NEW LICENSEE RESOURCE

New Licensee Payroll Readiness Checklist

A practical path from license approval to a confident first payroll.

Opening a cannabis business means a lot of moving pieces have to become real at the same time. Use this checklist to organize the payroll and people side of your launch. Requirements vary by state, entity and operation type, so treat this as a planning tool and confirm legal, tax and licensing requirements with the appropriate professionals and agencies.

YOUR PATH TO FIRST PAYROLL

LICENSE	FOUNDATION	PRE-HIRE	FIRST PAYROLL	OPENING	FIRST 90 DAYS
Confirm the business setup	Build payroll infrastructure	Prepare to hire	Run and verify	Operate cleanly	Review and improve

01 LICENSE & BUSINESS SETUP

Before payroll configuration begins.

- ☐ Confirm legal entity name, EIN and operating entity structure.
- ☐ Identify every state and local jurisdiction where employees will work.
- ☐ Confirm expected opening date and target first payroll date.
- ☐ Identify ownership or entity complexity that may affect payroll setup.

02 PAYROLL FOUNDATION

Build the rails before employees arrive.

- ☐ Choose a payroll and HR provider that supports your business type.
- ☐ Establish a business banking relationship that can reliably fund payroll.
- ☐ Identify payroll tax registrations and account numbers that will be needed.
- ☐ Choose payroll frequency and create a realistic processing calendar.

03 WORKFORCE PLAN

Know who you are hiring and how they will work.

- ☐ Estimate opening headcount by location and role.
- ☐ Define hourly, salaried and other worker classifications with qualified advisors.
- ☐ Set pay rates, pay policies and approval responsibilities.
- ☐ Determine whether timekeeping, scheduling or tip workflows are needed.

04 HR & ONBOARDING

Prepare the employee experience before day one.

- ☐ Create a consistent new-hire onboarding process.
- ☐ Prepare required employee forms, policies and acknowledgements.
- ☐ Decide how employees will access pay statements and tax documents.
- ☐ Set up PTO, sick leave and other applicable policies in the system.

FROM FIRST HIRE TO FIRST PAYROLL

Make payday boring. That is the goal.

The first payroll should feel like the result of good preparation, not the moment you discover what is missing.

05 BEFORE THE FIRST HIRE

Get the system ready before invitations go out.

- ☐ Configure departments, locations, job titles and manager permissions.
- ☐ Set up earning and deduction codes that match the operation.
- ☐ Confirm direct deposit, check or pay-card workflows.
- ☐ Test employee onboarding and manager approval workflows.

06 BEFORE FIRST PAYROLL

Verify the details while there is still time.

- ☐ Confirm every employee is active in the correct entity and location.
- ☐ Verify pay rates, hours, deductions and bank details.
- ☐ Confirm payroll funding timing and approval deadlines.
- ☐ Run a pre-processing review and resolve exceptions before submission.

07 OPENING DAY

Keep operations and payroll connected.

- ☐ Make sure managers know timecard and payroll approval deadlines.
- ☐ Give employees clear instructions for accessing pay information.
- ☐ Document who to contact when payroll needs immediate attention.
- ☐ Create a process for hires, terminations, transfers and pay changes.

08 FIRST 90 DAYS

Use the first few cycles to tighten the process.

- ☐ Review payroll reports and reconcile unexpected variances.
- ☐ Confirm tax notices and agency correspondence have an owner.
- ☐ Review overtime, scheduling, turnover and labor trends.
- ☐ Revisit permissions, integrations and workflows as the team grows.

DO NOT WAIT UNTIL THE WEEK OF FIRST PAYROLL.

Banking, tax registrations, employee data, implementation and approvals can all introduce dependencies. Work backward from your target first-pay date and leave room to test the process before employees are counting on it.

WHO OWNS WHAT?

PAYROLL

Who submits, approves and reviews payroll?

HR / PEOPLE

Who owns onboarding, records and employee changes?

FINANCE

Who confirms funding, reconciliation and accounting?

OPERATIONS

Who approves time, scheduling and location changes?

PAYROLL IS ONE PIECE OF THE OPENING PLAN

What else does your business still need?

A new licensee rarely needs only payroll. Use this page to spot the other relationships and systems that may need to come together before or shortly after opening.

- ☐ Cannabis-friendly banking / treasury
- ☐ CPA / accounting / bookkeeping
- ☐ Insurance
- ☐ Workers' compensation
- ☐ Benefits administration
- ☐ Retirement / 401(k)
- ☐ Timekeeping & scheduling
- ☐ POS / operational technology
- ☐ IT / hardware / cybersecurity
- ☐ Compliance / licensing support
- ☐ Employee training / LMS
- ☐ Recruiting / staffing
- ☐ Payments / treasury tools
- ☐ Facility / fixtures / buildout
- ☐ Legal / regulatory resources
- ☐ Other: ______________________

YOU DO NOT HAVE TO BUILD THE VENDOR NETWORK ALONE.

If you are still assembling pieces of your operation, Paragon may be able to help connect you with established cannabis-industry resources and partners. An introduction is not a substitute for your own diligence, but it can give you a useful place to start.

YOUR NEXT STEP

KEEP LEARNING	**Learning Center**	paragonpayroll.com/learning-center
SEE PACKAGES	**Pricing**	paragonpayroll.com/pricing
ESTIMATE COST	**Pricing Estimator**	paragonpayroll.com/pricingtool
TALK THROUGH YOUR LAUNCH	**Let's Talk**	paragonpayroll.com/lets-talk

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Planning resource only. Payroll, tax, employment, licensing and regulatory requirements vary by jurisdiction and business. Confirm requirements with qualified legal, tax, accounting and compliance professionals and the applicable government agencies.