

CATHAY BUSINESS CONNECT

FALL 2016
CATHAYBANK.COM



Fine-Tuning Your Business for Growth and Profit

Welcome to the fall issue of *Cathay Business Connect*. As we head into the fourth quarter, many businesses are ramping up for the busy holiday season. You may be thinking of ways to help your business to finish the year as strong as possible. With this in mind, this issue focuses on advice designed to help achieve maximum performance of your business.

To begin, we'll look at the role a dedicated account officer can have in **helping streamline your business** through various service tools. Cathay Bank offers personalized solutions that are based upon the needs of your business and your customers.

Does your business still send and receive checks for business-to-business payments? On page 2, we'll discuss how using **Automated Clearing House payment processing** can provide a number of benefits to your business, including cost savings and increased security.

On page 3, we'll look ahead to tax season. You'll find **tax-saving tips**, including deductions and business tax credits, you may be able to take advantage of to improve your tax situation.

We thank you for turning to Cathay Bank to help your business achieve its goals – this year and beyond.

Mr. Irwin Wong
Senior Executive Vice President,
Chief Operating Officer

We Make Running Your Small Business Simpler

Good things happen when you have a dedicated business banker working hard for you. When your business finances run efficiently and effectively, you have the freedom to focus on the big picture – whether that means differentiating your business in today's tight market or laying plans to reach the next level of business growth.

When it comes to assisting small business, Cathay Bank puts you and your business first. We provide one-on-one attention that's hard to beat. We work with you to set up a strategy to manage your business finances with services that save you money and time.

Here's a sampling of our services for small businesses:

- **Merchant Deposit Capture** allows you to scan and send checks electronically. It's a fast and secure way to make deposits without making a trip to the bank, so your money starts working for you sooner.
- **Positive pay** reduces exposure to check fraud. You can identify unauthorized transactions – including counterfeit or altered checks – before final payment.
- **Lockbox services** streamline the process of receiving check payments. With lockbox, your accounts receivable payments are received, processed and credited by the bank – providing quick access to funds and reducing your time spent on accounts receivable.
- **Merchant Bankcard services** keep your business running smoothly. We offer a wide range of payment options for your customers, which can help boost sales and profitability while also reducing your risks.
- **Business loans** help drive your business forward. We offer loans customized to your short- and long-term needs, from business credit cards and commercial line of credit to SBA loans and commercial real estate loans.

SEE US FOR SOLUTIONS

You take pride in knowing your customers and their needs, and at Cathay Bank, we do the same. Our account officers know you by name and understand your business. We are happy to meet with you to review your business accounts and find ways to simplify and save money. Call **1-800-922-8429** for an appointment.



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Streamline Receivables with ACH

“Time is money” is an understatement in today’s business environment, with meetings and transactions taking place electronically and on the go. Why wait for checks to arrive by mail when you can streamline with automated clearing house (ACH) payment acceptance? A survey by the Association for Financial Professionals highlights a few of the perks of converting business-to-business payments from checks to electronic payments:*

- **Reduced fraud** – 39% of organizations use electronic payments to reduce fraud. Every transaction is a potential fraud risk, but with ACH you can minimize your risk exposure.
- **Streamlined cash flow** – 46% of organizations use electronic payments for improved cash forecasting. ACH payments may help streamline collections and strengthen vendor relationships, giving you a more accurate cash flow outlook.
- **Increased efficiency** – 20% of organizations use electronic payments to reduce daily sales outstanding. In addition to getting paid faster, ACH reduces administrative workload by eliminating the need for your staff to manually monitor accounts.



A SIMPLE SOLUTION

Save time and money with ACH payment acceptance through Cathay Bank. We offer tools to streamline accounts payable and receivable while helping to keep fraud at bay.



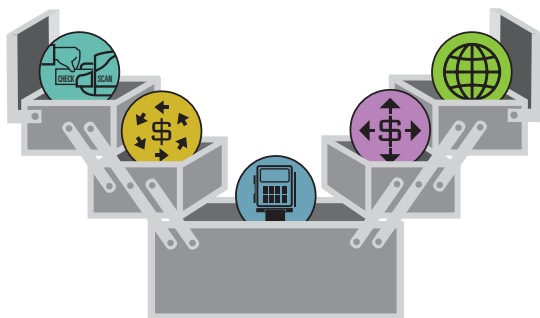
* Source: The Association for Financial Professionals, “2013 AFP Payments Survey,” November 2013.



CATHAY BANK TOOLS TO HELP TAKE YOUR BUSINESS TO THE NEXT LEVEL



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1. Spend MORE time growing your business.

With our **Merchant Deposit Capture Service**, you can conveniently deposit checks 24/7 without leaving your office.

2. Maximize your CASH FLOW.

Accelerate your cash flow in an efficient and cost-effective way through our **Lockbox Service**.

3. Increase your SALES volume.

Our **Merchant Bankcard Service** solution enables your business to accept a wide range of payment options all direct deposited into your business checking account.

