

# BANKING BUD

March 2024



## Making Waves in the Industry

### ENTREPRENISTA TOP 100 FINALIST

The ACBA has been named as a finalist for the Entreprenista awards, recognizing women-led businesses

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### NCAA DRUG TESTING

The NCAA has started considering dropping cannabinoids from its banned substances

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### BANKS VS. DISPENSARIES

How these two businesses are different sides of the same coin

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# The Entreprenista 100

In February, the ACBA won the 2023 Entreprenista 100 award as a women-owned company making waves in the business service industry! Thanks to the hard work of Founders Erin O'Donnell and Meridith Beird, the ACBA has now been recognized for its dedication to women and minorities.

The Entreprenista awards are presented every year by Chase Ink as a way to showcase female entrepreneurs and celebrate their myriad of successful ventures. From the top 100, five incredible women will be selected for additional awards:

1. Entreprenista of the year
2. Innovator of the year
3. Changemaker of the year
4. Community Builder of the year
5. Uplifter of the year

These titles will be announced at the Entreprenista Founders Weekend- Health and Wellness Retreat the first weekend of May. The beauty of this event is that it is open to everyone! If you want to be a part of an incredible, uplifting weekend, you can learn more and buy your ticket from their website: [foundersweekend.entreprenista.com](https://foundersweekend.entreprenista.com).

The ACBA strives to uplift women and minorities in this industry, and so we are thrilled to receive this recognition as a female-majority owned company ourselves. One of our exciting ventures we recently launched is our ACBA [scholarship](#) to give more people access to our education and help them get ahead. Visit our site to learn more and apply today!



## FI Memberships

Annual Membership for banks and credit unions that already bank cannabis or are looking for answers. Membership provides access to ALL employees!

### Membership includes:

- Webinars and Certifications
- Industry Advisory Council (Fis ONLY)
- Ask the Expert
- "High 5" Briefings
- And MUCH more!

\$5,000 for 12 full months



## Corporate Memberships

Annual Membership for cannabis-related businesses such as consulting firms, fintech, vendors, associations and other related firms. Membership provides access to ALL employees!

### Membership includes:

- Webinars
- Certifications
- Ask the Expert
- "High 5" Briefings
- And MUCH more!

\$7,500 for 12 full months



## Individual Memberships

Annual Membership for individual professionals from banks, CUs, consulting firms, and vendors seeking their own self-paced educational programs into Cannabis Banking.

### Membership includes:

- Webinars
- Certifications
- Ask the Expert
- "High 5" Briefings
- And MUCH more!

\$995 for 12 full months

The NCAA is at a crossroads regarding marijuana use by student athletes. After years of including it on the banned substances list, a growing movement advocates for its removal. This shift comes amidst a changing legal landscape surrounding marijuana and a reevaluation of its performance-enhancing properties.

The impetus for this change stems from the NCAA's Committee on Competitive Safeguards and Medical Aspects of Sports (CSMAS). In September 2023, the committee recommended that all three NCAA divisions remove marijuana, or more precisely cannabinoids, from their lists of banned substances.

This recommendation aligns with the December 2022 Summit on Cannabinoids in College Athletics, which concluded that marijuana doesn't provide an unfair advantage.

The idea to remove cannabinoids from the banned list has several arguments: Firstly, the committee acknowledges the ineffectiveness of current policies. Testing positive for marijuana often leads to suspensions, hindering athletes' careers without a clear performance-enhancing benefit. Secondly, a harm reduction approach is gaining traction. Similar to how the NCAA handles alcohol use, this strategy aims to educate athletes about responsible marijuana use rather than imposing strict penalties.

This proposal, however, isn't without its critics. Concerns linger about potential cognitive and mental health impacts of marijuana use, particularly on young adults. Additionally, some argue removing the ban could send the wrong message, potentially encouraging marijuana use among athletes.

The NCAA currently allows each division to vote on its own legislation. If all three divisions approve, cannabinoids could be removed from the banned list entirely. This decision is expected by the fall of 2024. Regardless of the outcome, the NCAA's reevaluation of marijuana policy reflects the evolving cultural and legal landscape surrounding cannabis use.



