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| Bulletin Number: MA_IB_0031 | Distribution Date: 9/17/2020 | Effective Date: Ongoing |
| Contact Point: Metric® Support | Subject: Creating Waste Packages from returned medical product | |
| Reason: Metric and the Cannabis Control Commission are providing guidance on the process to record packages of returned medical product at the Medical Marijuana Retailer level for the purpose of disposal and proper use of the Wholesale Price field | | |

Greetings Metric Users,

Metric, in conjunction with the Cannabis Control Commission (CCC), is providing guidance on the process for Medical Marijuana Retailers to record packages of returned medical product for the purposes of disposal. Additionally, this guidance will include how to properly record the disposal of the product onsite, and if that is not possible, how to transfer it to a facility that can.

Before a Metric user can create the packages of the waste product for disposal or transfer, they must first contact the CCC to receive approval. Once approval is received, the licensee will receive notice that they have 48 hours to add these packages to their Metric inventory through the outlined process. Once the packages of returned product are recorded, the licensee will then either: waste out the package onsite and record the corresponding package adjustment or transfer the packages to another facility where it can be properly disposed.

This process should be used for any product that was not purchased from the same retailer to which it was returned. If the retailer sold the returned product, they should utilize the normal return process by recording a negative sale to a package of the product, then recording the waste package adjustment outlined in this bulletin.

Additionally, Metric in conjunction with the Cannabis Control Commission (CCC), is providing guidance on the proper use of the Unaffiliated Transfer type and use of the Wholesale Price field.

Licensees are required to enter the actual sale price of unaffiliated transfers. In instances where product is exchanged for other product (rather than monetary compensation), the licensee should enter the fair market value of the product. For authority to require disclosure of sales figures, see 935 CMR 500.105(9)(e)(2) and (4) (requiring recordkeeping and commission access to manual or computerized records of monetary transactions and sales records including the quantity, form, and cost of marijuana products)

Please see the following pages for more details:

Create Waste Items

Before packages of the product earmarked for waste can be created, items to define what those products are must first be created. To do this the user must have Admin permissions to create items. This page can be reached under the Admin menu on the top navigational bar as seen in **Figure 1**.

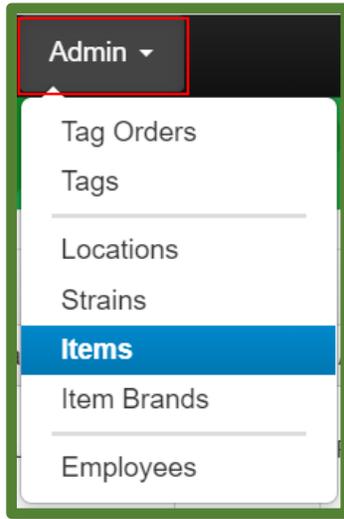


Figure 1: Navigation to Items Screen

Once on the Items screen, select the “New Items” button to create the waste packages item as seen in **Figure 2**.

