



### EXPERT BANKING ADVICE FOR YOUR SMALL BUSINESS

# The Best Ways to Reduce Your Banking Fees

**By Bob DeAlmeida**  
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The first step in reducing your small business banking fees is to know what your fees are. That may mean taking out (or logging onto) your most recent statements from the past six months. Write down each type of fee and the amount. Make two columns next to your list and label them "Avoidable" and "Unavoidable." Put a checkmark in one column or the other for each fee.

Next, take a look at how those "avoidable" fees were incurred? If they were from transactions at an out-of-network ATM, consider a bank with more no-cost ATMs in the areas where your business is located. Or if you visit the bank frequently to make deposits, ask your bank about remote deposit capture, which allows you to scan your checks and deposit them to your account through the Internet, thereby allowing you to avoid ATMs altogether.

However, if your charges were mostly overdraft fees was it a one-time occurrence? If so, talk to your banker about waiving the fee. But, if you find that overdraft fees are common for your business, consider applying for a line of credit that will give you the cash flow you need from month to month. Many of our customers are surprised that a line of credit can actually be less expensive than the overdraft fees they typically incur.

Still, are you racking up fees on accounts you no longer or seldom use? Dormant or inactive accounts can incur fees. Are your accounts linked? With linked accounts you may be able to maintain a higher balance that allows your bank to waive your fees. Both of these fees are avoidable with just a little attention to the account setup.

Now let's look at those fees in the column "unavoidable," and then change the name of the column to "negotiable." As the president of a bank, I can tell you that banks, and even credit unions, do indeed need to charge fees because there are certain costs to providing a service. As interest rates have become so competitive and low, banks are looking for other ways to be able to generate revenue while providing a service. Some banks will charge the going rate, often set by large national banks. As a community bank, Hamilton can take a hard look at the real cost to provide a service and lower our rates accordingly.

To negotiate the fees you are charged, ask your bank and a competing bank for a schedule of fees. Finding these fees listed online can be a challenge, so an in-person request, call or e-mail may be quickest. If you find your bank is charging you a good deal more than a competitor, ask for a reduction. It never hurts to keep the lines of communication open. In fact, it usually helps.

However, if they aren't willing to make a change, then maybe it's time to change your bank.

#### ABOUT BOB DEALMEIDA



Bob DeAlmeida is president and CEO of Hamilton Bank, which operates five Maryland locations and meets the complete banking needs of small businesses, retailers, consumers, and homeowners across Greater Baltimore.

#### MORE INFORMATION

Connect with a small business banker at Hamilton Bank.

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