identification Numbers are issued for the purpose of tax administration. No need to file a Form SS-4. **IRS.gov** online application asks you the questions and you give them the answers. After all, validations are done you will get your EIN immediately upon completion. You can then download, save, and print your EIN confirmation notice.

**EXECUTIVE OFFICERS MEET TO DRAFT A CORPORATE RESOLUTION TO OPEN A BANK ACCOUNT:** Officers will meet to decide on a financial institution for the business’s financial accounts. Most of the banks prescribe their own formats for the corporate resolution required for opening accounts.

**ESTABLISH THE BUSINESS’ BANK ACCOUNT:** It is important to establish a prudent system of checks and balances when dealing with the finances of a business. It is advisable to allocate finance work among several people so that no one person is in charge of handling all of the transactions related to money. For example, when dealing with the receipt of cash, there should be one staff member who receives and tallies the funds, but a different staff member who then is responsible for taking the money to the bank and making the deposit. You should arrange for bank statements to be sent directly to the executive board, in order to ensure that each transaction can be accounted for. In turn, the bank statements then can be forwarded to the staff member responsible for reconciling the account(s). By proceeding in such a prudent fashion, the potential for misappropriation of funds is minimized. Such sound fiscal procedures will please auditors, as well as future investors.

**ESTABLISH AND MAINTAIN A GOOD BANK RATING AND CASH FLOW:** The key to establishing bank credit is to maintain a healthy balance rating. This rating is your average minimum balance maintained in your business bank account over 3 months. For example, say a \$10,000 balance rates as “Low 5”, \$5,000 rates as “Mid 4”, \$999 rates as “High 3”, and so on.

Unfortunately, without a satisfactory balance rating, many banks will assume your business might not have the ability to repay a line of credit or a loan. The cash coming in and going out of your business bank account should reflect a positive free cash flow. Positive free cash flow is the amount of revenue left over after your business has paid all its expenses. When your account shows a positive cash flow it indicates that your business is generating more revenues than it uses to run the business. It is important to also recognize that banks are motivated to lend to a business that has consistent deposits.

**DEVELOP THE BUSINESS’S BRAND AND LOGO:** Early branding of your business is vital to its success. It is the quickest way for your business to express what it is and what it can offer. Inaccurate branding of a new business can make it difficult for people to grasp why the business exists in the first place. With the power of the Web, and more eyes watching than ever, it’s important for a business to communicate its unique message clearly. The easiest way to recognize a business and distinguish it from others is by its logo. If you are looking for a designer to create your business branding materials, you can search for freelance service marketplaces for entrepreneurs to focus on growth and create a successful business at affordable costs.

**SECURE DOMAIN NAME, WEBSITE, AND USERNAMES ON SOCIAL MEDIA ACCOUNTS:** Choose a domain name that is unique, not just in your city or state, but in the world. Your domain name is the online real estate for your new business. This is where your business will live online and be found. Try to find a domain name that is close to your business name. It is good practice to use the entire company name. The success of your business can rise or fall on the ability of clients or customers to find your business on the internet. Be sure to secure accounts on popular social media sites, such as Facebook, LinkedIn, Instagram, Twitter, etc. If customers and clients like you and your company, they’ll want to interact with your company online.

You can use the free domain database, [www.godaddy.com](http://www.godaddy.com), to search for domain names, registrations, and availability. Click [here](#) for a list of ICANN accredited registrars.

**GET A DEDICATED BUSINESS EMAIL ADDRESS:** It is important to get a company email address for your business ([info@thecompanyname.com](mailto:info@thecompanyname.com)). It’s not only professional but greatly helps your chances of getting the thumbs up from a credit provider. Setting up a business email address is just too easy and inexpensive to neglect.

**GET YOUR BUSINESS LISTED WITH ONLINE DIRECTORIES:** It is important for small businesses to list themselves in multiple online directories such as [Google](#), [Yelp](#), [Yahoo](#), [Manta](#), [Bing](#), [YP](#), [CitySearch](#), [MapQuest](#), etc. About four out of five consumers in the U.S. now use search engines to find local businesses. To make sure your business is found, we have about 20 places your business needs to be listed.

**GET LISTED WITH 411 DIRECTORY:** You must have a dedicated business phone number that is listed with 411 directory assistance, under the business name. Lenders, vendors, creditors, and even insurance providers will verify that your business is listed with 411. A toll-free number will give your business credibility, but you must have a LOCAL business number for the listing with 411 directory assistance. You can start by listing your business with [ListYourself](#), which is an online directory designed to help you, or your business, get your phone number listed in 411 phone directory of assistance.