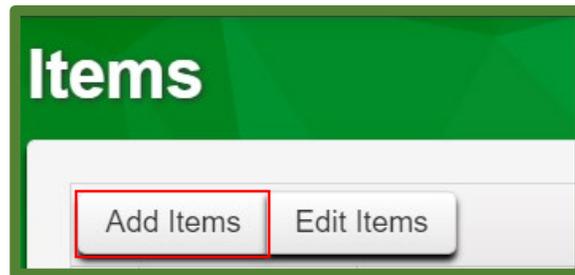
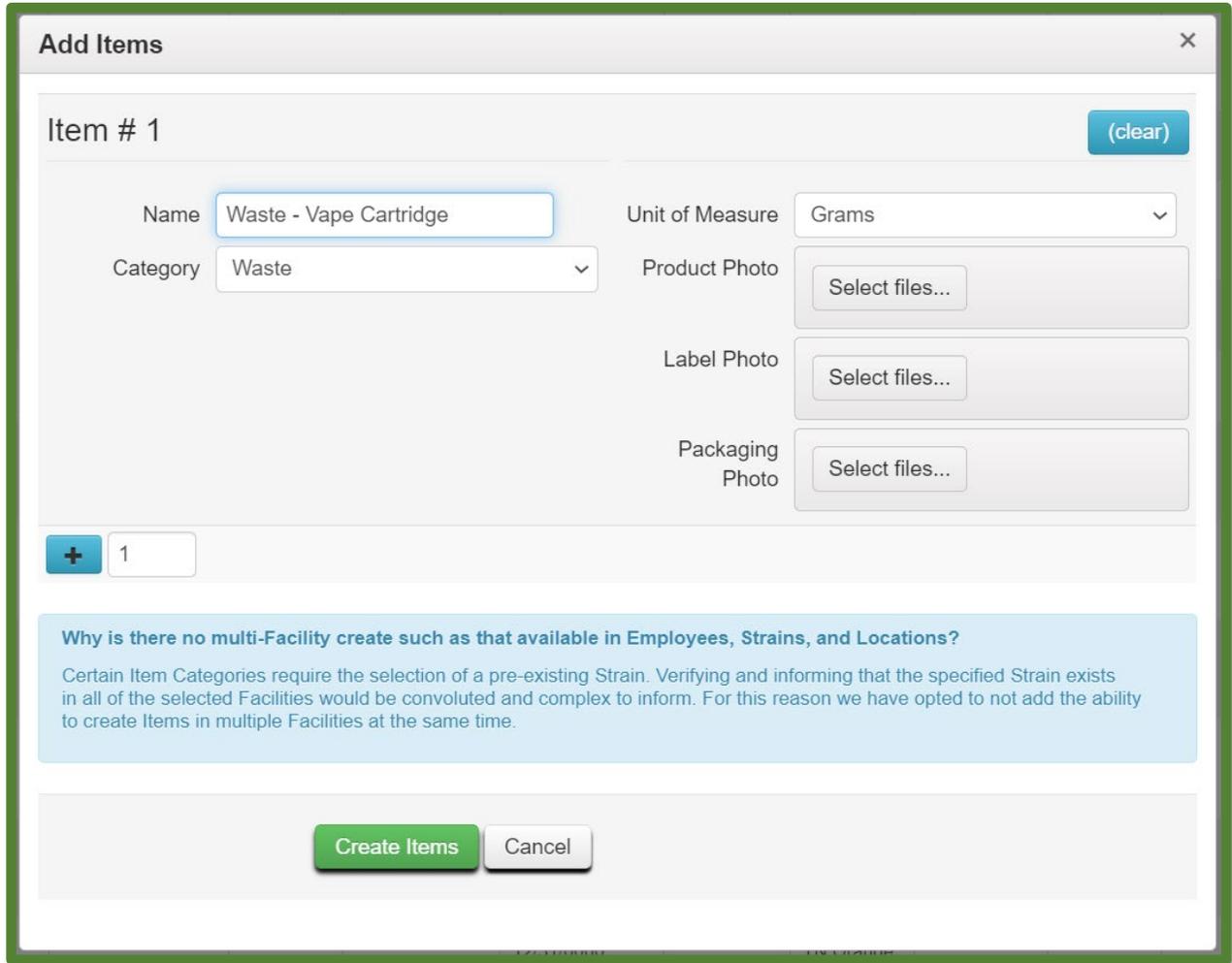


Figure 2: Add Items Button

This will trigger an action window to create a new item. Utilize the “Waste” item category and add an item name using the following naming convention:

Waste – [insert waste item category]

For the example we are creating a waste item for returned **vape cartridges**. Please note that the waste item category is **weight-based** and the user should use the most applicable unit of measure (for the example we used “Grams”). **No photos are required** for items in the Waste category. This step can be seen in **Figure 3**.



Add Items [X]

Item # 1 [clear]

Name: Waste - Vape Cartridge Unit of Measure: Grams

Category: Waste Product Photo: Select files...

Label Photo: Select files...

Packaging Photo: Select files...

+ 1

Why is there no multi-Facility create such as that available in Employees, Strains, and Locations?

