Procedural Information Memorandum

July 24, 2015

There may come a time when Licensees find themselves in a position where a “clean-up” process may be needed. While each situation can be different, there are certain guidelines that should be followed in order to correctly bring a *metrc* account up-to-date. ***While the MED requires daily reconciliation and accurate inventory tracking, should the situation arise***...below are the guidelines and expectations for Licensees and Consultants, when performing a clean-up process.

Expectations during the clean-up process

- Make sure that you are always logged into *metrc* under your own badge. This is not negotiable. It is **never** acceptable to work under someone else’s login credentials. A consultant should always be entered as an employee in the facility in order to work compliantly in *metrc.*
- Communication and documentation are critical to the success or failure of a clean-up process. All communication and documentation will be kept together in the *metrc* ticketing system for ease of retrieval if you ever need it. If we have not received any communication on a clean-up for 30 days, it will be considered inactive. Please follow the Documentation Guidelines outlined below to ensure that all corrections are performed and documented properly.
- Stop all adjustments to packages until the clean-up process is complete. This should be communicated to all *metrc* users in the facility.
- Perform a physical inventory of the facility before you begin. Do NOT rely on the POS information for the inventory numbers.
- Follow the Combining Packages guidelines listed below in Step 3.

Documentation Guidelines

- Clean-up Lead or Consultant should email their documentation to suport@metrc.com once a day to once a week, depending on the amount of work being completed. An owner should be copied on all documentation emails sent in to Support.
- Licensee/Consultant will document over the phone with *metrc*, keeping records for themselves of any adjustments made in the system. The following format should be followed for all documentation: Full package ID, Amount Adjusted, UoM, Adjustment Reason code used, and a detailed explanation of why that reason was chosen. We suggest using a spreadsheet program such as Excel for documentation. This is much easier than transcribing notes or using another software program.

Step 1 – Notification of Clean Up

- A phone call or email should be sent in to support@metrc.com informing us of the impending clean up. At that point we will need to clarify the situation and be given one point person that will be responsible at the facility/facilities to oversee and communicate with the Support Team about the clean-up. Once established, a *metrc* Support Team member will be assigned to that clean-up process.

Step 2 – Sales Reconciliation

- Ensure that all sales are up-to-date from the beginning of the first day of business. Sales MUST be current and updated first in order to prevent package quantities from being erroneously skewed.
- Sales can be updated via manual entry or .CSV import from the POS system.

Step 3 - Inventory Adjustments

- Once Sales are current and complete, you can use the physical inventory to analyze differences in package quantities to determine if adjustments are needed.
- Discuss with our Support Team Clean-up Lead all of the acceptable Adjustment Reasons and verify which ones should not be used. "We just don't have it" is never an acceptable reason to adjust a package. If at any point there is any doubt or question on what Adjustment Reason to use, stop and call your Support Team Lead. We are always happy to help you out and know which reasons are acceptable for your scenario.
- Before adjusting a package, make sure you have double checked all sales within the package are entered and that those amounts are accurate.
- Before making any adjustments, other than oversold/undersold, drying waste or spoilage; take into account any previous adjustments made to packages in the past that may be inactive or any adjustments made in the POS system that have not been made in *metrc*, (waste, spoilage or drying).
- Do not use Entry Error or Incorrect Quantity for a missing sale or an oversold package.
- Guidelines for Oversold/Undersold
    - These Adjustment Reasons are for matching package types – bud with bud, edibles with edibles, etc. and it MUST match. For example: -24 grams is Oversold in package A and 24 grams Undersold in package B. Keep in mind you may have a cross strain Oversold/Undersold.
    - There should always be a corresponding adjustment to another package for an equal and opposite adjustment.
- **Combining Packages:**
    - Packages may be **combined as long as they are strain specific when it is bud/trim or item specific for concentrate, edible, and non-edible products.** Additionally here are some guidelines that you can consider and refer to as well:
    - The one pound package regulation is a shipping rule, so the weight of a package is not a concern once it has been received by a Medical Marijuana Center or Retail Marijuana Store.
    - Limit the number of packages that you combine into one. Combining multiple packages makes it more difficult to ensure the correct harvest/production batch is indicated on the label at the point of sale. In addition, limiting the number of packages combined into one may help to save product from being unnecessarily included in a recall situation.
    - Do not continue to repackage your repacks. If you maintain a combined package for an extended period of time and continue to repackage new and existing products into one bulk package, you run the risk of losing accurate tracking of drying and waste, leaving product unaccounted for. For instance: You combine packages 001, 002 and 003 of AK47

into one package (004); deplete and finish 004. Do not receive in a new package (110) then repack 004 and 110 together.

- Keep the original tags together for documentation/proof of originating packages until package is depleted and Finished.

Step 4 – Completion of Clean-up

- Once a clean-up process has been completed. Some communication needs to be given to your Support Team Lead. This can be a phone call or an email.
- When all documentation has been submitted AND confirmation of completion has been received, we will officially close the clean-up process and provide you with the confirmation for your records.

As always, please feel free to contact us at 877-566-6506 or support@metrc.com with any questions.