CANNABIS
REGULATORY AGENCY

COMPLIANCE

BEST PRACTICE

GUIDE

Updated February 2025

This document aims to provide clarification and best practice information on several common topics. It will be updated as new information is released. This document does not constitute legal advice. Licensees should seek legal counsel to ensure their operations comply with all applicable laws and administrative rules.

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Introduction

This Compliance Reference Manual serves as a guide for licensed marijuana businesses, providing guidance and assistance for the procedures necessary to adhere to the administrative rules and statutes. Ensuring operations remain compliant and aligned with the commitment that the Cannabis Regulatory Agency (CRA) will establish Michigan as the national model for a regulatory program that stimulates business growth while preserving safe consumer access to cannabis.

Compliance Resources

All licensed marijuana businesses should bookmark the Cannabis Regulatory Agency website, which is where forms, bulletins and other helpful information can be found.

All licensed marijuana businesses should also bookmark the webpage for the administrative rules and statutes. The documents are searchable PDFs.

All licensed marijuana businesses should bookmark the Statewide Monitoring System (Metrc) webpage, this page includes helpful information, bulletins and how to videos.

This webpage provides information for when a form is required to be submitted for changes made to the business. Please note: the changes must be submitted and approved before they can take into effect.

All licensed marijuana businesses should register to receive information including bulletins and press releases from the CRA. This can be done by following the prompt at the bottom of the CRA main webpage listed above.

Notifications of Criminal Activity, Loss or Theft

To notify the agency of criminal activity, loss, or theft, licensees must complete a Reporting Form and upload it to their record in Accela. The form and instructions can be found here. In addition to the reporting form, please include documentation that the products have been adjusted out of inventory following the instructions below. This documentation includes the list of packages showing the adjustments, and the Metrc adjustment report, which can be located in the canned reports.

Marijuana products which have been lost or stolen should be adjusted down. Please use "theft" as the reason code and include the date of the incident and, if possible, the police report number. If an entire package has been lost/stolen, the package should be finished out in Metrc after adjusting it down to 0.

Notifications of Adverse Reactions

Sales locations are required to notify the agency of adverse reactions using this <u>form</u> via email to <u>CRA-Compliance@michigan.gov</u> and entering the information into Metrc following the guidance found <u>here</u>. Please ensure the form is filled out completely.

The form will need to be downloaded and attached to an email. Please send the completed form to <u>CRA-Compliance@michigan.gov</u>.

Secure Transporter Delivery Extension Requests

Secure transporter delivery extension requests must be sent to the CRA via email to <u>CRA-compliance@michigan.gov</u>. Please note, requests received after 5pm, on state holidays, and on weekends will not be reviewed until the next business day; please plan accordingly.

The email must include the following information:

- Name and license number of the secure transporter
- All manifest numbers for the requested delivery extension
- The reason for the delivery extension request

Receiving and Rejecting Transfers

To receive or reject a transfer manifest, please follow the instructions found <u>here</u>.

Updating Metrc Notification Email Address

The CRA is utilizing the functions within Metrc which will send an autogenerated email when packages are recalled or placed on administrative hold. This will also show on the banner and in the packages grid as well.

It is critical that these emails are delivered to the correct person via the correct email address for the business. To update the contact information for these notifications, please refer to this Metrc bulletin.

Provisioning Center Guidance for Patient Allotment Issues

When patients appear to have reached their daily or monthly purchasing limit but believe it is in error, the CRA can review their purchasing history. To do this, the provisioning center must call the CRA while the patient is at the facility. The CRA is unable to speak directly to patients due to privacy laws. Provisioning centers must call (517) 284-8599 to speak with a CRA representative who will verify the employee information and review the purchasing limit issues.

Packaging and Billboard Review

Licensees are now able to request informal packaging and billboard reviews in Accela using a form available on the CRA's website. The form can be found under "Miscellaneous Forms" on our Paper Applications, Forms, and Resources page.

Please note, only authorized contacts for the licensee can submit documentation, information, or requests. To be added as an authorized contact, please complete the Authorization of Additional Contact Person form and send to CRA-Amendments@michigan.gov.

Questions regarding packaging and billboard review should be directed to CRA-Enforcement@michigan.gov.

License Collapse

Co-located stacked C cultivators have the option to track their inventory for all grow licenses from the same market under one license in Metrc. The CRA prefers tracking under the lowest license number as this is the license number where inspection information will be housed. The licensee only needs to purchase Metrc tags for the single license used to track their inventory.

When renewing a license, please ensure that the license currently tracking inventory is renewed. All licenses must be active in Metrc.

For more information, please refer to this bulletin.

For information on how to collapse an existing license, please refer to this <u>bulletin</u>.

Inspections

The Cannabis Regulatory Agency (CRA) has transitioned to unannounced semi-annual inspections at all licensed marijuana businesses effective October 1, 2024. The inspection checklists can be found <u>here</u> under technical bulletins.

Expectations for Standard Operating Procedures (SOPs)

A marijuana business should create and maintain SOPs for all routine tasks or processes performed at their business. An SOP is a document containing step-by-step instructions to guide employees on how to perform a technical, repetitive process within an organization. The purpose of an SOP is to carry out the operations correctly and always in the same manner.