Certain Item Categories require the selection of a pre-existing Strain. Verifying and informing that the specified Strain exists in all of the selected Facilities would be convoluted and complex to inform. For this reason we have opted to not add the ability to create Items in multiple Facilities at the same time.

[Create Items] [Cancel]

Figure 3: Create Waste Item Action Window

Create Waste Packages

Before packages of the returned product designated for waste can be created, it is required to have the approval from the CCC. Once the approval from the CCC has been provided, the user should have the ability to create waste packages without a source.

To do this, navigate to the license’s active packages screen and select the “New Packages” button. This can be seen in **Figure 4**.

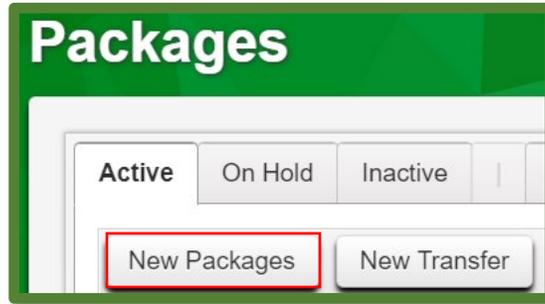


Figure 4: New Packages Button

Using this button will trigger an action window where the package will be able to be created. Then enter the required information including the package tag, location, item, quantity (weight), and the package date. Once the information is completed, use the “Create Packages” button to complete the process as shown in **Figure 5**.

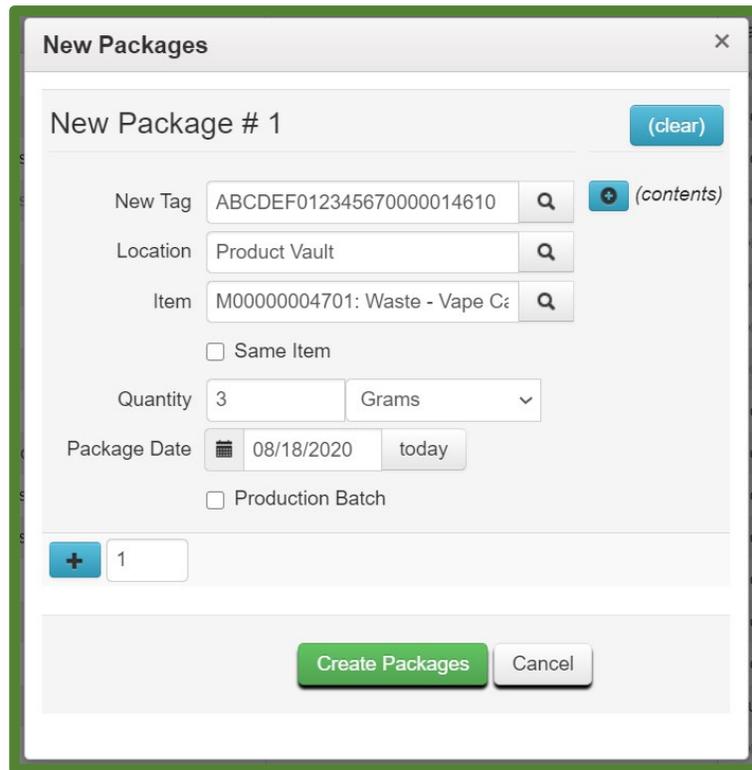


Figure 5: Create Waste Packages Action Window

Please Note: The users should only create packages of returned product that have been approved by the CCC. No other packages should be created without having a source package.

Adjust and Finish Waste Package

Once the waste packages have been created, they will be able to physically dispose of the product and record that event in Metrc.

Please note: If the retailer license that creates the returned product packages does not have the ability to dispose of the product in a manner that aligns with CCC requirements for disposal, they will need to transfer the packages to another license that has the facilities to do so.

The user should physically dispose of the product compliantly then record the event to Metrc. To record the wasting of the returned product, select the package and use the “Adjust” Button. This step can be seen in **Figure 6**.

