

Cannabis and Dispensary Employee Handbook Best Practices

When you operate a dispensary or other cannabis business, you take on a lot of responsibility. In addition to the challenges of running a successful business, there's also the difficulty of maintaining regulatory [compliance in the cannabis industry](#). Because of this juggling act, it is not surprising that some cannabis business owners will often forget the little things, like writing an employee handbook.

While this may seem like a minor oversight, the truth is that dedicating time and effort to devising a detailed and thorough cannabis employee handbook is one of the best ways to protect you, your employees, your products and services, and the business as a whole.

Here's why you need a great employee handbook, some best practices for your company to follow, and some essential components that should be included to mitigate risk and manage employee expectations.

Reasons You Need a Cannabis Employee Handbook

For some cultivation, manufacturing, dispensary, and other cannabis verticals or industry segments, the idea that you need an employee handbook sounds unnecessary to a lot of business owners. You may tell yourself things like "Oh they're just running a cash register" or "My employees know what's expected of them to grow our plants," and that may very well be true... However, employee handbooks don't just exist for when things go right; they're there for when things go wrong. There are three primary reasons why crafting a cannabis-specific employee handbook is a MUST.

Reduce Cannabis Risk / Legal Protections

When trying to comply with federal laws and state legislation, the handbook provides protections by documenting required processes. For example, a dispensary employee may commit a regulatory violation by accident or an employee may claim the company's leave policy violated FMLA legislation. By having that [cannabis-compliant employee handbook](#) in place, with all of your policies laid out, expectations are clear, and you're able to protect yourself from unseen legal liabilities.

Set Expectations for Employees

By having a handbook, you can let your employees know what is expected of them and what's provided to them. As a business owner, you won't have the time to train every employee, so it is important that you have a written document that clearly articulates your company's policies and procedures. If clear policies are set across the front and back-office operations from seed to sale, your business will be able to operate with higher efficiency.

Streamline Onboarding Processes

Having a streamlined process is a [cannabis hiring and onboarding best practice](#) for best-in-class companies, but it is especially vital for dispensaries. Regardless of the specific company, the retail space often has high turnover rates, which means it is critical to have a streamlined process for training new budtenders, sales associates, and other employees. With a handbook, you give your

employees a tool to consistently and efficiently educate new team members on benefits, policies, and more.

Things to Include In Your Cannabis Employee Handbook

As with all things, the devil is in the details. So what should you put in your employee handbook? Three main topics need to be covered in your company's handbook: legal language, acceptable employee conduct, and employee benefits.

Legal Language

Employee handbooks exist, in part, to legally protect both you and those that work for you. The best way to do that is by including statements that inform your employees of their rights and responsibilities. For example, you should include an At-Will Employment policy statement. At-Will Employment essentially means that an employee may be dismissed by an employer for any reason, and without warning, as long as the reason is not illegal. The only way to effectively enforce such a policy is if you communicate that with your employee.

Another essential bit of legal language, for example, is to include your Equal Employment Opportunity policy. While you may take it as given that your workplace does not discriminate based on age, gender, race, sexual orientation, etc.; you must communicate that with current and potential employees. Currently, some states are actively adding protected classes, so be sure to describe those classes in your policy to ensure that there is no ambiguity. This will help protect both you and your employees.

Perhaps the most important piece of legal language that you'll want to include in your employee handbook is a confidentiality agreement. Our industry is highly competitive, and you don't want your employees, be they hourly workers or senior level management, walking off to your cannabis competition with vital company and trade secrets.

Acceptable Conduct

You want your employees to have a clear understanding of what your company's culture is and what kind of behavior is acceptable in the workplace. Without explicitly stated policies, you leave room for ambiguities that might negatively affect the workplace, culture, and your bottom line. So, make sure you include a few things in your handbook, like:

- **Work hours** – Your employees need to know when to come into work and when it's time to leave.
- **Safety** – This is both a legal and health concern. You don't want your employees injuring themselves at work, nor do you want them to potentially put others (like customers) at risk as well.
- **Dress Code** – Including a dress code in your handbook will help prevent disputes and ensure that the workplace remains professional.
- **Workplace Behavior** – While you would like to assume that everyone knows what is and is not acceptable workplace behavior, you will want to list the types of behavior that is not acceptable in the workplace, such as no drinking on the job, no inappropriate jokes, etc.
- **Social Media Conduct** – We live in the 21st century, which unfortunately means that you will have to consider people's social media conduct. It's a good idea to include a clause in your handbook which prevents employees from behaving inappropriately on social media while identifying themselves as your employee.

