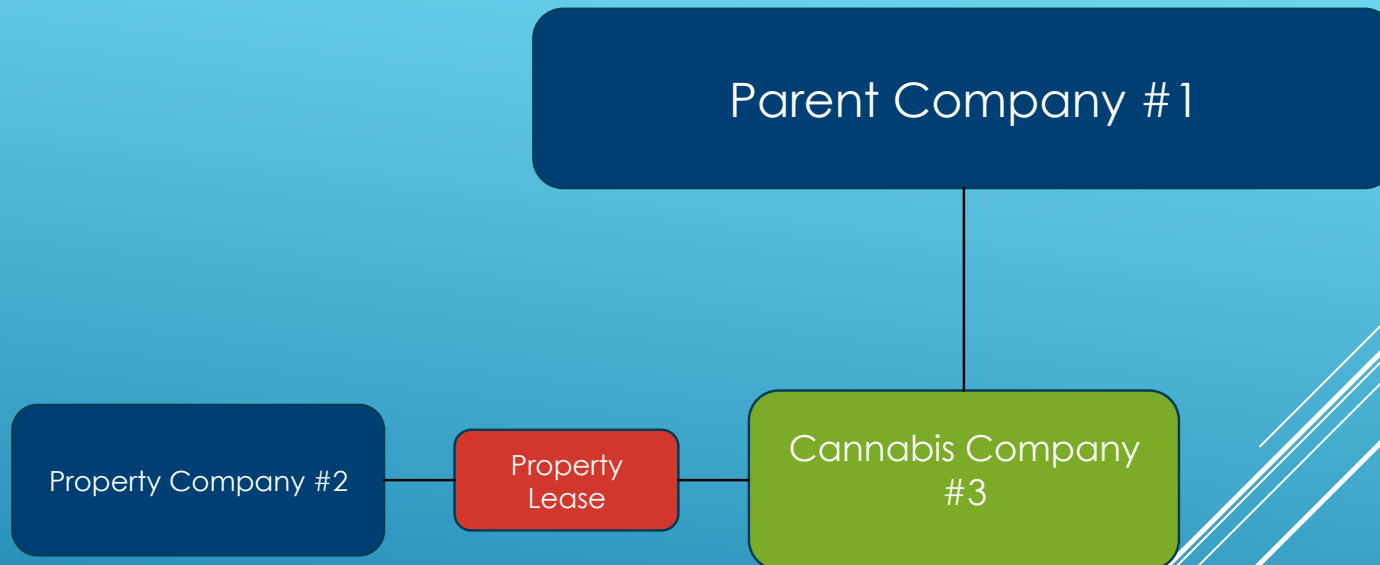


NACB: ACCOUNTING FROM THE START OF A BUSINESS

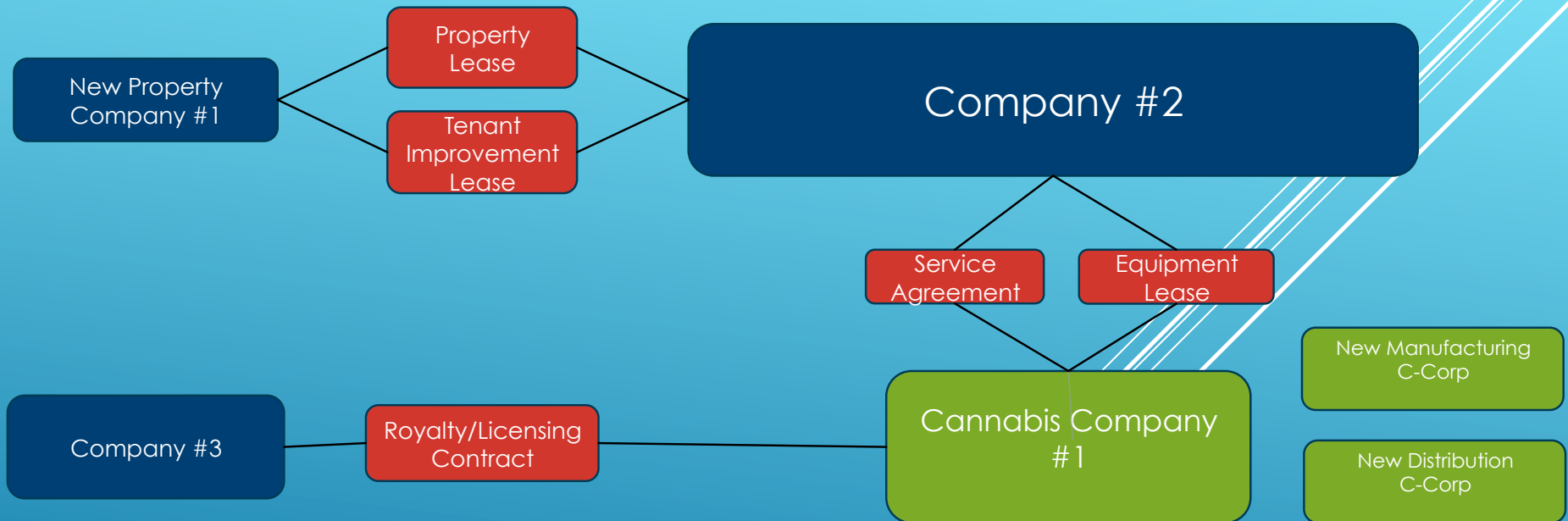
John Barthel, CPA
BLY CPA LLP

NORMAL BUSINESSES



- **Blue:** Non-Cannabis Company
- **Green:** Cannabis Company
- **Red:** Contract