All SOPs should include, at a minimum, the information below:

- A clear title that accurately describes the procedure.

- Person or person(s) responsible for performing specific tasks within the procedure by position or role.

- Each step required to complete the task or process.

- If applicable, any controls in place to ensure activities are completed as specified in the SOPs – this may include auditing previously completed work or observance of the staff performing the task or activity.

<u>Below are examples of SOPs the CRA would expect, at a minimum</u>

Producers should include SOPs for the following activities:

- Compliance with Current Good Manufacturing Practice, Hazard Analysis, and Risk Based Preventative Controls for Human Food, 21 CFR part 117.
- All processing methods, including extraction, distillation, remediation, and any other process where marijuana is changing form or being incorporated into another product.
- Creation of all products, including the recipe and step by step process.
- Compliance with Metrc tracking requirements including:

- o Creating, accepting and rejecting transfers
- o Creating new production batches
- o Creating new packages
- o Repackaging
- o Correcting errors
- o Creating test samples
- Obtaining and verifying ingredients are from approved sources
- Verification that products meet all labeling and packaging requirements prior to transfer
- Operation of security systems in accordance with the rules

Cultivators should include SOPs for the following activities:

- Obtaining plants and recording in Metrc
- Compliance with requirements for applications of chemicals and plant treatments, including the concentration and frequency of application.
- All trimming and harvesting processes, including separating the harvest by product type and category
- Compliance with the 50 lb. single strain harvest batch limit for testing
- Compliance with Metrc tracking requirements including:
  - o Creating, accepting and rejecting transfers
  - o Creating new plants and moving them through the growth stages
  - o Creating harvest batches and packages
  - o Repackaging
  - o Correcting errors
  - o Creating test samples
- Operation of security systems in accordance with the rules
- Verification that products meet all labeling and packaging requirements prior to transfer

Sales locations should include SOPs for the following activities:

- Compliance with requirements for selling marijuana products including:
  - o Age verification for purchases
  - o Verification that all product passed testing, and the results are recorded in Metrc
  - o Verification that product is not on administrative hold or prohibited from sale

This document does not constitute legal advice.

Licensees should seek legal counsel to ensure their operations comply with all applicable laws and administrative rules.

- o Verification that the amount of product does not exceed the applicable purchasing limits
  - o Verification that products meet all labeling and packaging requirements prior to sale or transfer
- Compliance with Metrc tracking requirements including:
  - o Creating, accepting and rejecting transfers
  - o Repackaging
  - o Correcting errors
  - o Creating test samples
- How to report an adverse reaction
- Operation of security systems in accordance with the rules

This is intended to provide licensees with examples of the most basic procedures they should have in place based on their license type; this is not an exhaustive list.

Metrc Tagging

Metrc tags are single-use and cannot be reassigned once assigned to a package or plant. To prohibit unlicensed businesses from obtaining Metrc tags, the tags should be destroyed, preferably by shredding.

Immature Plant Batches

To create an immature plant batch, please follow the instructions found [here](#).

Immature plant batches have a unique batch name assigned in Metrc which includes the strain and planting date for the specific group of immature plants. The immature plant batch unique batch name should physically be identified with the batch. This can be done by placing a label on the tray or container containing the plant batch. The label should exactly match the name in Metrc.

Vegetative or Flowering Plants

When plants reach 8" in height or width, they are, by administrative rule, mature plants. They will be assigned a plant tag in Metrc and physically and electronically moved to the vegetative growth phase.

How to properly physically tag a vegetative plant:

- The Metrc strap that comes with the Metrc plant tags should be used to insert the notched end of the strap through the perforated top and bottom holes of the Metrc plant tag.
- On the back of the Metrc strap is a notch. The top hole of the Metrc plant tag should be placed above the notch to ensure that the plant tag does not fall down once the tag has been placed on the plant.
- The strap holding the assigned Metrc tag will be extended out flat and pushed down into the growing material. This is what is known as a "staked plant tag." Example:

When a vegetative plant is determined to be hearty enough to withstand the weight of the plant

tag, the tag can be removed from the growing medium and attached to the physical plant. Here is how to attach the Metrc plant tag to the actual plant:

- The staked plant tag is removed from the plant's growing material.
- The strap is removed from the lower hole of the Metrc plant tag (the notched end of the strap).
- The strap is then placed around one of the lowest branches at the bottom of the stalk of the plant and locked into place using the notch on the strap. The plant tag should be placed in a way to ensure it is not in the growing material. This is crucial to easily identify that all plants are tagged properly for inventory control.

Tags must always remain visible and in clear view like the images below.

Ideally, all plant tags should be facing down on the lower first or second branch facing the aisle, and visible from the entrance to the room. CRA staff should be able to walk up and down the aisles and clearly see the tags on all plants. It is recommended to tag plants sequentially and by strain. This will make it easier to identify the plant if a tag falls off during movement or watering.

Manicure Harvest

To perform a manicure harvest, please follow the instructions found in this <u>video</u>.

When plants are harvested, the plant tag must stay with the plant until the material is placed into a package both physically and in Metrc – and bears the package tag.

