



**Practical Advice from an Auditor and
Financial Services Provider**
July 13, 2021



Zoom Webinar Tips



■ Ask Questions in Q&A Box

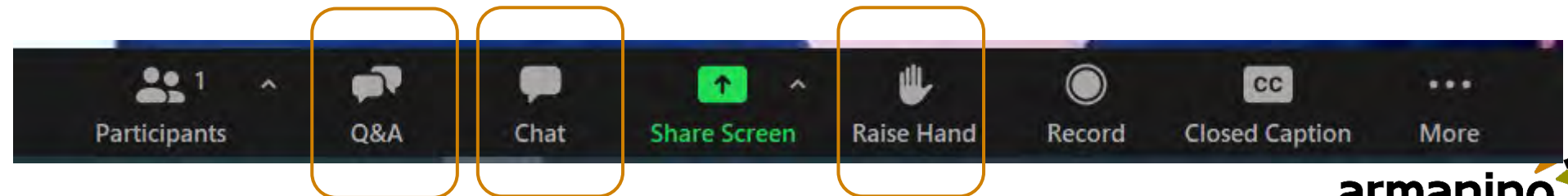
- Click the **Q&A button** to open the window
- Type your response in the text field
- Click Send

■ Chat

- Click the Chat button to open the chat panel
- Type your message in the Text box at the bottom of the panel
- Press Enter to send your message

■ Raise Your Hand

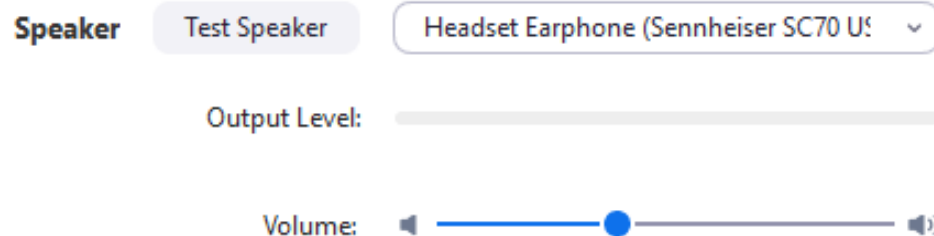
- Click the **Raise Hand** button at any time to indicate to the host know that you have a question or need assistance
- To lower your hand, click the **Lower Hand** button





Adjust Audio Speakers

- In the meeting controls, click the arrow next to Mute/Unmute in lower left corner
- Click Audio Options - this will open your audio settings
- Click Test Speaker to play a test tone
- If you cannot hear it, select a different speaker from the menu or adjust the Volume



To Qualify for CPE:

- Actively respond to all polling questions and stay on for the duration of the broadcast
- If you have technical difficulties responding to the polls, send an email to Elevate@armaninoLLP.com with the name/date of your session along with your poll responses

Today's Presenters



Mike Goral

*Partner-in-Charge,
National Cannabis
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Patrick Chung

President, MRB Pay



Agenda

- Understand the importance of tracking COGs to meet 280E guidelines
- Learn the connection between lending opportunities, accounting and compliance
- Use technology effectively for finance and compliance
- Determine best practices for keeping organized files to save time and money

THE IMPORTANCE OF TRACKING COGS

- Need for precise bookkeeping and record keeping
- Determination of COGS is a gray area with many interpretations
- Impact of tax returns on exit strategy and due diligence from buyer



LENDING OPPORTUNITIES, ACCOUNTING & COMPLIANCE

- Lenders feel more comfortable lending when bookkeeping is aligned with the financials and tax returns
- Compliance for regulatory matters (e.g., Metrc) provides bankers with comfort that loans will be repaid
- In time, compliance will be a key factor in reducing borrowing costs, as firms with better compliance will attract more lenders



TECHNOLOGY FOR FINANCE AND COMPLIANCE

- > No one stack solution
- > What is most important use of your technology budget?
- > Scalability and expansion considerations