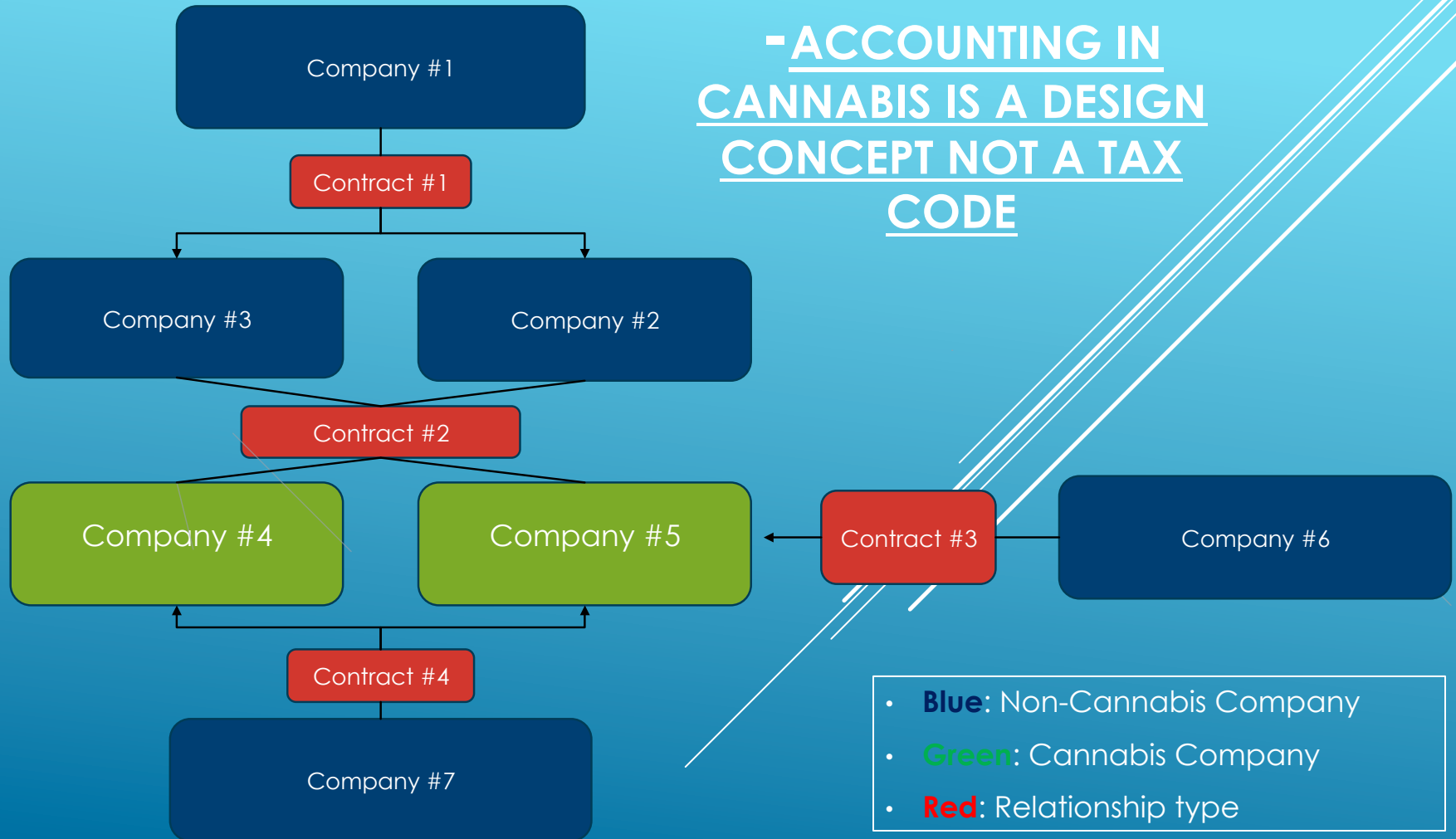
SOPS ARE WHERE ACCOUNTING STARTS



-How you layout your business processes and build out design determine 280e effects

