

Harvesting Success

A Comprehensive Guide to Payroll, HR, and Tax Solutions for Cannabis and CBD Businesses

Written by:
Greenshades Software

Issued :
June 2023

Table of Contents

Are you relying on outdated business management systems, grappling with manual tasks, and struggling to keep up with evolving compliance regulations? It's time to consider the power of a modern payroll solution to transform your processes.

<u>Introduction</u>	2
<u>Choosing the Right Software</u>	6
<u>How to Pick the Right Solution</u>	9
<u>The Greenshades Difference</u>	10
<u>Is Greenshades Right for You?</u>	13
<u>What's Next</u>	14

For over 20 years, Greenshades has provided businesses with in-house payroll management and efficient HR tools to tackle their biggest obstacles.

A person wearing a white lab coat and blue gloves is holding a black clipboard. They are standing in a field of green plants, possibly hemp or cannabis, under bright, natural light. The background is slightly blurred, showing more of the field and a bright sky.

o o o o

Introduction

Navigating Payroll, HR, and Tax Challenges

Why Your Cannabis Business Needs a Modern Solution



o o o o

Are you a cannabis/CBD company struggling to navigate payroll, HR, and tax challenges? You are not alone.

The rapidly evolving cannabis and CBD industry brings with it a certain set of complexities that can make managing payroll, HR, and taxes a daunting task. **Therefore, finding the right software solution to support your business is key.**

In this eBook, we will discuss ways to tackle the unique challenges facing your industry, outline key criteria for selecting the ideal solution to support your business, and showcase what makes Greenshades' in-house payroll solutions stand out from the rest.



Generic solutions simply won't cut it when you're dealing with products that are still considered illegal by the federal government.

Today's Top Challenges

What Your Cannabis Company is Likely Facing

Not only do cannabis and CBD businesses face the typical payroll, HR and tax challenges, but you also get the added bonus of dealing with legal grey areas, confusing regulations, and limited options for banking and software solutions.

● **Time-Consuming Payroll Processes**

It is tough to manage payroll for the variety of employees in the cannabis industry, such as cultivators, processors, and distributors. Without the right software, manual handling becomes necessary - resulting in increased processing times, higher error rates, and the potential for legal complications.

● **Financial Hurdles**

Many banks won't touch cannabis or CBD companies due to the federal restrictions, creating significant hurdles for businesses in managing finances. Some even resort to using cash to pay their employees, which is inconvenient and heightens the risks of theft and fraud.

● **Complex Taxation and Regulations**

Despite the legal status of cannabis and CBD in certain states, their federal illegality creates a whole host of headaches when it comes to taxation and regulation. Companies have to navigate a complex web of state and federal laws, which often conflict with each other.

Sales Tax

- All cannabis/CBD products are subject to sales tax in states where they are legal - but the tax rates can vary among local jurisdictions and from state to state.
- Certain products, such as edibles, may be responsible for an additional tax or excise tax.

State and Local Taxes

- Cannabis/CBD companies may be subject to other state and local taxes, such as excise taxes, cultivation taxes, and business taxes, which vary from state to state.

Specific Reporting Requirements

There are not only state-specific regulations governing how you can operate, there's also specific reporting requirements your business must follow. Processing federal and state unemployment forms, handling new hire reporting, and navigating IRS Code 280E reporting can be a big hurdle.

Cost of Goods Sold (COGS)

- COGS includes all direct costs associated with producing and selling products, such as production costs, labor costs, and packaging costs.
- COGS are used to determine gross profit, which is then reported under IRS section 280E.

IRS Section 280E

- Cannabis/CBD companies are not allowed to take standard business deductions under the section 280E of the Internal Revenue Code.
- Businesses can only deduct the cost of goods sold (COGS) from their taxable income.

As a cannabis/CBD company, it is imperative to have a thorough understanding of tax rules and regulations specific to the industry. Failure to comply with these regulations can result in hefty penalties and legal troubles.



It is essential to find a reliable payroll provider that is able to work with the industry's distinct requirements.



◦◦◦◦

Choosing the Right Software

Optimizing Operations

How to Find a Solution for Your Challenges



If you have encountered these challenges, you are likely wondering - what's the solution?

The answer seems simple - find the right software. The right software can streamline your payroll processes, improve employee management, and maintain accurate record-keeping, all while ensuring compliance with the law.

But choosing the right software is easier said than done.



The criteria for choosing software should include industry-specific features and customization options, cost-effectiveness, scalability with business growth, and most importantly, customer support and resources.

Modern Solutions to the Rescue

How Payroll, HR and Tax Solutions Make a Difference

The right software can help alleviate the burden of compliance, improve operational efficiency, and allow you to focus on the growth and success of your business by providing:

Accurate and Overtime Payroll

Automate complex calculations, support union contracts, handle payroll taxes, and more to optimize processes. With an in-house provider, choose the best method for paying employees while maintaining control over banking and cash flow.

Compliance with Less Hassle

Navigate complex and ever-changing laws and regulation effectively with features such as multi-state support, automated overtime pay calculations, tax withholding management, and more.

Streamlined HR Processes

Save valuable time and reduce errors by automating tasks like new hire onboarding, simplifying the recruitment process, and providing tools for effective performance management.

Reporting Made Easier

Robust reporting tools and automated processes simplify reporting requirements, providing the necessary reports and analytics to comply with regulatory obligations at all levels.