Plant Harvest

To perform a plant harvest, please follow the instructions found in this <u>video</u>.

When plants are harvested, the plant tag must stay with the plant until the material is placed into a package both physically and in Metrc – and bears the package tag.

Licensees can also place the plant tag on the hangers used to hold the plants if the plants can be individually identified.

Packages

A Metrc package tag must be placed on the container holding the product. Packages should have the RFID tags attached in a visible location where the tag can be easily seen and scanned. The Metrc package tags are likened to a sticker and should be affixed to the container by removing the protective sheet on the back.

If the product is housed in multiple containers, each container holding the product must have the Metrc package tag number, name of item, and preferably be labeled to include the number of containers such as 1 of 4, 2 of 4, etc. To label the additional containers, licensees can handwrite or use a computer or label printer to create additional labels. One of the containers should have the RFID Metrc tag.

Metrc Tags should not be placed over the top of one another. If a container is re-used the first tag should be removed before placing a new tag.

Repackaging

To repackage a product, please follow the instructions found in this <u>video</u>.

Please note, if repackaging electronically – meaning the physical product or packaging is not changing – only the Metrc tag number listed on the items will need to be updated. For licensees acting as distribution centers, if the package is physically not being altered, the distribution center does not need to have their license included on the compliance label if they did not create or package the products.

If a licensee is changing the packaging, then the 'packaged by business name' should be the one who is performing the physical repackaging.

Waste

The rules require all marijuana to be tracked in Metrc and have a Metrc tag affixed. Licensees who wish to perform destruction on a scheduled frequency may do so if the products bear the Metrc package tag number and are accurately tracked in Metrc.

Marijuana Product Samples

Trade Samples

The following licensees may provide trade samples:

- A cultivator may transfer to a producer or a marijuana sales location.
- A producer may transfer to a producer or a marijuana sales location.

The transfer of trade samples does not require the use of a secure transporter if the amount of the trade sample does not exceed either of the following:

- 15 ounces of marijuana
- 60 grams of marijuana concentrate

An employee conducting a trade sample transfer should verify the accepting facility electronically accepts the transfer manifest in Metrc prior to leaving their facility.

All trade samples must be tracked in the statewide monitoring system (Metrc).

A cultivator and producer are limited to transferring the following aggregate amounts of trade samples to a producer or a marijuana sales location in a 30-day period:

- 2.5 ounces of marijuana
- 15 grams of marijuana concentrate

To determine the amount of infused product that can be transferred to another licensee as trade samples, the usable marijuana equivalencies must be used, just as they are for purchasing limits.

For purposes of determining usable marijuana equivalency, the following shall be considered equivalent to 1 ounce of usable marijuana:

- 16 ounces of marijuana-infused product if in a solid form
- 36 fluid ounces of marijuana-infused product if in a liquid form

In this case, the samples will count toward the 2.5-ounce marijuana limit for transfer, not the 15-gram concentrate limit.

All marijuana businesses are required to keep internal records of how much product is provided to each licensee to ensure compliance with the limits as prescribed in the rule (the limits are per receiving license). One suggestion for record-keeping is to create a spreadsheet where the limits are populated, and if the sum of quantities exceeds the maximum allowed, the formula will flag the user.

To transfer trade samples, a child package will be created for the samples. After creating a child package with a new transfer/package number for the trade samples, the licensee can transfer the package(s) using the "trade sample transfer" transfer type.

A producer or marijuana sales location that receives trade samples may distribute the samples to its employees to determine whether to purchase the marijuana product. A producer or marijuana sales location is limited to transferring a total of 1 ounce of marijuana, a total of 6 grams of marijuana concentrate, and marijuana-infused products with a total THC content of 2000 mgs of internal product samples to each of its employees in a 30-day period.

The correct way to record trade samples provided to employees is by adjusting the source package down to account for the product being distributed. When making the adjustment, the adjustment reason is "trade sample." The adjustment reason note must include the employee's name, Metrc ID, and quantity of product received.

All marijuana businesses are required to keep internal records of how much product was provided to each employee to ensure compliance with the limits as prescribed in the rule. Any trade samples provided to an employee count toward the employee's internal product sample allotment.

Internal Product Samples

A cultivator, producer, marijuana sales location, marijuana microbusiness, or class A marijuana microbusiness may transfer internal product samples directly to its employees.

Internal product samples are prohibited from being transferred or sold to another licensee or consumer.

All internal product samples must be recorded in Metrc.

All internal product samples must have passed full compliance testing, completed, and recorded in Metrc.

The correct way to record internal product samples in Metrc is by adjusting the source package down to account for the product being distributed. When making the adjustment, the adjustment reason is "internal product testing samples." The adjustment reason note must include the employee's name, Metrc ID, and quantity of product received.

All marijuana businesses are required to keep internal records of how much product was provided to each employee to ensure compliance with the limits as prescribed in the rule.

Product Development

A cultivator, class A microbusiness, microbusiness, or producer may engage in product development. No other marijuana business may engage in product development.

A cultivator, class A microbusiness, or microbusiness may designate marijuana plants for product development; these count toward the authorized total amount of marijuana plants for a cultivator and must be tracked in Metrc.

