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# Ask Yourself These 3 Questions Before Accepting Cryptocurrency at Your Company

Cryptocurrency acceptance can increase the customer base for small businesses. But don't ignore the risks that go along with it.



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CEOs and [small business owners](#) know better than anyone that technology advances at lightning speed. Let it take off without you, and you risk putting your company at a [tremendous competitive disadvantage](#). Invest in every new trend, and your capital will disappear before you know it.

[Cryptocurrency](#) is a [perfect example](#) of this. It has been hovering at the margins of everyday use, but still isn't widely accepted as a form of payment. The [recent Senate hearings](#) struck an optimistic tone regarding cryptocurrency, lending legitimacy to its spot in the global marketplace.

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weighed individually by each small business owner, but in the future, CEOs may have no choice but to entertain its use to stay competitive.

Since acceptance of digital currency is discretionary at this point, don't dive into the trend before reflecting on the potential ramifications. Considering the advantages and disadvantages of cryptocurrency acceptance will help you avoid any potential missteps for your business. Below are three questions small business owners need to ask before making an informed decision about whether or not cryptocurrency is right for their company.

## **1. How cash-strapped are you?**

If your business is still in the beginning phase, or for other reasons you need to keep your assets liquid, cryptocurrency may not be the right choice for you. Cryptocurrency is more like an investment than cash and isn't great for those whose need for cash is immediate. It's exceptionally volatile -- which means that it can be hard to predict the value from one day to the next.

## **2. How are the majority of your clients currently paying?**

Depending on the industry in which you operate, accepting virtual forms of currency can save you some serious money. For instance, if your clients pay solely by credit card, accepting cryptocurrency allows you to keep more of your profit in your pocket. Digital currencies do not charge the merchant service rate, which can save you one to three percent! Adding that much to your bottom line can make a substantial difference in your profit margins.

However, if your business is mostly cash, you may not see a significant benefit aside from potentially widening your customer base.

## **3. Do your suppliers accept cryptocurrency?**

If your suppliers accept cryptocurrency, it's a good sign that you probably should, too. For example, suppliers can be good indicators that the industry is heading toward digital currency acceptance. If they do not, it can be riskier for your business to accept them. You would have to consider the conversion costs to move from cash to crypto -- and back again -

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The questions above will give small business owners a great starting point to decide whether or not accepting cryptocurrency is the right move for them. But keep in mind, as with all new developments, some of the infrastructure surround cryptocurrency is still in a state of flux. Case in point: cryptocurrencies aren't well-regulated yet. Some entities, like the Treasury Department, categorize it as a security, while others view it as legal tender. Depending on what regulations come down the line, your business may have even more questions to ask before adopting this practice.

Whatever decision you come to, and whatever changes lie ahead in the future of cryptocurrency, you can rest assured that you didn't fall prey to a frivolous trend or miss out on an opportunity to bring your business into the future.

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