Employee Benefits

An employee handbook should not just be a long list of dos and don'ts. Your employees need to know what's in it for them, so make sure you detail any and all of the benefits that they may receive. This includes:

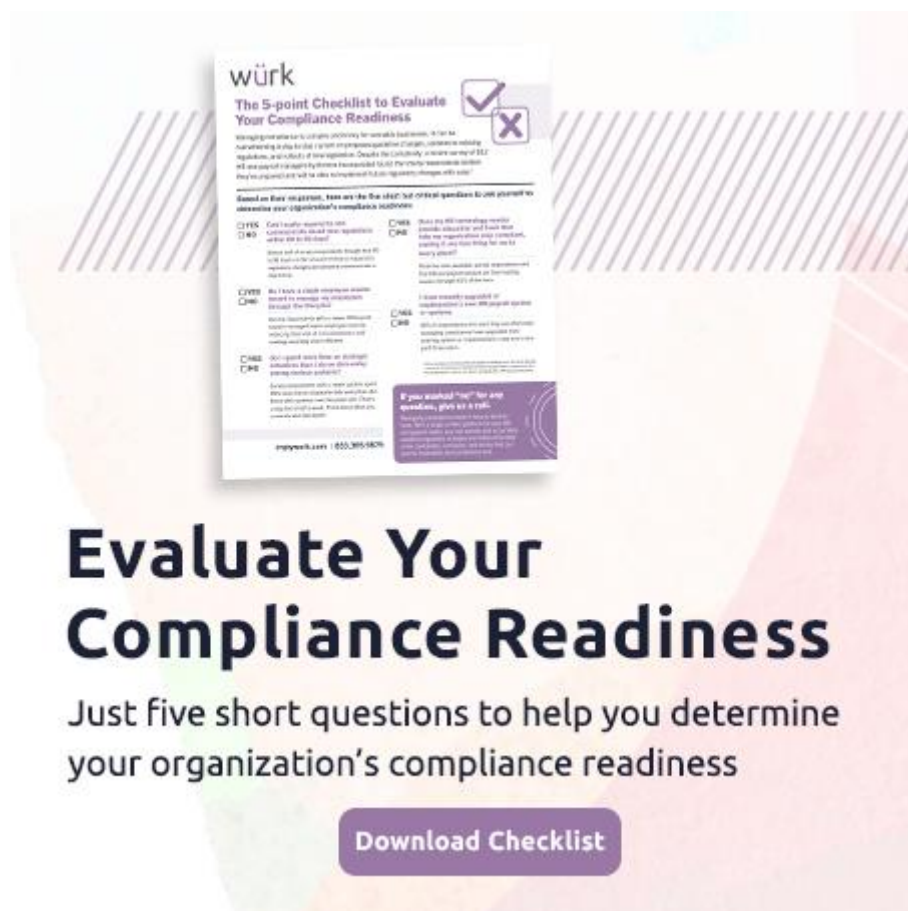
- Paid Time Off
- Compensation and Bonuses
- Health, Dental, Vision, or other types of Insurance
- Expense / Reimbursement Policies

It also is critical that you define every aspect of your employees' benefits... Otherwise, you run the risk of an employee asking for time off, for example, only to realize that their vacation days don't roll over.

Cannabis Compliance Considerations for Your Employee Handbook

While crafting your employee handbook, be sure that you take into account federal, state, and local regulations which may affect your business – this [cannabis compliance checklist](#) can be a helpful starting point.

If you are not careful, you may accidentally violate the law without knowing it. For example, in the state of California, you are required to offer paid sick leave. However, that requirement is not uniformly enforced statewide. Certain localities, like Oakland and Los Angeles, have more generous sick leave requirements than other parts of the states.



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The 5-point Checklist to Evaluate Your Compliance Readiness

Managing compliance is a costly priority for small businesses. It can be overwhelming to stay on top of a state's ever-changing regulations, understand existing regulations, and identify if they apply to you. Despite the complexity, a small survey of 100 small businesses found that 80% of them were not compliant with state regulations. This checklist is designed to help you determine your organization's compliance readiness.

Based on state regulations, here are the five short but critical questions to ask yourself to determine your organization's compliance readiness:

| | | | |
|--|---|---|---|
| <input type="checkbox"/> YES <input type="checkbox"/> NO Have you registered your business with the state's regulatory agency? | <input type="checkbox"/> YES <input type="checkbox"/> NO Do you have a written policy for managing your employees' compliance with state regulations? | <input type="checkbox"/> YES <input type="checkbox"/> NO Do you have a written policy for managing your employees' compliance with state regulations? | <input type="checkbox"/> YES <input type="checkbox"/> NO Do you have a written policy for managing your employees' compliance with state regulations? |
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Evaluate Your Compliance Readiness

Just five short questions to help you determine your organization's compliance readiness

[Download Checklist](#)

Similarly, be sure to drive home the importance of abiding by regulations in your employee handbook. Some employees may not realize that the rules you set in place are because of state or federal regulations and may try to take a shortcut or just make an honest mistake. Honest mistake or not though, the company is on the hook for the compliance violation.

When it comes to corrective actions towards your employees, avoid overly defining your procedures. While it may be tempting to write a policy that says “If A happens then B occurs,” you may find yourself in a position where an employee commits a particularly egregious action, only for you to discover you can’t fire that person because of the wording in your handbook.

Above all else, remember that your employee handbook is meant to be a communication tool between you and your employees. In addition to all of the rules and regulations, an employee handbook is a great way to convey your company culture to those that work for you, and it should be written accordingly. Try to emphasize not only the fun parts of the job, such as employee benefits, as well as the legal aspects. If you do that, not only will you vastly reduce business risk across the board, while helping to make the workplace both enjoyable and efficient.

Need help writing your cannabis employee handbook or do you want to outsource that task completely? Learn about how [Wurk’s managed services](#) and HR Business Partner team can help with your handbook by [clicking here](#) to set up a consultation with our experts.