**GET A BUSINESS VIRTUAL PHONE NUMBER AND 800#:** Lenders perceive 800 numbers or toll-free phone numbers as a sign of business credibility. Even if you're a single owner with a home-based business, a toll-free number provides the perception that you are an even bigger company. It's incredibly easy and inexpensive to set-up a virtual local phone number or a toll-free 800 number. A cell or home phone number as your main business line could get you "flagged" as an un-established business that is too high of a risk. Do not give a personal cell phone or residential phone as the business phone number. You can forward a virtual number to any cell or land-line phone number. You can get a virtual business phone number and 800# from **eVoice** or **Ring Central** to get you started. If your business needs a dedicated fax number you can get a virtual fax number and service from **eFax**.

**CREATE BUSINESS MATERIALS:** Having materials such as a logo for your business, business cards, and stationery will help your business develop an identity and potential customers find you. If you are looking for a designer to create your business branding materials, you can try freelance services marketplaces for entrepreneurs to focus on growth and create a successful business at affordable costs.

**OBTAIN THE NECESSARY BUSINESS LICENSES AND/OR PERMITS:** Most businesses need licenses in order to begin operations. Licenses may be required for your city, your municipality, your county and/or your state. It is best to contact both your Secretary of State to check on business license requirements for your particular type of business and industry and to contact your local government agency in charge of licensing to learn about their requirements and how to obtain the necessary licenses.

**RESEARCH THE CORRECT SIC OR NAICS CODE FOR YOUR BUSINESS:** Standard Industrial Classification (SIC) codes are four-digit numerical codes assigned by the U.S. government to business establishments to identify the primary business of the establishment. The North American Industry Classification System (NAICS) is a 6-digit code system that is currently the standard used by federal statistical agencies in classifying establishments (individual business locations). NAICS organizes establishments into industries according to the similarity in the processes used to produce goods or services.

Additionally, your SIC or NAICS code could help determine whether or not a lender will consider you for financing. Some lenders will not consider your loan application if your business is classified under a very high-risk industry. When you apply for a loan, make sure your existing SIC or NAICS code does not incorrectly classify you under a higher risk industry than the one you should be in. Research your SIC or NAICS code on [siccode.com](http://siccode.com) or [naics.com](http://naics.com).

**APPLY FOR A D-U-N-S NUMBER:** Dun and Bradstreet (also referred to as D&B) is one of the major credit bureaus for business credit. [Click Here for Visual/Instructions](#). You need to have a file established with them in order to establish a credit score by going to the website: **Dun and Bradstreet**.

Once you have a file (also called a profile) established with D&B, you will receive a number called a D-U-N-S number. This is the number that Dun and Bradstreet used internally to track your business credit. You will establish your D&B profile and request a DUNS number. This is something that you will need to do yourself or hire us to complete for you. The actual amount of time it normally takes to request your number is about 10 minutes. You will probably spend more educating yourself on how to do it than the time it takes to actually complete the profile.

## Stage 2: Establish Business Credit Profile and Vendor Credit

**APPLY FOR NET 15/30/60/90 ACCOUNTS WITH VENDORS:** A business credit report can be started much the same as a consumer report commonly is, with small credit accounts and/or cards. These types of initial cards in the business world are commonly referred to as “vendor credit.” You must start a business credit profile and score with starter vendors. A vendor line of credit is when a company (vendor) extends a line of credit to your business on “Net 15, 30, 60 or 90” day terms. This means that you can purchase their products or services up to a maximum dollar amount and you have 15/30/60/90 days to pay the bill in full.

So if you’re set-up on Net 30 terms and were to purchase \$300.00 worth of goods today, then that \$300.00 is due within the next 15/30/60/90 days. Some vendors require an initial prepaid order before they can approve your business for terms. Your vendors do not necessarily have to serve 100% of your business needs.

When your first Net 30 account reports your “trade line” to Dun & Bradstreet, the DUNS system will automatically activate your file, if it isn’t already. This is also true for Experian and Equifax.

**You need to have a total of at least five (5) Net 30 day pay accounts reporting. Be advised that you should spend a minimum of \$75.00 or more in order to have your accounts and payments report to the bureaus.**

**For ALL of the vendors, when giving your company address, you MUST use the EXACT address that is on file with the Secretary of State.**

### **Tier 1 Credit Vendors (Net 30/45/55)**

<b>Vendor</b>	<b>Website</b>	<b>Description</b>	<b>Reports to:</b>	<b>Instructions</b>
<b>Uline (Net 30)</b>	<a href="https://www.uline.com">https://www.uline.com</a>	Uline is the leading distributor of Shipping, Industrial, and Packing materials, Industrial and Janitorial Products. 99.5% of Uline’s orders ship the same day, with no backorders.	<b>D&amp;B Experian</b>	Will need to create an account first, then place an order and select Net 30 terms. Credit dept. will review the account.
<b>Crown Office Supplies (Net 30)</b>	<a href="http://crownofficesupplies.com">http://crownofficesupplies.com</a>	Offers a variety of Office Supplies and takes helping clients seriously. They state just starting your business, or maybe have an existing business, but you have a question regarding office supplies...we are here to help!	<b>D&amp;B Experian Equifax</b>	There is a 99.00 annual fee, though they do report that fee to the business credit bureaus. For other purchases to report needs to be a minimum of 30.00 purchase.

