

Pay by Bank for Cannabis

The sale of cannabis is legal in 24 US states, and another 15 states permit sales for medical uses. However, the federal government considers all sales to be illegal.

Consequently, all credit and debit card networks in the US refuse to process transactions from cannabis dispensaries, where sales exceed \$40 billion annually.

Almost all dispensaries have ATMs on the premises to let buyers obtain cash for a payment.

Some dispensaries operate outside network rules and allow payments to be made by credit and debit cards by falsifying a merchant category code in a process called “cashless ATMs.”

An authorization is obtained for an amount higher than the purchase amount, and the dispensary gives the buyer cash in addition to their purchase.

Greencard Payments offers pay-by-bank capabilities to cannabis dispensary owners as an alternative to payments made by cash and cashless ATMs.

The company provides POS software to facilitate account-to-account payments via the automated clearing house network.

Payments that originate in dispensaries are first handed to MX Technologies, which verifies a buyer’s bank account details. They are then sent to processor Flex Payment Solutions, which settles them into the ACH system through North American Banking Company. Merchants receive next-day settlement.

No payments of any kind for cannabis are legal under federal law. Greencard’s pay by bank transactions do comply with the Bank Secrecy Act (BSA), which requires financial institutions to help the government detect financial crimes.

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Greencard Payments has an exclusive partnership with ISO Vivid Commerce.

The companies charge \$3.50 per transaction. Dispensary owners can pass the fee on to buyers.

INTERVIEWED FOR THIS ARTICLE
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