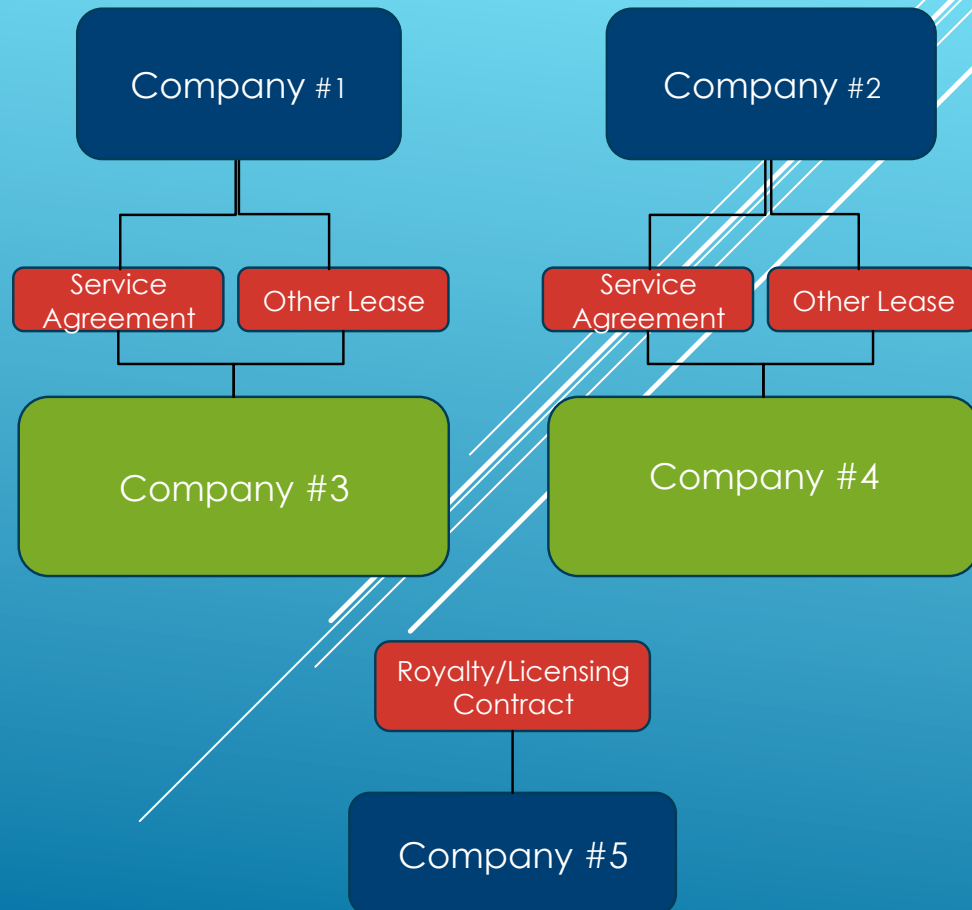
- **Blue:** Non-Cannabis Company
- **Green:** Cannabis Company
- **Red:** Contract