Payroll, HR, and tax challenges in the cannabis and CBD industry can be overwhelming at times. But with the right software, those challenges can be overcome.

What To Look For

How to pick the right solution



Industry Experience

Drive operational success with a provider that can offer tailored solutions to meet the unique requirements of your industry.



Compliance and Regulatory Knowledge

Streamline compliance obligations with processes and systems that are configured for state-specific regulations, 280E tax code, and other industry-specific requirements.



Integrated Solutions

Enhance your operations by integrating your solutions into a single platform to streamline processes, reduce administrative burden, and minimize errors or data discrepancies.



Scalability and Flexibility

Empower your business's growth with a solution that scales alongside your business, offering configurable features to align with your distinct needs.



Effective Customer Support

Enhance the success of your business by ensuring that your needs are met promptly and equipping your team with everything they need to thrive.



A photograph of a greenhouse with a brown frame and clear plastic covering, situated in a lush garden. A gravel path leads towards the greenhouse from the left. The background features tall evergreen trees and a mountain range under a bright blue sky with wispy clouds. A teal banner is overlaid on the image, containing the text 'The Greenshades Difference'.

o o o o

The Greenshades Difference

Elevate Your Business

The Advantages of a Unified Solution



So, why should you choose Greenshades over other software solutions? Our cannabis/CBD-specific features, configurable platform, and dedicated customer support cater directly to your industry's needs.

Our in-house solutions also streamline your payroll processes, help to maintain accurate record-keeping, and simplify employee management and communication. Plus, with Greenshades, you don't have to worry about scaling or costs - we grow with you and offer a flexible pricing model.

At the end of the day, our goal to help you stay focused on what matters the most - building your business.



Thankfully, Greenshades offers unique solutions to make payroll, HR and tax management a piece of cake for cannabis/CBD companies.

Features of Greenshades Payroll

Support Your Unique Payroll Needs

Confidently handle your unique payroll needs in-house with the ability to manage complex pay schedules, unlimited earning codes, garnishments, and more. With multi-state support, our solution supports payroll processing for businesses with nationwide operations.

Retain Control Over Finances

Gain complete control over payroll processes and take charge of your cash flow with our in-house payroll solution. Enjoy the freedom to choose any bank for your direct deposit system, without limitations.

Easily Manage Employees

From hiring to payroll, Greenshades has you covered. Easily manage employee information, track sick time, vacation time, and benefits all in one place. Our user-friendly platform simplifies employee time tracking, facilitates a streamlined timesheet review process, and handles complex pay calculations effortlessly.

Handle Reporting with Less Hassle

Use our payroll module to easily create and manage custom fields for reporting within the Greenshades solution as well as your accounting or ERP system. This powerful feature ensures your payroll data is accurate for 280e reporting and much more.

Manage All Levels of Compliance

Effortlessly navigate the unique complexities of the cannabis industry with comprehensive support of multi-state companies, overtime pay management, tax withholding, and more.








Greenshades reduces the time required to accomplish certain tasks and makes the process more efficient and organized. This, in turn, frees up time to dedicate to the process improvements that sustain the company's growth."

Angelo Tremolada
The SEFA Group

Is Greenshades Right for You?

What Makes Us Different

- **Reduce the time needed to complete payroll.**
Quickly and accurately complete pay runs utilizing our payroll wizard.
- **Easily manage complex payroll calculations.**
Intricate and complex calculations are easy to handle within our payroll solution.
- **Support all types of employees.**
Handle piece-work pay, union contracts, garnishments, and more within our solution.
- **Retain the technology stack of your choice.**
With an open API, our solution integrates with your preferred business management systems.
- **Scale your processes within the system as you grow.**
Our system is agile and adaptable to meet your business's unique needs.

Greenshades Payroll seamlessly combines speed, accuracy, and productivity to optimize your operations. **See how Greenshades gives your cannabis or CBD company the flexibility and confidence you've been searching for.**



○○○○

What's Next?

Getting Started with Greenshades

What the Process Looks Like

Choosing Greenshades as your Payroll, HR, and Tax solution is a significant step towards transforming your processes. Once you've made the decision to upgrade to our comprehensive solution, **it's time to kickstart the implementation process and set yourself up for success!**



Rally the Team

Gather your key stakeholders and discuss the change. Their insights and active involvement are crucial for a successful implementation.



Optimize the Solution

Thoroughly test our solution to ensure it aligns with your unique payroll requirements. Review potential configurations to achieve an optimized system that is fully equipped to support your operations.



Maximize Your Workforce's Productivity

Empower your team members by communicating about the new solution. Our intuitive interface equips your team with all the essential tools and resources they need to thrive in their roles.



Master Your Processes

Collaborate closely with our dedicated support team to become experts in the system and unlock the full potential of Greenshades Payroll.



Greenshades' intuitive solutions open doors to enhanced performance and success.

Elevate Your Operations

with Greenshades



If outdated systems and overwhelming industry challenges are limiting your business's growth, a modern solution can transform your processes and propel your business forward. **Consider the power of Greenshades today!**

Thank you!

Contact us today to learn more about utilizing the power of Greenshades for your Cannabis/CBD business.

sales@greenshades.com

go.greenshades.com

[888-255-3815](tel:888-255-3815)

