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After the SAFE vote in US House, here's what you need to know about the current state of banking in the marijuana industry

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The U.S. House of Representatives' vote approving legislation that would pave the way for financial institutions and insurance companies to serve [state-legal marijuana businesses](#) without fear of reprisal is a milestone for the cannabis industry.

Nevertheless, the 321-103 House vote is but another step on a long and often bumpy legal road toward changing how marijuana businesses handle their finances.

Until we find out whether the SAFE Banking Act will make it to a vote on the Senate floor, here's what you need to know about the current state of banking in the cannabis industry, as previously reported by Marijuana Business Magazine.

How it got started

In 2013, while serving as assistant deputy chief at the U.S. Department of Justice, John Vardaman co-wrote the landmark Cole Memo outlining how financial institutions can open and service accounts for marijuana-touching businesses.

In effect, the memo gave banks and credit unions the U.S. government's tacit blessing to serve cannabis businesses, contrary to federal banking laws.

Now chief compliance officer and general counsel with Simplifya, a company that helps cannabis businesses manage compliance requirements, Vardaman discussed in an interview how the banking memo came to be, what he would have done differently and his outlook at the time for cannabis banking.

The interview can be [accessed here](#).

Understanding the rules

Knowing the procedures your banker must follow to take your marijuana company's cash is the first step to landing and maintaining a solid banking relationship, according to Ken Berke, co-founder and CEO of PayQwick, a firm that offers electronic payment solutions for cannabis companies and works with banks servicing the industry to help keep them compliant.

Banks that do service the industry must follow a complicated patchwork of federal guidance and costly compliance rules – or risk losing their charter, Berke noted.

We spoke with Berke about why marijuana businesses should put themselves “in the shoes of your banker (to) know what's important to them.”

To read the full interview, [go here](#).

Landing a bank account

Despite greater public, political and legal acceptance of cannabis, opening an account at an accredited bank or credit union remains one of the most difficult challenges of running a marijuana business.

While banking pickings are slim – 715 banks and credit unions were serving U.S. marijuana-related companies at the end of the second quarter, according to federal data – every state has at least one financial institution that serves cannabis businesses, said Gary Rosen, a partner in the advisory group of Marcum, a national business and accounting firm.

What does it take for a marijuana business to land an account at one of these banks or credit unions? That depends on the internal financial and compliance controls the business has and how thorough and organized its records are. The state where a marijuana company operates can also play a role.

To learn more, [click here](#).

Maintaining your account

Cannabis businesses that have managed to land an account say doing so involves a lot of determination, ample preparation, a bit of luck and – more often than not – some connections.

But establishing an account is only half the battle.

Keeping it can be just as hard, while monthly fees can chip away at your bottom line.

To read about not only the complexities in getting an account, but how maintaining it also requires a lot of precise reporting on the part of dispensary owners, [click here](#).

Banking-related services

While the industry waits to see what the federal government does about banking, a small but significant subsector of companies has emerged in recent years, focusing on connecting marijuana-related businesses with bank accounts and related services, such as the ability to accept electronic payments.

Here's a look back at some [banking-related services](#) that cannabis companies have been able to call upon.

But keep in mind: No two banking or payment solution companies offer the same services. Some are extremely selective about their client base.