A producer, class A microbusiness, or microbusiness may designate marijuana concentrate for product development. Any marijuana concentrates designated for product development must be tracked in Metrc.

A licensee engaged in product development may submit his or her product development inventory to a laboratory for research and development testing in accordance with these rules.

Disciplinary action may not be taken against a licensee for failed research and development test results on his or her product development inventory.

A cultivator, class A microbusiness, microbusiness, or producer may transfer its product development inventory to its employees for consumption.

Any product development inventory that is not transferred to an employee must be destroyed pursuant to the administrative rules.

All product development inventory transferred to an employee cannot exceed the limits prescribed for internal product samples.

A licensee shall record the transfer of product development inventory in Metrc.

Product development inventory may not be consumed or used on the premises of the licensee.

A licensee shall not transfer or sell inventory designated for product development to a marijuana sales location, or to a marijuana customer, until after the inventory is tested pursuant to R 420.304 and R 420.305, and the test results in Metrc indicate passed full compliance testing.

The way to record product development material in Metrc is by including "product development" in the strain or item name. The distribution tracking will follow the process listed above for internal product samples.

Donations

All cultivators, producers, and microbusiness license types may designate marijuana or marijuana products that they hold in their inventory for donation to retailers, who in turn can donate to consumers. To use this functionality in Metrc, please follow the instructions found here.

Product Giveaways

The administrative rules do not require specific pricing for marijuana products. If a sales location or microbusiness chooses to provide marijuana product to customers at no cost, the transaction must be recorded in Metrc and cannot exceed the purchasing limits. Please follow the instructions in this bulletin.

When to Use Production Batches

A production batch is the compliant way of creating new products that change categories. To create a production batch, please follow the instructions found in this video.

For example, a package of vape carts cannot be created directly from shake/trim; a new production batch of oil must first be created and then pulled from the production batch of oil to make the vape carts. Refer to Figure 1 for an illustration.
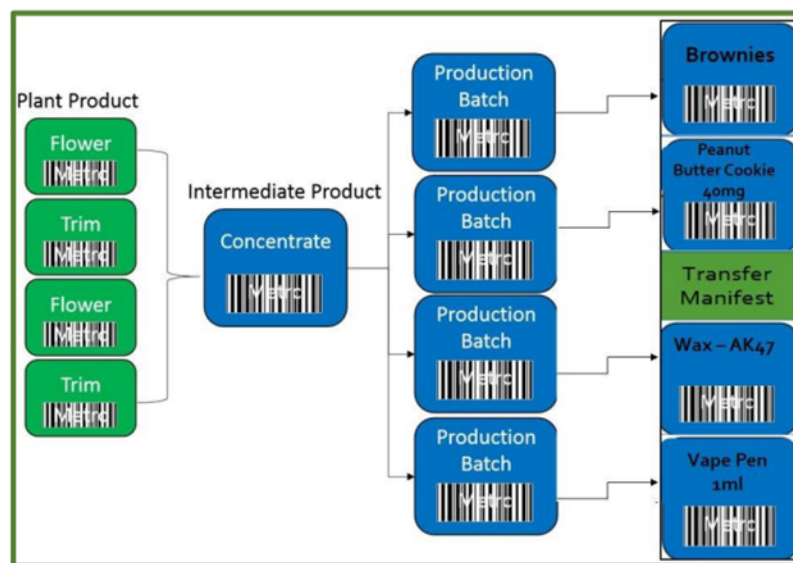

Figure 1: Product creation from flower to finished product

To create an intermediate product, like a production batch of concentrate, pull the starting material weight from a package or packages of raw product to create the new package for the new concentrate.

It is imperative that the weights used in the packages are accurate and the CRA can transparently see what and how much is being used.

To create a second production batch (e.g., infused edible products), follow the same process above pulling the weight used from the package of concentrate (distillate, live resin, etc.) to create the next product. All products in their final form are required to be tested in compliance with the administrative rules.

Each new production batch will be a new package and be marked as a production batch. It is imperative that the process is documented transparently including documenting waste from processing.

Requirements for all Non-Marijuana Ingredients

As a reminder all non-marijuana inactive ingredients must be clearly listed on the product label. Inactive ingredients, other than botanically derived flavonoids, terpenoids, and terpenes that are chemically identical to the terpenes derived from the plant Cannabis sativa L., must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the **FDA Inactive Ingredient database** for the intended use.

All marijuana products are required to have a record of formulation, which is the documentation that includes, at a minimum, the ingredients, recipe, processing in order to be shelf stable, Certificates of Analysis for any ingredient used, and description of the process in which all ingredients are combined to produce a final form.

Compliant Creation of Concentrates from Raw Plant Material

Raw Plant Material to Distillate

Every process should result in a new production batch. When creating a new package of concentrate, all packages of flower which were combined in the production batch must be reflected in the package of concentrate. By the end of each business day, products are

required to be entered into Metrc to reflect what they are – for example crude, shatter, distillate, etc. and their current weight.