<b>Murphy USA (Net 22)</b>	<a href="https://www.murphyusafleet.com/">https://www.murphyusafleet.com/</a>	The stores provide quality, low-priced fuels and outstanding service to nearly 2 million customers every day to get them where they need to go. They are normally located near Walmart	<b>D&amp;B Experian Equifax</b>	Please keep in mind, before applying for multiple accounts with WEX Fleet cards, please make sure to have enough time in between applying so that they don't red flagged your account for fraud.
<b>Grainger (Net 30 or net 60)</b>	<a href="https://www.grainger.com/">https://www.grainger.com/</a>	Grainger works with more than 1,300 suppliers to provide customers with: electrical, fasteners, fleet maintenance, HVACR, hardware, janitorial, material handling, pneumatics, power tools, pumps, and much more.	<b>D&amp;B</b>	Grainger is fairly easy to get an approval. Place an order and ask to be invoiced. All you have to do is make a purchase for \$20.00 and they will give you a \$1,000 account. With this, you may order anything they sell.
<b>4imprint (Net 30)</b>	<a href="https://www.4imprint.com/">https://www.4imprint.com/</a>	<b>4imprint</b> , Inc. retails non-durable goods. The Company offers products which includes apparel, bags, drinkware, food and candy, office, outdoor and leisure, toy and novelties, stationery, and auto accessories.	<b>D&amp;B Experian</b>	Order cheapest or clearance items. You will want to spend as close to \$100 as you can.

### **Stage 3: Procure Store Revolving Business Credit Cards**

**APPLY FOR STORE CREDIT CARDS:** After five (5) trade lines are established using vendor accounts, obtaining revolving accounts is the next step in building business credit. Revolving accounts are credit cards a business owner can use and not be required to pay the full balance owed each month. Revolving account approvals will begin coming from stores. Major retailers including Dell, Apple, Wal-Mart, Target, Best Buy, JC Penny, Sears, Amazon, Sam's Club, Costco, Staples, Office Depot, Lowe's, Home Depot, BP, Chevron, and most other retailers all offer business credit. Most of these retailers will approve you for new credit once you have a credit profile established, have a good business credit score that results from you paying your bills as agreed, and once you have five (5) payment experiences or more established on your business credit profile.

Store revolving credit must be obtained before the business owner starts getting cash credit cards such as Visa, MasterCard, and/or American Express. If your EIN credit is not good enough, you might be declined and they then might ask for your SSN. No matter what ANY credit representative tells you, credit CAN be obtained based on your EIN only if your business credit profile is set up correctly and reporting the appropriate number of tradeline, and all in good standing (minimum Paydex of 80).

#### **Stage 4: Procure High-Limit Revolving Business Credit Cards**

**APPLY FOR REVOLVING CASH CREDIT CARDS:** Once ten (10) total accounts are on the credit profiles, you can then start applying for Visa, MasterCard, and American Express type credit. Approval amounts will be equivalent to the highest credit limit account on the business report. Try to have ten (10) accounts with at least one of them having a \$5,000-\$10,000 high limit. It is essential to keep using the credit, keep applying for more, and talk with credit providers to raise credit limits. If you do this, business credit will keep growing until higher limit credit lines are obtained, within 6-12 months. Click [here](#) for a list of the best business credit cards.

\*\*\*Do your research first. Don't apply to every single card you come across. Know your scores and find out what their criteria is before you apply, so you know when you apply that you will be accepted, rather than being surprised that you were turned down.

#### **Stage 5: Apply for Additional Business Funding and Credit Lines**

**PREPARE A BUSINESS PLAN:** Prepare a business plan, if you have not done so already. Business plans define the Who, What, When, Where, and How of your business and the products and/or services you plan to provide. Business plans clearly outline the goals of the business, explain the operating procedures, detail the competition, include a marketing plan and explain the company's current and desired funding. If your company plans to seek funding either in the form of a traditional loan or from venture capitalists, a thorough business plan will be required for the application process.

**APPLY FOR BUSINESS LOANS:** Not all small business owners have enough of their own capital to start a business, and many seek outside funding from sources such as banks or through business loan brokers or websites that specialize in getting you in touch with business loan offerings which are all over the Internet.

If you need any assistance with these steps, we can do it for you. Visit [www.gibbsfinancialfitness.com/small-business-services](http://www.gibbsfinancialfitness.com/small-business-services)