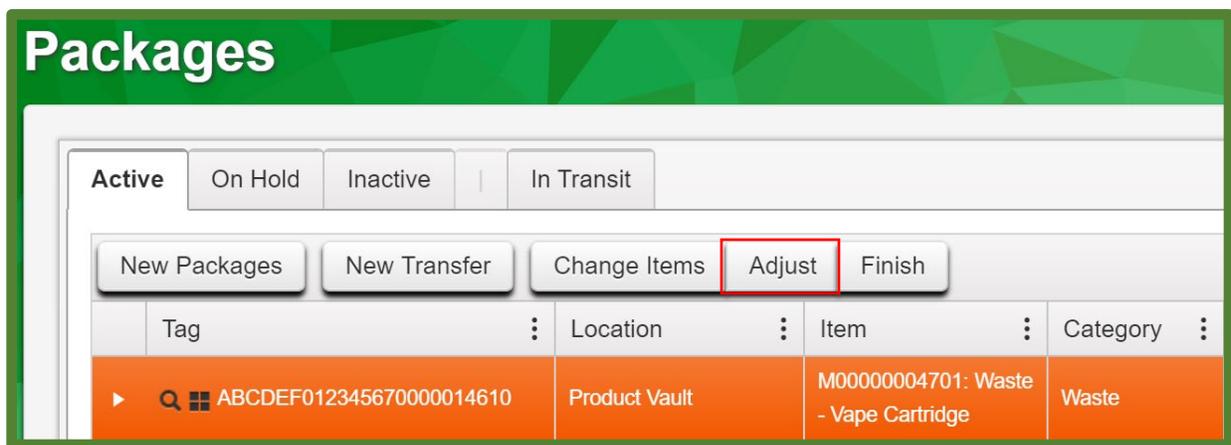


Figure 6: Select Waste Package and Adjust Button

Selecting this button will trigger an action window where the package adjustment can be recorded. To do this, enter a “New Quantity” of 0 to signify the entire package was destroyed and use the “Waste” reason code. In the Required Note field, add the following details:

- Witnesses of the destruction
- Destruction Method
- Material Mixed with the Waste

Once this information is completed then also the finish package functionality can be utilized to streamline the process into one step. After all of these steps are completed, select the green “Adjust Packages” to complete the process. This process is demonstrated in **Figure 7** below.

Figure 7: Adjust Package for Waste

Once completed, the user will have completed the process of entering returned product into Metrc and subsequently wasting it out. To confirm this was completed correctly, the user should find the package and, using the carrot (arrow) to the left of the package tag ID, view its history as seen in **Figure 8**.

| Description | Employee | Date |
|--|-------------------------|------------|
| Packaged 3 Grams of M00000004701: Waste - Vape Cartridge - Package Type: Product - Location: Product Vault - Location Type: Default Location Type | Michael Miller (X00●●●) | 08/20/2020 |
| Package adjusted by -3 Grams - Reason: Waste - Note: Witness: John Smith, Method: Made Unusable, Mixed With: Sand | Michael Miller (X00●●●) | 08/20/2020 |
| Package finished | Michael Miller (X00●●●) | 08/20/2020 |

Figure 8: Verify History of Waste Package

Unaffiliated Transfers

To create a licensed wholesale transfer to an unaffiliated license, first highlight the packages that are being transferred and select the “New Transfer” buttons as seen in **Figure 9**.

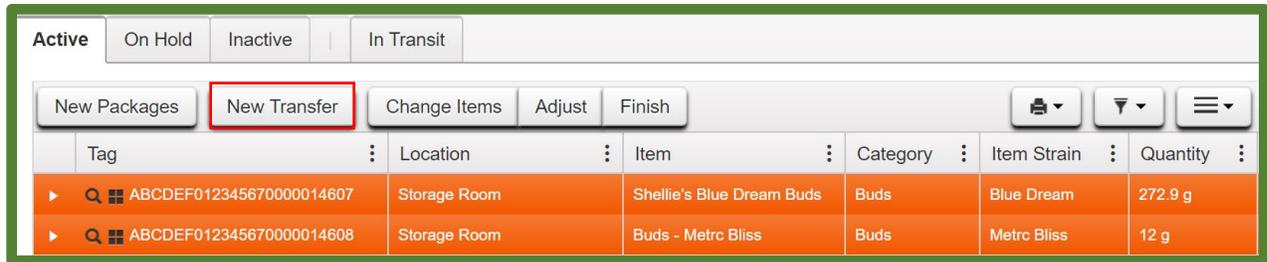


Figure 9: Create New Transfer

This will prompt an action window to appear. Then select the “Unaffiliated Transfer” option in the Transfer Type drop-down as seen in **Figure 10**.