Example:

If four packages of flower/bud are processed on Monday into crude oil, when the extraction is done and the yield of the process lot/batch is known, create the production batch in Metrc pulling from the four packages of flower/bud. This step is critical to ensure that the physical product, which was combined, is also electronically combined to transparently show which packages were used in the creation of the new product.

If on Tuesday, the crude oil is refined twice, create a new production batch for the refined oil. This is an intermediate step but should be reflected in Metrc since the product is no longer crude oil but has now been refined.

If then on Wednesday, the refined oil is winterized, and the product is in its final state, by the end of the business day a new production batch should be created to reflect the new distillate that was created, and its associated final weight.

Please contact CRA-Compliance@michigan.gov with any questions regarding this process.

Raw Plant Material to Butane Hash Oil (BHO)

Example:

If we take five packages of flower/bud on Monday and do a butane extraction which takes 12 hours, by the end of the business day the production batch should be created in Metrc, once the total weight of the yield reflects the BHO product that was created.

If more butane needs to be burned off on Tuesday, then a new production batch package will be created to accurately reflect the additional process.

Labeling Products for Transfer

All products transferred between marijuana businesses must be traceable in Metrc in compliance with the administrative rules. Product traceability is reliant on correct product labeling.

- **Package tag:** An RFID tag supplied from Metrc for the purpose of identifying a package containing a marijuana product. The industry has coined the term "transfer tag." In this document, we will use package/transfer tag. Package/transfer tags may only be used once.

This document does not constitute legal advice.

Licensees should seek legal counsel to ensure their operations comply with all applicable laws and administrative rules.

- **Source package tag:** The first tag created for a marijuana product; for example, the package containing the harvest batch. This number is not required to be on the package.

Example:

Every item (brownie, cookie, vape, wax) created in Figure 1 requires a new package/transfer tag which will carry the source package in its history, ensuring accurate product tracking throughout the supply chain.

Labeling Requirements for Cultivator to Cultivator/Producer Transfer:

- Business or trade name
- License number
- Package/transfer tag assigned by Metrc
- Name of the strain
- Date of harvest
- Seed strain (if applicable)
- Universal symbol

Labeling Requirements for Producer-to-Producer Transfer:

- Business or trade name
- License number
- Package/transfer tag assigned by Metrc
- Universal symbol

Labeling Requirements for Cultivator or Producer to Sales Location:

- Business or trade name.
- License number.
- Package/transfer tag assigned by Metrc.
- The name and the marijuana license number of the licensee who packaged the product, including business or trade name, if different from the producer of the marijuana product.
- Date of harvest, if applicable.
- Name of strain, if applicable.

- Net weight in the United States customary or metric units.
- Concentration of tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
- Activation time is expressed in words or through a pictogram. Distinct or unique name of the laboratory which performed passing compliance testing on the product in final form and any test analysis date.
- Universal symbol.
- A warning that includes all the following statements:

  (i)   "It is illegal to drive a motor vehicle while under the influence of marihuana."
  (ii)   "National Poison Control Center 1-800-222-1222."
  (iii) For products being sold by a marijuana facility that exceeds the maximum THC levels allowed for products sold under MRTMA, "For use by registered qualifying patients only. Keep out of reach of children."

  (iv)   For all other products, "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."

  (v)   In clearly legible type and surrounded by a continuous heavy line: "WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD."

Product Labeling and Tagging After Equivalent License Transfer

When products are transferred to an equivalent license, they do not need to be retagged if they are not repackaged. Please note that all products must bear the required labeling under R 420.504.

Avoiding Testing Delays

Additional Testing After Passing Full Compliance

Metrc was designed to track products from seed to sale. When a product is tested in final form and receives passing test results, the system was not designed to accept additional results, and the status may not update correctly.

> **Example:**
>
> A package passing full compliance testing later submitted for additional potency will not update automatically to test passed. The package will need a manual override. Please submit a Metrc support ticket requesting the status to be updated. Metrc support can be reached via email at support@Metrc.com.

Creating Packages Before Retesting

When a package receives failing test results and the licensee chooses to retest the package, the same source package which failed testing should be the source package the retest samples are pulled from.

> **Example:**
>
> A failed package which is repackaged into a child package prior to retesting will not update automatically and will need a manual override. Please submit a Metrc support ticket requesting the status to be updated. Metrc support can be reached via email at support@Metrc.com.

Incorrect Test Panels Selected at Sampling

When a licensee selects an incorrect test panel at the time of sampling, the testing status will not update correctly if the selected panel does not have results in Metrc. If the laboratory completes and enters the correct results the package will remain locked until the incorrect test panel has results entered or the licensee requests a status update. The laboratory should confirm the selected testing batches match the product type before accepting the samples for transport. If an incorrect panel is selected, the samples should be discontinued and remade, selecting the correct test batch.

> **Example:**
>
> A package of vape cartridges was selected for raw plant material in error. The laboratory performs the required testing and enters the results for the vape testing panel. The package will remain in testing in progress as Metrc is awaiting the raw plant material results. This package will require a manual override. Please submit a Metrc support ticket requesting the status to be updated.

Entering Partial Testing Panels

All testing panels include the required testing types. If all test types do not have a numerical value entered in the required field, the panel will remain in testing in progress.