# Banks vs Dispensaries

Ever since the release of the Cole Memo over a decade ago, estimates indicate that the burgeoning cannabis industry has expanded to over 10,000 brick-and-mortar dispensaries nationwide. Unfortunately, many of these facilities lack documented, proven policies and procedures necessary to manage and mitigate compliance and operational risks associated with dispensary demands. However, these dispensaries share many similarities with branch banking from which dispensaries can learn and mitigate their risks.

This intriguing alignment is not merely coincidental but a reflection of the stringent regulatory frameworks and the

high-value transactions that characterize both sectors. During the 1990s, retail banks followed in the path of popular publications like Michael Hammer's 'Re-engineering the Corporation' to implement process improvements in branches for mitigating risks around cash handling, improving customer service, streamline audit tracking and reporting, while reducing or redirecting staffing levels tasked with managing and adhering to these new procedures. After two decades of these improvements, most retail bankers see these improvements as part of the fabric of their branch networks.



With more and more recreational dispensaries popping up around the country, learning how to bank cannabis-related businesses is a **MUST**.

Check out our webinars and certifications on safely banking CRBs at [www.theacba.org](http://www.theacba.org).

Now, as we delve into the operational dynamics of cannabis dispensaries, it becomes apparent that the functions and roles of cannabis dispensaries mirror many of the processes, risks, challenges, and structures of bank branches prior to this re-engineering.

These similarities can provide a roadmap for helping dispensaries not only mitigate many of their own risks, but create common ground for alleviating compliance concerns, improving operational consistencies, and building understanding with financial services professionals who will recognize the efficacy and usefulness of processes and procedures that they recognize.

**There are 3 that this article briefly highlights:**

- Lobby/Common Area
- Internal cash handling
- Security procedures and confidentiality

**Lobby/Common Areas**

Branches have always been focused on customer flow, based on broad assumptions about customer requirements in the Lobby. For example, while smaller branches may only have 2 or 3 functional areas (e.g. Teller, Platform and, perhaps a Safe Deposit or Merchant Services area),

larger branches may have Express Teller, Commercial Teller, Note Services, Commercial Lending, etc. Additionally, the branch may have a segregated area for client consultation, closings, and where increased need for privacy exists.

The dispensary appearance and layout is amazingly similar to the typical bank branch, depending on the size of the facility. Smaller businesses may be limited to a single sales counter with limited displays and privacy. However, more common dispensaries often get divided into groups like Medical, Recreational, and CBD. Furthermore, many dispensaries even have private areas for consulting with patients carrying medical cards.



Even a trip to the famous Planet 13 Dispensary in Las Vegas has so many budtender stations that it's reminiscent of many Citibank, Chase, and Bank of America Main Offices in the 80's and 90's!



Frankly, it's much more like an Apple Store than a dispensary, with product displays throughout that customers can browse while waiting for their text message from a budtender. Planet 13 also goes far beyond the boundaries of just a dispensary, with entertainment options including a nightclub, comedy show, café, restaurant and much more (*bankers take note of some creative ways to repurpose those huge, largely vacant brick-and-mortar offices!*)

### **Internal cash handling**

Probably the most striking similarity between the two brick-and-mortar facilities lies in the heavily regulated handling of cash transactions. While the Bank Secrecy Act has been in force since 1970, the increased focus on reporting and tracking of cash activity with Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs) became a major compliance focus in the early '80s.

Anti-Money Laundering (AML) efforts increased significantly after 9/11 with the Patriot Act, KYC/Due Diligence, Beneficial Ownership, etc. This resulted in branches having to tighten their processes around the acceptance, recording, tracking and transport of cash. Automation helped, with many branches installing devices like Teller Assist Cash Dispensers to mitigate risk associated with defalcation, robbery, and cash errors. Additionally, manual improvements included Dual Pouch Tamper-Evident Pouches which enable the sealing of cash in one side and clear, re-sealable pouch for documents on the other. These pouches allow Tellers to buy/sell cash without having to reverify the contents as long as the pouch is still sealed.