- ACCOUNTING IN CANNABIS IS A DESIGN CONCEPT NOT A TAX CODE

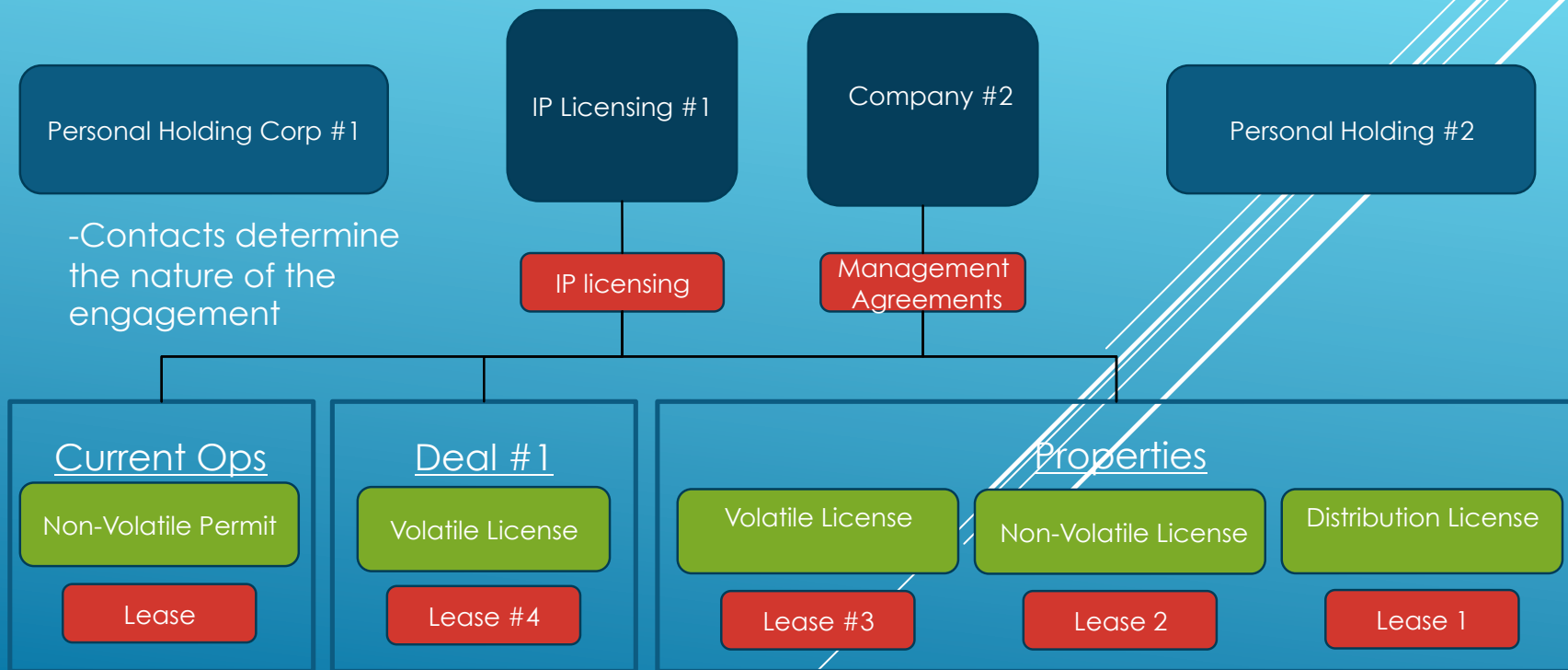


MORE COMPANIES IS NOT BETTER!

