

FALL 2008

taking care of business

a publication of TruWest® Credit Union Business Services

A volatile market, credit crisis and deflated consumer confidence have triggered talk of economic downturn – even the word “recession” is being uttered.

RECESSION-PROOF YOUR BUSINESS

Because of their limited resources, small businesses may be the hardest hit, particularly those in housing-related industries or industries that depend on consumer spending in travel, luxury and entertainment.

PROTECT YOUR BOTTOM LINE

The key to withstanding an economic downturn is having a strategy for staying afloat until conditions improve. Consider the following tips for managing your business in changing economic conditions:

1. Review costs

 and find out where you can save. For example:

- Downsize inventory rather than storing or warehousing overstock.
- Consider revamping employee health insurance coverage. A high-deductible health plan with a health savings account may help control costs without compromising your employee benefits.
- Consider restructuring your existing debt. By refinancing some of your business's debt, you can lower your monthly payment(s). TruWest Credit Union can help with a variety of loan options to fit your needs.

2. Price it right.

 It may be tempting to slash prices in a slow market, but doing so may hurt more than it helps.

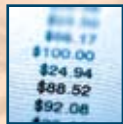
3. Ramp up service.

 Providing an extra level of service or convenience is a relatively low-cost way to get a competitive edge.

4. Invest in employees.

 During lean times, employees may be under pressure to do more with less. Reward productivity with low-cost incentives such as flex time or extra vacation.

5. Free up cash flow.

 Don't wait until you're in a cash crunch – plan your safety net now. In addition to maintaining a comfortable supply of liquid assets, consider borrowing options designed to streamline your cash flow. TruWest Credit Union's business loan products and credit lines can provide the flexibility your business needs to keep growing. Contact TruWest Credit Union today at **480.441.5900** (AZ) or **512.996.4000** (TX) or visit truwest.org for details.

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Companies that offer merchant services provide you with the tools you need to accept debit and credit cards as a form of payment for products and services. In today's marketplace, accepting these types of payments can play a key role in a business' success.

WHAT ARE MERCHANT SERVICES?

TruWest Credit Union has partnered with Total Merchant Concepts (TMC) to offer businesses merchant services that meet the needs of our business members. Not sure if merchant services are right for your business? Here are some frequently asked questions that TMC receives from owners considering adding merchant services.

Why do some companies offer an unusually low rate or a single rate for all types of cards processed?

There are many ways to hide credit card processing fees. Some companies fail to mention vital information in order to make their fees look better. Sure, the first merchant statement will "reveal all," but by that time, a contract has usually been signed and it's too late to make changes. TMC is committed to giving you all of the details up front with no surprises.

Why does TMC offer a month-to-month agreement when so many other processors have long-term commitments?

TMC doesn't believe it has to trap its clients into a relationship in order to maintain it. They do not feel they have the right to require your loyalty, but they will work hard to earn it. A month-to-month agreement proves their sincerity and commitment to excellent service.

What if I have already signed a lease with another merchant services company?

Leases are typically non-cancelable. However, most merchant services machines can be reprogrammed to accept any credit card processing company. TMC does not recommend leasing, and their terminals are affordably priced. They also offer payment plans to help companies that might need a little assistance.

Why are there different rates for different types of transactions?

Visa® and MasterCard® assign rates based on the risk factor for each transaction. A swiped retail purchase carries less risk than a key-entered phone order.

Should all businesses accept credit cards?

The simple answer is no. There are many industries that have survived nicely without adding the additional expense of credit card acceptance. TMC's trained professionals will discuss potential business growth when advising you on accepting credit cards at your business.

To contact Total Merchant Concepts for more information on merchant services, please call **888.249.9919**.



WHAT YOU NEED TO KNOW ABOUT CREDIT UNIONS AND COMMERCIAL LENDING

If you have never funded your commercial real estate loan through a credit union, you are in for a genuinely positive experience that will more than likely shape your borrowing preference.

Here is a quick overview of how TruWest Credit Union can enhance your experience with a commercial real estate loan:

1. We manage our underwriting and loan pricing locally, which allows you to receive faster service and quicker answers.
2. We are a not-for-profit financial institution, which means we can be more flexible and aggressive with interest rates and annual terms.
3. You will receive continued service throughout the entire underwriting cycle.