With the major credit card networks continuing to restrict access to debit and credit card transactions, over 80% of all dispensary activity is cash-based, creating cash handling requirements from the point of customer contact to when the dispensary deposits the cash.

Dispensaries have faced a variety of challenges in this regard but can learn from the process improvements branches implemented in past decades. Automation like dual-throated dispensaries between budtenders can both expedite transactions for taking and giving back cash, but also provide additional security just like in banks. Furthermore, using dual pouches for moving money and documents between personnel provides tamper evident proof that currency hasn't been altered since it was closed.

Many dispensaries report difficulty in transporting cash to the bank, however, and this is an area where private, bonded armored couriers need to step up. Until VISA and MC open up their networks, dispensaries desperately need more secure resources willing to help them reduce the risk of crime and personal injury associated with high volumes of cash.

## **Security procedures & confidentiality**

Finally, branches have always had confidential procedures enabling them to identify and respond to both external and internal threats. These proven procedures can be easily applied to dispensaries.

- Silent Robbery Alarm Activation
- Dependable and Bonded Security Protection
- Internal cameras and surveillance
- Dual control for cash and inventory control
- Bait Money, Die Packs, etc.
- Opening and Closing Procedures that vary
- Vigilance about customers coming and going
- Clear parking lot signage, lighting and cameras
- Regular internal 'surprise' audits and monitoring

While this is just a short list of proven branch security procedures, NONE of them work well if personnel discuss it with others. Troy Evans, a regular instructor for our BankersHub company, was a career bank robber who served 8 years of a 12-year federal sentence after admittedly robbing hundreds of banks. He spent years teaching bankers about robbery prevention and freely admitted he honed his craft because his girlfriend was a bank teller who casually chatted about her bank's security procedures.

Troy emphasized that every bank (and dispensary!) must have EVERY employee sign iron-clad confidentiality agreement around all policies and procedures with significant consequences for violation. His point was that even significant others can be prone to temptation and should have no valid, need-to-know reason for learning about how the branch or dispensary protects itself. Above all, THIS is one of the most relevant and significant similarities that can benefit BOTH frontline industries.

There's often a divide between banks and dispensaries due to the uncertainty within this budding industry. However, they're more alike than people realize! To learn more about the basics of the cannabis industry, check out our webinars and certifications.

# Upcoming Events



## Introduction to Cannabis Banking

Tuesday, March 26

1-2 pm EST

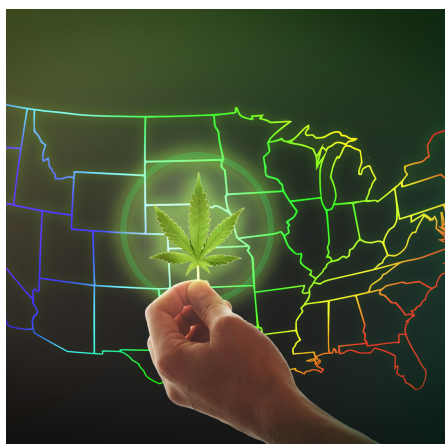
Banking cannabis businesses creates challenges that can be daunting due to the lack of federal oversight. In this webinar, we break down some of the obstacles and explain what you can do to lessen the risks and, conversely, learn about opportunities that are presented when taking on these clients.

## Understanding Reputational Impacts on Cannabis Banking

Thursday, April 4

1-2 pm EST

In the dynamic landscape of cannabis banking, understanding and managing reputational impacts is crucial for financial institutions. This webinar delves into the interplay between regulatory compliance, risk management, and stakeholder communication.



## Understanding the Rescheduling of Cannabis

Monday, April 15

1-2 pm EST

Delve into the current changes in the cannabis industry with our webinar on what re-scheduling of cannabis as a schedule 1 to a schedule 3 drug would mean for the entire industry.

Need more content? We offer memberships that give you and your organization access to all of our webinars!

We also offer certifications to ensure you are kept up to date in this ever-changing industry.