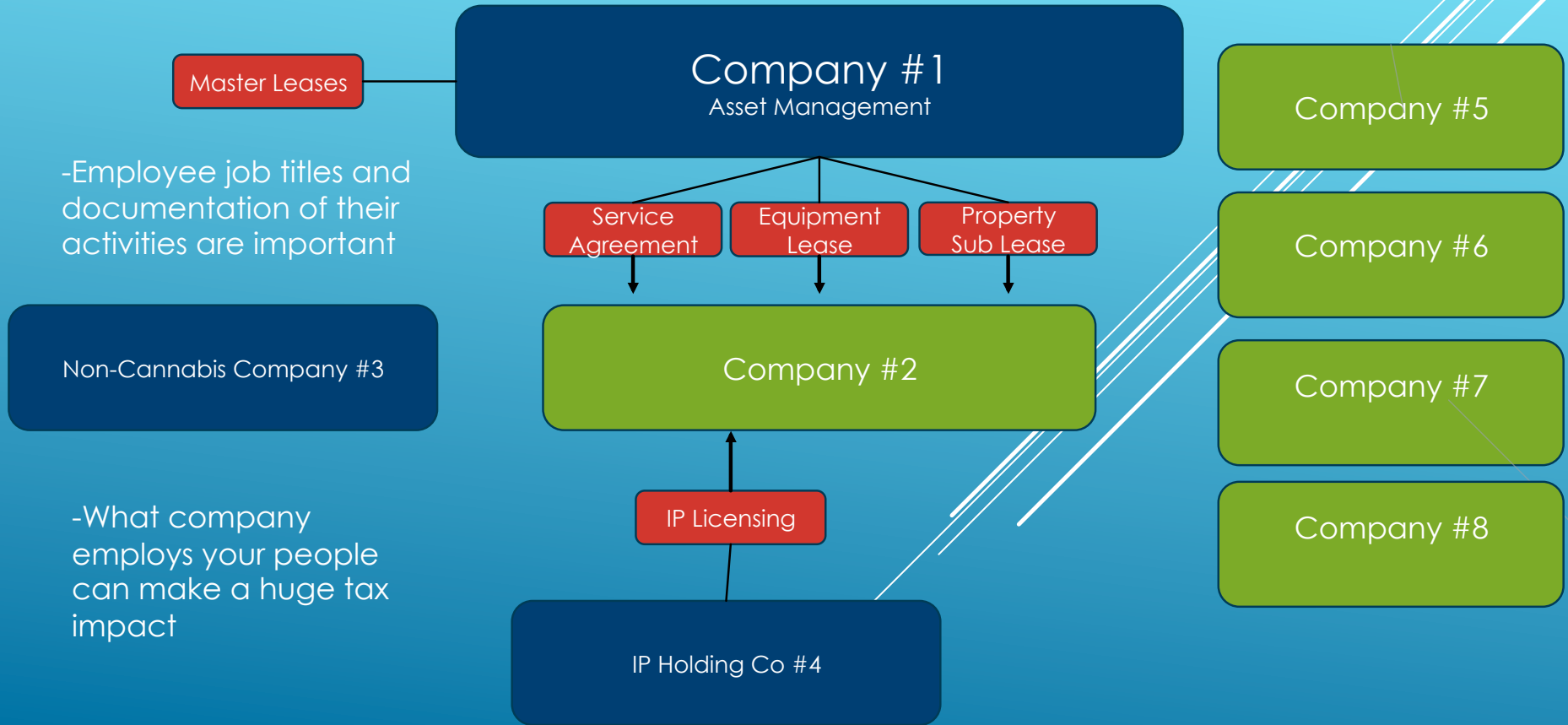
- Over Complicated structures often lead to greater tax liability
- Unless companies are actual not related, often your increasing the tax liability
- Keeping separation is very difficult
- The IRS is aware of structuring schemes the industry has been using



-Contracts between entities and how they are structured can determine their deductibility