> **Example:**
>
> Retest samples are selected for additional microbials. The only failing analyte from the initial testing is Total Yeast and Mold (TYM). If the laboratory only enters results for TYM, the testing status will remain testing in progress. The laboratory will need to enter results for all required analytes within the selected testing panel. For any analyte for which testing was not performed, the laboratory should enter a zero and, in the notes, state "testing not performed." This compliantly shows the CRA that only TYM was completed.

Incorrect Package Sourcing/Sample Creation

Verify that the package being sampled matches the same package in Metrc. To verify that the physical package is correct, the source package item name, item category, Metrc tag number and weight in Metrc should be compared to the physical package. Any discrepancies should be resolved prior to sampling. Once the package is sampled, the transfer manifest should be compared to the laboratory chain of custody and any issues resolved prior to transporting the material.

Retesting

Approval is not needed from the CRA to retest a product unless the product was quarantined, placed on administrative hold, or recalled. For products which are under investigation, retesting will require approval.

When performing retesting after passing compliance testing, the last result entered in the Metrc system is the test result that should appear on the package label.

When performing retesting after products have been distributed, any testing done on the packages will update the testing status of all packages. Before retesting packages that have been distributed, please consult Metrc support and the CRA.

> **Example:**
>
> A retailer requests potency testing on a passed product at their location. Once the retailer creates the test samples, the status of all related packages from the source will update to "submitted for testing" and will no longer be eligible for sale or transfer as they are no longer passing in the Metrc system and are ineligible for sale.

Certificates of Analysis (COA)

Certificates of Analysis (COA) can be uploaded to Metrc when publishing testing results. Once a COA is uploaded, it is available to anyone who has that product in their inventory. This feature allows full transparency of product testing throughout the supply chain.

For more information, please review the Metrc bulletin.

Product Categorization

Item Categories in Metrc

- **Buds** – Whole dried/cured buds
- **Concentrate** – Shatter, batter, sauce, sugar etc.
- **Infused Liquids** –Beverages that require additional permission to produce, please follow the procedure outlined in this bulletin. Additional items may include tinctures.
- **Infused Edible** – Gummies, chocolate bars, capsules, etc.
- **Infused Non-Edible Liquid** – Topicals such as lotion or balm
- **Infused Non-Edible Solid** – Patches, tampons, suppositories etc.
- **Inhalable Compound Concentrate** – Pre-rolls with concentrate added, moon rocks, etc.
- **Vape Cart –** Any vaping product
- **Wet Whole Plant –** Any plant material which is frozen at harvest. This could be buds, shake/trim, or a combination of both.
- **Kief –** Only kief should be included.

This is a non-exhaustive list. Please contact CRA-Compliance@michigan.gov with any questions regarding item categories.

Pre-Rolls

All raw pre-rolls must be categorized as shake/trim (pre-packaged), regardless of whether they are made from buds. This is due to the way the Metrc system calculates their quantity and weight for reporting.

Pre-Rolls with Non-Marijuana Terpenes

All pre-rolls with the addition of non-marijuana terpenes should be categorized as an inhalable compound concentrate (ICC), and the final form testing should be for an ICC.

Rick Simpson Oil (RSO) and Distillate Darts

RSO and distillate darts are subject to all rules and regulations for concentrates, including transportation, labeling, transaction limits, etc. If intended for oral consumption, it must adhere to the labeling and other requirements for an edible product.

Item Creation

When creating new items in Metrc, please make sure to double check the unit weight is correct. Inaccurate item/unit weights can lead to oversales.

> **Example:**
> A cultivator creates a 1g pre-roll but instead of using 1g in the item weight, they enter 28g, so every time the retailer sells the 1g pre-roll it is showing in Metrc as an ounce. If the customer buys 3, this is over the allotted 2.5 ounces per transaction.

Inhalable Compound Concentrate (ICC) Products

Inhalable compound concentrate products (moonrocks, tarantulas, infused pre-rolls, etc.) are considered concentrates for purposes of determining purchasing and transportation limits, labeling requirements, and trade and internal product sample allotments. The full weight of the product counts toward these limits/allotments.

Each marijuana component of an inhalable compound concentrate product must have passing safety compliance test results in Metrc prior to creating the combined product. The combined product must then be tested in final form.

Infused Edible THC Serving and Package Information

The THC per dose/serving and package are required to be entered into the item details in Metrc for all infused items.

Infused Edible Expiration Date Function

Infused edible packages now have an optional feature during new package creation to include an expiration date to assist with better inventory management. Once the new package is created with an expiration date, this information will now be available in the packages grid in Metrc.

The expiration date will provide indicators as it approaches the product's expiration. When a package's expiration date is within 10 days, the expiration date column will be highlighted in orange. Once the expiration date has passed, the package's font will turn red, and the expiration date will also be highlighted in red, signaling that the product is past the expiration date.

The additional data has also been added to the following Metrc reports:

- Packaged sales
- Inventory point in time
- Packages inventory

For more information, please review the Metrc bulletin.

Marijuana Product Destruction

When destroying marijuana product, documentation of the destruction – including the full Metrc tag number, the reason for destruction, and the method of destruction – is required to be logged on the waste/destruction log. Licensees should keep photos or video of the marijuana product in its destroyed state, and photos or video of all Metrc tag numbers that correlate with the product being destroyed.