WHY SOFTWARE IS IMPORTANT



- Compliance



- Productivity



- Accuracy



- Quality



- Financials



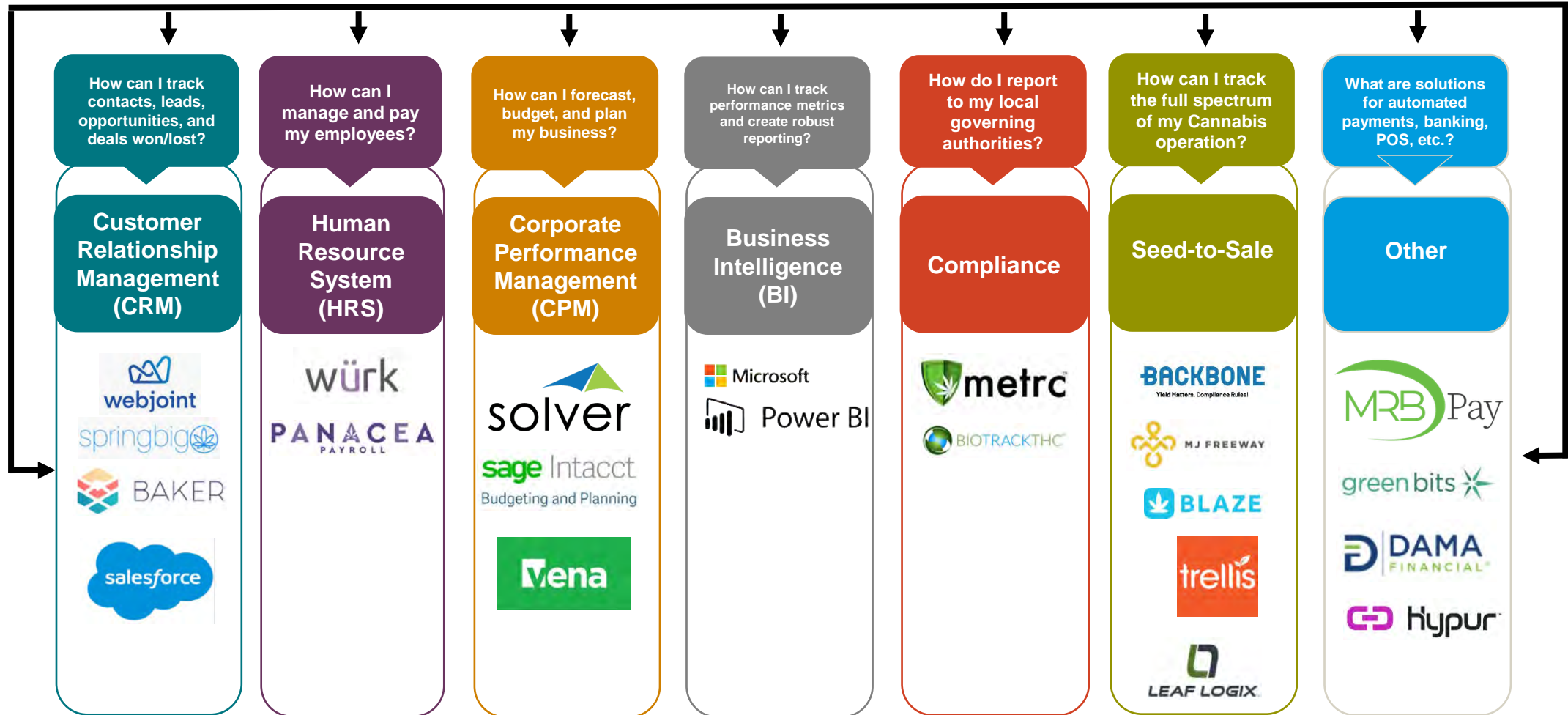
EXAMPLE OF A CANNABIS TECHNOLOGY STACK



ACCOUNTING / FINANCIAL MANAGEMENT SOFTWARE



Real Time Data Visibility



BEST PRACTICES FOR KEEPING ORGANIZED FILES

- Keep files digitally in a consistent manner under the following categories:
 - Corporate (Articles of Incorporation, Ownership Info/Stockholders)
 - Employees (Employment Agreements, Organization Chart, Benefits)
 - Office, Facilities and Equipment (leases, contracts for maintenance and capital expenditures)
 - Licensing (Cannabis licenses (including the applications), environmental, local)
 - Customers/Vendors (current list, contracts, invoices)
 - Litigation (including any governmental investigations or inquiries/decrees)
 - Financial Statements/Accounting
- It's OK to organize files differently, so long as you are consistent, and the files are easily accessible
- An ERP for day-to-day operations is worth the investment

QUESTIONS?

- > Have additional questions? Contact one of our experts directly.
- > Mike Goral, Partner-in-Charge, National Cannabis Practice
Mike.Goral@amLLP.com | 310.745.5882
- > Patrick Chung, President, MRB Pay
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CANNABIS RESOURCES

- > Article: [How to Maximize Your Cannabis Company's Valuation in M&A](#)
- > Article: [Is Your Cannabis Company's Tech Stack Ready to Scale?](#)
- > Article: [Why IRS Cannabis Audits Are Likely to Increase and How You Can Prepare](#)
- > Check List: [Is an ERP System Right for Your Cannabis Company](#)
- > Article: [Are Your Books and Records Audit Ready?](#)