4. EXPAND Your Business.

Ready to grow but need working capital to do so? We offer competitive **financing solutions** to help expand your operations.

5. CROSS International Borders.

Consult with our **Trade Finance** experts to explore foreign trade and international banking opportunities.

1-800-9CATHAY
1-800-922-8429
www.cathaybank.com

We have a comprehensive portfolio of products and services to meet every need.

Services may be provided through third-party vendors with whom Cathay Bank does business. Fees may apply to service.

Schedule an appointment with us TODAY.





Taking advantage of business tax credits and deductions may result in substantial tax savings.

9 Tax-Saving Tips for Businesses

For most business owners, every dollar counts. Taking advantage of business tax credits and deductions may result in substantial tax savings. To get started, review the following tax tips. Be sure to consult a qualified tax advisor to determine if any of these areas are appropriate for you and your business.

1 Buy business equipment. The cost of buying qualifying business equipment can be deducted by claiming a depreciation allowance over five or seven years, or longer periods. Alternatively, through Section 179 of the Internal Revenue Code, businesses may write off up to \$500,000 of qualifying expenses in 2016 (subject to a phase-out if the business has capital expenditures exceeding \$2 million).*

2 Claim research and development credits. R&D credits aren't just for labs, but now include almost any business that can demonstrate that it's trying to create a product or improve an existing process. The credit is generally 20% of expenditures that exceed a base amount.

3 Write off home-office expenses. You can do this even if you use the space for administrative purposes, as long as you use your office exclusively for business. Keep in mind, you can only deduct the portion of your expenses (rent, utilities, insurance, housekeeping, etc.) that's in proportion to the square footage of your house used for business purposes.

4 Track and claim your business mileage. The standard mileage rate in 2016 for operating your car for business use is 54 cents per mile.**

5 Look for deductions related to medical expenses. For 2016, eligible self-employed individuals can deduct from their gross income 100% of the amounts paid for health insurance coverage, subject to some limitations.***

6 Consider Health Savings Accounts (HSAs) with a high-deductible health plan. Up to specified dollar limits, you can generally exclude your cash contributions to the HSAs of qualified individuals from tax withholding.

7 Write off bad-debt expense. While a reserve for bad debts is not deductible, you can write off accounts receivable in the year in which they become uncollectible. You may also benefit from donating excess inventory to qualified charities by year-end.

8 Claim business losses. If your company has a net operating loss in 2016, it can be carried back two years or carried forward up to 20 years to offset future profits.

9 Set up or contribute to a retirement plan. Employer contributions to qualifying retirement plans, including 401(k) and SIMPLE (Savings Incentive Match Plan for Employees) are tax-deductible.

Please note that this financial institution does not give tax advice. Consult your tax advisor for information about your situation.

* Source: *Section179.org*, Understanding The Section 179 Deduction.

** Source: *IRS.gov*, 2016 Standard Mileage Rates for Business, Medical and Moving Announced.

*** Source: *IRS.gov*, Topic 502 – Medical and Dental Expenses.



CATHAY BANK

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Simpler. Streamlined. Convenient.

Let Cathay Bank's comprehensive portfolio of business banking solutions help you take your business to the next level. Learn more inside!



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WHAT YOU'LL FIND INSIDE:

- Fine-Tuning Your Business for Growth and Profit
- We Make Running Your Small Business Simpler
- Streamline Receivables with ACH
- 9 Tax-Saving Tips for Businesses

LUCKY DATES

These "lucky dates" are provided for entertainment purposes only. The "lucky dates" were provided to us by a third-party source unrelated to Cathay Bank and derived mainly from the *Bai He Ming Almanac*, and other sources including the internet and the *Tung Shing*. Cathay Bank does not endorse, sponsor or guarantee the use of this information, and makes no warranty or representation regarding the accuracy, reliability or results that may be obtained from the use of this information.

OPENING A BUSINESS	Days Suitable for ...	Days Unsuitable for ...
October	5, 6, 7, 15, 21, 27	3, 4, 9, 10, 11, 12, 16, 18, 22, 23, 24, 25, 26, 28, 29
November	1, 2, 5, 8, 11, 14, 16, 23, 28, 29	3, 10, 13, 15, 18, 21, 25, 26, 27, 30
December	10, 20, 21	3, 12, 15, 17, 18, 19, 22, 24, 29, 30
SIGNING CONTRACTS	Days Suitable for ...	Days Unsuitable for ...
October	6, 15, 21, 26	10, 23
November	2, 5, 11, 16, 28	18
December	3, 8, 10, 21, 27	N/A
TRAVEL	Days Suitable for ...	Days Unsuitable for ...
October	5, 6, 7, 8, 12, 15, 17, 18, 19, 20, 27, 29	9, 13
November	1, 8, 11, 13, 14, 16, 17, 18, 23, 25, 26, 29	2, 9, 15
December	5, 9, 10, 12, 15, 16, 19, 20, 21, 24, 28	18, 25, 26