

MOVING YOUR BIG MONEY

Moving business and larger organizations' money is slightly more complex than moving individuals' bank accounts, but it can (and should) be done. Small banks do disproportionately more small business lending, and they're more willing to work with local firms to identify their needs and allow them to prosper. A number of independent business alliances have decided to support local banking and keep their accounts at banks and credit unions that support their community and have their interests at heart.

Businesses, nonprofits and churches need different things and their financial requirements can be complicated. Ultimately, each financial decision should be made on a case-by-case basis, but we've outlined a few common questions we've heard and offered some possible solutions. It might be the case that you can't totally leave the big bank overnight, but that's okay. You don't have to move all of your organization's money immediately to be effective, and you can start down a path towards community-oriented banking and begin the process today.

MOVING PAYROLL ACCOUNTS

Some businesses have problems transferring payroll, tax and government filings. Many small banks and credit unions don't have the resources to offer these services, but some bigger banks offer them for free. What's more, many of the larger payroll services use the major banks as a middle-man for holding money before paying employees, filing billions of dollars through the big banks every year.

Our recommended solution is to use a trust-worthy local third-party payroll services. Many of these companies use local or regional banks and Automated Clearing Houses, keeping your money circulating in your home town. Contact the American Payroll Association (<http://www.americanpayroll.org>) to find locally-based payroll services. If that doesn't work, check with the local chamber of commerce for a local payroll sponsor, or ask a CPA or bookkeeper for recommendations. There are also a number of mid-size companies that operate nationally which may work for other organizations (if you have any concerns, ask the company about which banks it uses). Often these local payroll services are cheaper than national providers, and by supporting local businesses you're helping to strengthen your own local economy.

MOVING 401(K) ACCOUNTS

It's pretty simple to transfer a 401(k) account to invest with firms that prioritize ethical and community-minded behavior. Employers looking to switch and find new investment firms and managers should explore firms that claim to invest responsibly. Investigate sources like the Social

Investment Forum (<http://www.socialinvest.org>) or Social(k) (<http://www.socialk.com/>) to find an investment manager whose priorities align with yours.

MOVING YOUR IRA

An individual can transfer his/her IRA to a new custodian bank or credit union pretty easily. If you need some help, consult a financial advisor or Certified Financial Planner. They should be more than willing to help you.

MOVING PAYMENT/MERCHANT ACCOUNTS

Businesses and non-profits that take payments from credit cards or Paypal need to remember to switch those accounts over to transfer into their new financial institution.

MOVING BUSINESS AND PERSONAL LOANS AND MORTGAGES

Moving loans, mortgages and major debt can be difficult and may involve hits to your credit score. Big banks use these loans to keep customers, and some will even include “due on demand” clauses that stipulate that if a bank account is moved, the loan is called due. The best advice we can give is to see what your options are; check with your local bank or credit union and see what they can do and what the consequences are.

But even if you can't move your existing loan or mortgage, you should still start building a relationship with a local financial institution that has a good record of small business lending. Start moving some accounts, if you can, and talk with a loan officer about future plans for growth.

INSURANCE LIMITS

The FDIC and NCUA government agencies insure all deposits at a bank or credit union up to \$250,000 through 2013. Starting in 2014, that number will be return to the previous maximum of \$100,000. This means that, except certain retirement accounts and for accounts with different ownership categories, deposit over \$250,000 in one financial institution are not fully insured. If you're not sure, use the FDIC's Deposit Insurance Estimator calculator (<https://www.fdic.gov/EDIE/index.html>) or the NCUA Electronic Share Insurance Calculator (<http://webapps.ncua.gov/ins/>).

MOVE TOGETHER

If possible, coordinate the movement of your business, non-profit or congregation with other, like-minded groups. Big groups can sometimes negotiate fees, rates and terms more effectively than individual organizations, and it also helps make your act more visible. This way, not only are you moving your own organization's money; you're helping encourage other groups to move theirs, too.

CHARTS

Not sure if local financial institutions are the right choice for your institution? The facts are clear: smaller banks help support small businesses. Return the favor.

