

**Target Keyword:** 5 Reasons Not to Make Your Restaurant Cash-Only  
**Page Title:** 5 Reasons Not to Make Your Restaurant Cash-Only

Although it might seem hard to believe, there are businesses in this day and age that are still “cash only.” For some reason, restaurants seem to think that it’s more efficient for them to deal with cash and to stay away from credit cards, but in fact, it might be costing those businesses more than they realize. If you’re wondering whether or not it makes sense for your restaurant to be “cash only,” you might consider some of the following items:

1. People are staying away from cash.

When someone comes into your restaurant, you’re going to want to make it easy for them to spend money. However, if your customers aren’t carrying cash, it’s going to be inconvenient for them – which might lead to them actually forgoing your restaurant in order to go somewhere that allows them to use their credit cards.

2. People spend more with plastic.

Unfortunately, we live in a world where patrons have no problem with spending more money than they have. When they go out to dinner, they don’t want to worry about whether or not they brought enough money to cover the bill. By using a credit card, however, they can enjoy their meal without constantly considering just how much cash they have on hand. (In fact, studies show that customers will sometimes spend 50% more when using credit cards than when using their cash on hand. This is often seen when it comes to leaving tips for the waiting staff.)

3. Customers feel more secure with businesses that use credit cards.

For many people, “cash only” businesses – including restaurants – will often conjure up fly-by-night enterprises that don’t truly have a sense of legitimacy. Since using credit cards actually provides most consumers with limited protection, potential customers might well decide to use another restaurant – one that does accept credit cards.

4. More cash on hand can attract thieves.

When a restaurant has only cash on hand, that can make it very attractive to the criminal element. After all, on a weekend night, a cash only business might well have a sizable deposit to make at the end of the night. Unfortunately, if there are criminal elements around who know the business is “cash only,” they might be drawn to targeting that business for a robbery. (Anyone who has attempted to

collect from an insurance company after it has been robbed knows that proving the “cash on hand” can sometimes be a true nightmare.)

5. “Cash only” businesses can suffer when it comes to being audited.

When it comes to an audit, a business that deals in “cash only” might find itself on the short end of the stick when it comes time to deal with a tax audit. Anyone who has gone through an audit knows that it goes something like this: “Hello. We’re conducting an audit. We believe that you’ve made \$20,000 more than you’ve reported. Prove to us that you haven’t pocketed that money.” At that time, your restaurant will have to go to great lengths to show that you have not pocketed any of the cash that the auditor claims is owed.

In the end, a restaurant that accepts credit cards will have more protection than a restaurant that is cash only, and conceivably stands to make more of a profit. While the business will have to pay “swipe fees” for the credit card, the cost is offset by the potential rewards.