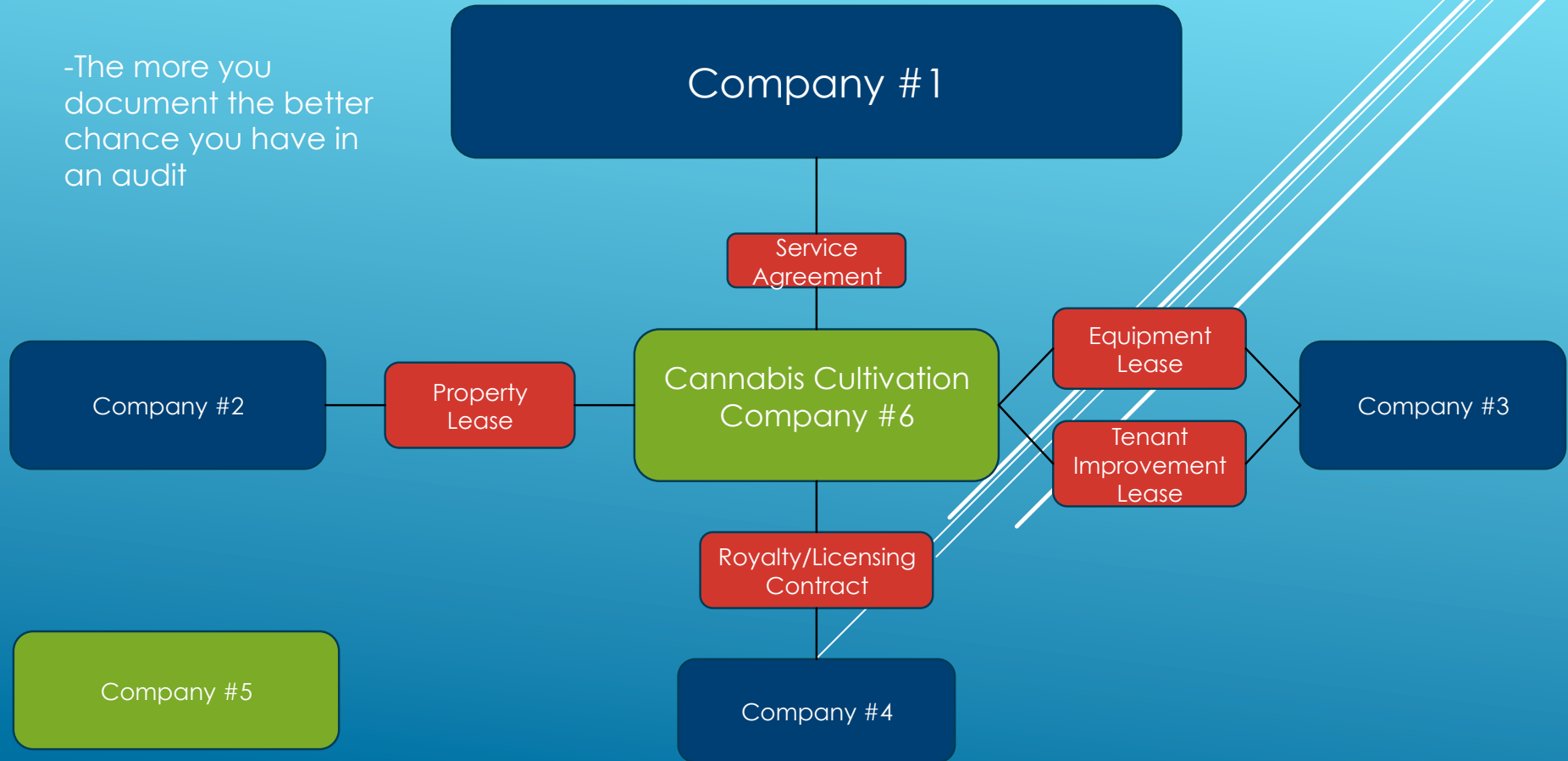


-WHERE YOU EMPLOY YOUR PEOPLE MATTERS



DOCUMENTATION IS THE KEY TO SUCCESS IN CANNABIS

-The more you document the better chance you have in an audit



QUESTIONS?