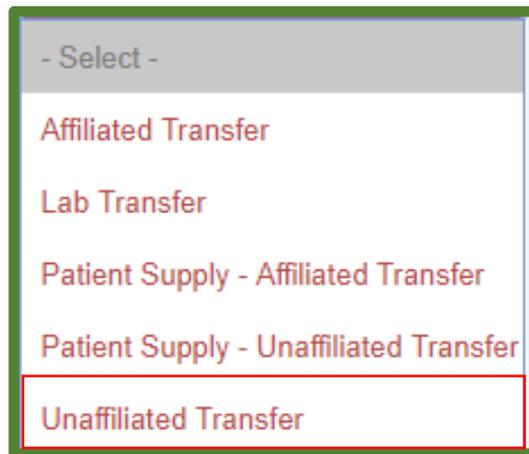


Figure 10: Unaffiliated Transfer Option

Once one of these options is selected, complete the rest of the required information in the action window. Once the information is entered and verified to be correct, then select “Register Transfer” as seen in **Figure 11**.

Note that the CCC requires licensees performing unaffiliated (wholesale) transfers to correctly utilize the “Wholesale Price” field. This field should indicate the total wholesale price for each package in the transfer. If the transfer is part of an exchange of goods, then an estimate of the fair market value may be used.

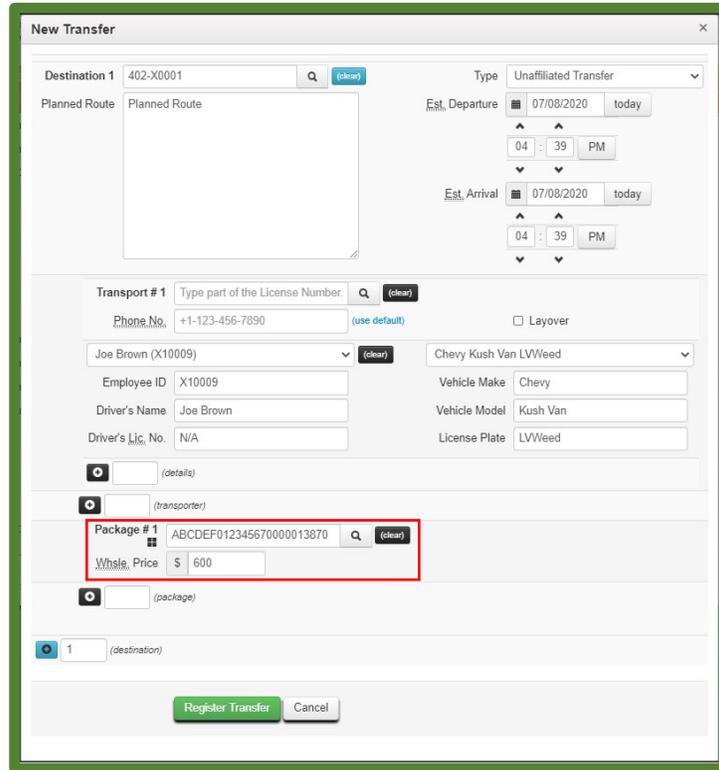


Figure 11: Create Unaffiliated Transfer and Wholesale Price Field

The transfer will now be registered and will appear in the incoming transfer screen of the receiving medical license. The receiving license will follow the same process for accepting the transfer as they are already using for all other transfer types.

Please feel free to contact Support at support@metrc.com or 877-566-6506 with any questions.