Once the product has been destroyed, the package(s) should be adjusted down to 0 and finished in the statewide monitoring system (Metrc). When making the adjustments, please use "waste" as the reason code and include a note that indicates the reason for destruction and the date it was completed.

Evidence of destruction must be made available to the CRA upon request, it is not required to be sent unless it is requested.

Please note that products on administrative hold will require agency approval prior to destruction. Please email CRA-Compliance@michigan.gov to request hold removal for destruction.

When disposing of marijuana product, please reference this bulletin.

Video and Photo Evidence in Destruction

When collecting video evidence to demonstrate the destruction of product, it is essential that the CRA can clearly view and observe the actions taken by the licensee. To accomplish this, there are several things to keep in mind:

- Ensure that the destruction is taking place where there is a clear camera view. The frame should be free of obstruction and all staff completing the destruction should be behind the product so as not to obstruct the view of the product.

- The product should be shown in its storage container before any product is removed.

- The Metrc tag number should be visible and if possible, held up to the camera.

- The weight or count should be shown prior to destruction, either by weighing the product or by placing the individual items in groups (i.e., 10, 10, etc.) to clearly show the number of products on hand that are being destroyed.

All questions related to marijuana product destruction should be directed to CRA-Compliance@michigan.gov.

All questions related to compliant waste practices should be directed to CRA-Enforcement@michigan.gov.

Administrative Recall Function

This feature allows the Cannabis Regulatory Agency (CRA) to apply an administrative recall status to packages within Metrc. When a package is placed under recall, administrators and owners listed in Metrc will automatically receive an email notification.

Recalled products can be identified in the following ways:

- The package information's font will be blue

- The administrative recall (A.R.) column will show a "Yes" with a blue rectangle around the text
- A banner will be visible at the top to notify users that a package has been recalled

Transferring Packages on Administrative Recall

Users can transfer packages with an administrative recall status; however, these recalled packages cannot be combined, remediated, or submitted for further lab testing.

Retailers are permitted to repackage the remaining recalled product into a new package to retain sales data within their facility and to process returns.

For more information, please review the Metrc bulletin.

Notices of Potential Noncompliance

In order to further the goal of education before regulation, the CRA has created a compliance monitoring program which looks for potential rule violations by license type. The data is pulled, and notices are issued to licensees with the specific rule and list of packages, manifest, etc., which appear to be out of compliance. It is the responsibility of the licensee to investigate these notices and identify whether there is noncompliance. If identified, corrections should be made.

Creating a Transfer Manifest

To create a transfer manifest in Metrc, please follow the instructions found here.

Transfer Types and When to Use Them

Adult-Use Affiliated Transfer

For transfers between adult-use licenses with the same ownership.

Adult-Use Seeds and Seedlings

For adult-use cultivators to bring in seeds or seedlings from individuals aged 21 or older.

Caregiver

For medical cultivators to bring in seeds, seedlings, tissue cultures, or cuttings from a registered caregiver.

Educational Research License Transfer

For transfers to an educational research license.

External Cannabinoids

For acquiring hemp-sourced cannabinoids from businesses that do not hold a marijuana license. Please note all products must be legally obtained from either a Michigan licensed hemp processor handler or from a source licensed to grow, handle, and produce cannabinoids under a license issued by a governmental authority, and MUST contain less than 0.3% Total THC. Total THC = THCA (%wt.)× 0.877+Δ9THC (%wt.)

Grow to Grow Between Medical and Adult-Use

For transfers between equivalent medical and adult-use cultivators that are under the same ownership.

Immature Plants Between Medical and Adult-Use

For transferring immature plants between equivalent medical and adult-use licenses under the same ownership.

Infusion Transfer

For any non-affiliated transfers where there is no price associated. This would include third party processing agreements.

Medical Affiliated Transfer

For transfers between medical licenses with the same ownership.

Microbusiness Transfer

For transfers of seeds, tissue cultures, and clones that do not meet the tradition of a plant to a microbusiness.

Provisioning Center and Retailer Between Medical and Adult-Use

For transfers between equivalent medical and adult-use sales locations that are under the same ownership.

Processor to Processor Between and Adult-Use

For transfers between equivalent medical and adult-use producers that are under the same ownership.

Temporary Event

To create a manifest for product going to a temporary event. This transfer must be voided after the manifest is printed.

Temporary Event – Return

To create a manifest for product returning from a temporary event. This transfer must be voided after the manifest is printed.

Testing Transfer to Safety Compliance Facility

For transfers to safety compliance facilities where the safety compliance facility is the transporter.

Tolling Transfer

Tolling Agreements involve a transfer of raw goods to another marijuana business to be processed for a fee or toll.

Trade Sample Transfer

For trade sample transfers to another license (if carrying more than 15 ounces of marijuana or 60 grams of concentrate, a secure transporter is required).

Wholesale

For transfers between licenses when the product is being sold with an upfront price negotiated. Prices should not be listed as rates per pound and should be the price paid for the product.