For more than 55 years, TruWest Credit Union has built its business on serving its members. Like you, we value customer service and developing strong local relationships. TruWest's experience and commitment allows us to respond to your credit needs at each stage of your growth. Here are some of the commercial loan products we offer:

- Purchase or refinance commercial property
- Property improvements
- Property or business expansion
- Equipment purchases
- Business lines of credit to supplement operating capital

To discuss our commercial loan program and our aggressive interest rates and terms, contact TruWest Credit Union at **480.441.5900** (AZ) or **512.996.4000** (TX).



TruWest Credit Union firmly believes that building a tradition of community service can boost your company's image and strengthen corporate culture, all while improving the world around you.

Corporate Giving

DO GOOD FOR THE COMMUNITY AND YOUR COMPANY

The following ideas can help you make the most of time and money devoted to serving your community.

- **Be an expert.** Speak to local groups or teach classes about your profession or business.
- **Support a charitable event.** Sponsor a local walk for breast cancer research or help plant trees on Earth Day.
- **Provide publicity** and a percentage of a day's sales to a local cause every month, quarter or year.

- **Encourage employees.** TruWest Credit Union compensates its employees for time they donate to charitable activities. A survey to gauge workers' interests can also help focus your company's charitable efforts.

- **Do what you do best.** Use your company's work skills to help community members. For example, a boutique owner could offer a discount to customers who drop off a clothing donation or a trucking company could help deliver Toys for Tots.

For more ideas on how you can get involved in the community, visit truwest.org and click on In the Community (under the TruDifference menu) to see how TruWest Credit Union is spreading the TruDifference.

SUPPORT A CHARITABLE EVENT: HELP PLANT TREES ON EARTH DAY.





A GUIDE TO BUSINESS TRAVEL DEDUCTIONS

With the proper documentation, all business-related travel expenses are tax-deductible, right? Not always.

WHAT IS DEDUCTIBLE?

All general costs incurred on a business trip – such as airfare, most meals, lodging and public transportation – are deductible to the extent allowable by law. Telephone calls, faxes, hotel Internet charges and computer and equipment rental are also deductible. But did you know that haircuts, manicures and dry cleaning expenses that directly relate to your business trip can also be deducted from the year-end tax bill?

WHAT'S NOT?

Personal entertainment, extravagant meals and lavish accommodations aren't usually deductible. If a spouse or family member joins you on a trip, you won't be able to deduct any of his or her expenses, unless he or she is a legitimate employee *and* traveling for business purposes.

When the trip combines professional and personal pursuits, the rules become cloudier. If expenses are directly related to business, they are generally fully deductible. The deductibility of other expenses, such as airline tickets and hotel stays, depends on the trip's primary purpose: business or pleasure. When in doubt, contact your tax advisor.

Note: This financial institution does not provide tax advice.

Many people think of a credit union primarily as a place to handle and maximize their personal finances. But we also offer many business products and tools to help businesses achieve more.

Running a Business?

KEEP TRUWEST CREDIT UNION IN MIND

Because TruWest is owned by members – not investors, as most banks are – we don't have to return profits to shareholders. Instead, we can concentrate on helping you boost the bottom line of your business.

TIME-TESTED TOOLS

If you've already turned to TruWest Credit Union for your personal finances, you know that the service is friendly and knowledgeable, and the rates are often better than those found elsewhere. Why not put these same benefits to work for your business?

Take advantage of these and additional tools TruWest Credit Union offers to help improve your cash flow and grow your business. We can also provide you with reports and services that help you manage your finances. If you feel too busy to sort through all the options and find the ones that best fit your needs, rest assured. At TruWest Credit Union, you'll have a Personal Banker who can analyze your business needs and streamline the tools you use so you don't pay for overlapping or unnecessary services.

YOU'RE HALFWAY THERE

You already know and trust TruWest with your personal finances, so let us help you with your business finances as well. Call us at **480.441.5900** (AZ) or **512.996.4000** (TX), visit us online at truwest.org, or stop by a branch today.

* Bill Payer is free for the first 15 transactions per billing cycle. Must have a TruWest checking account to sign up for Bill Payer.
** At select branches.

All loans subject to credit approval. Must be a TruWest member to qualify. A minimum \$25 deposit is required to become a member.

WE OFFER SERVICES SUCH AS:

- Free Online Banking
- Free Bill Payer*
- Merchant Services (offered through Total Merchant Concepts)
- Business Debit Card
- Night Depositories**
- Coin and Currency**
- Business Checking Account Options
- Business Money Market Accounts
- Business Investment Certificates
- Lines of Credit (Secured and Unsecured)
- Visa® Business Platinum Credit Card
- Equipment Financing
- Commercial Property Loans



P.O. Box 3489
Scottsdale, AZ 85271
truwest.org