Manifest Documentation

Walking Transfers

The sender of the product will select themselves as the secure transporter and enter the "walking transfer" for the route, driver, and vehicle information. Gross weight, etc. is the same as the package weight.

Virtual Transfers

All transfers where no physical transfer is occurring must be approved by the CRA through Metrc Support.

Trade Sample Transfers

The sender of the product will select themselves as the secure transporter. The driver and vehicle information will be from the employee delivering the product.

Temporary Event Transfers

The sender will void the transfer after the manifest has been printed.

External Cannabinoid Transfers

It is the responsibility of the licensee to ensure that any external cannabinoids do not meet the definition of marijuana, meaning the total THC cannot exceed 0.3%. Licensed Producers should retain COAs and invoices for all products obtained from outside the regulated market. The Total THC should be entered onto the manifest for each package as detailed in this bulletin

Internal Analytical Sample Tracking

A licensee will designate a room in their Metrc inventory to perform internal analytical testing on marijuana or a marijuana product grown or produced by the marijuana business.

The licensee will create a package for any samples taken for internal analytical testing.

The licensee will change the location of the product to the room designated as the internal analytical testing space when products are placed in the room for testing.

All marijuana and marijuana product must have a Metrc tag affixed to them.

Once marijuana samples have been manipulated for testing (i.e., solvent added for extraction or buffer for microbial testing), this product is now considered waste since it is no longer usable and must be adjusted and finished in the Metrc system.

Internal analytical testing results are for informational purposes only and cannot be entered into the Metrc system. Prior to being sold or transferred, the batch from which the samples were obtained is required to undergo full compliance testing at a licensed laboratory with passing test results entered in Metrc.

Adjustment Reasons

Adjustments do not need to be reported to the CRA, but a transparent explanation should be provided in the adjustment notes. Positive adjustments should include where the additional material came from including the Metrc tag number.

If the adjustment is due to the addition of non-marijuana ingredients, this should be indicated in the notes with the amount added. This applies to all non-cannabis ingredients including the addition of compliant non-marijuana terpenes.

Negative adjustments which include destruction should include the date of destruction and method.

Shipping Errors

All errors made during shipping and receiving must be corrected at the time of receipt.

Physical and electronic inventory must match exactly to be compliant.

Examples of common errors include receiving more or less than what is stated on the manifest or receiving product not on a manifest.

It is **never** acceptable to correct errors by adjusting packages. **Incorrect packages should be rejected.**

After rejecting the package(s), the licensee should contact Metrc Support to open a Metrc Support ticket for assistance with correcting the error compliantly. Metrc support can be reached via email at support@Metrc.com.

Facility Inventory Errors

All inventory errors must be corrected. Physical and electronic inventory must match exactly to be compliant.

> **Example:**
> Common errors include not creating products as production batches, adjusting down packages instead of creating a new package, and packaging errors during the harvest process.

If support is received from Metrc, the Metrc support ticket number should be included in the notes.

When reporting issues to Metrc support, please make sure to include the license number, Metrc ID, package tag numbers, and a summary of the issue in the email.

Correcting Inaccurate Sales

To correct an inaccurate sale in Metrc, a receipt correction is needed. Please follow the instructions found in this video.

Packages: Discontinue or Finish

Packages with errors should be discontinued. These packages cannot be made active again. An example would be that the incorrect source package was used to create the product in Metrc. Since the wrong material is electronically used to create the product, the resulting child package of new product should be discontinued, this restores the material back to the source so that the package can be remade compliantly.

Packages which are empty should be finished. Finishing the packages is a housekeeping procedure to move the packages to the inactive tab so that only the active inventory is in view on the active packages screen. A package may be unfinished if an error is made.

Metrc Housekeeping

For improved efficiency within Metrc, the following items should be done routinely.

Finalizing Sales

Sales locations should regularly and frequently finalize their receipts to archive them. Failure to do so can cause Metrc to lag or error out when trying to edit receipts. Finalized receipts can be "unfinalized" if they need to be edited.

Finishing Packages

Once a package has zero quantity, the package should be "finished" in Metrc to move it to the inactive packages tab. Failure to do so can cause Metrc to lag or error out when trying to view or adjust package inventory. Finished packages can be "unfinished" if they need to be adjusted.

Finishing Harvests

Once the package weight and waste weight of a harvest has been recorded in Metrc, the harvest should be finished. Metrc will assign the remaining weight in the harvest to be "moisture loss." The harvest can be "unfinished" to account for a package or waste that was not originally recorded.

Outstanding Manifests

Licensees should review their incoming and outgoing manifests for transfers that have not yet been accepted. Unaccepted manifests can lead to disputes over where inventory ended up. If these manifests are not reviewed frequently, the video footage of the transfer may be lost before the error is discovered.

Additional Resources

- Metrc support can be reached by calling 1-877-566-6506.

- Contact Metrc Support Navigate to <u>Support.Metrc.com</u>, or from the Metrc System, click Support and navigate to support.metrc.com and it will redirect to the portal.
- Please note: If accessing the portal for the first time, a username (which is established when logging in), the respective state and "Facility license number", and a valid email to set a password is required. Access additional resources In the Metrc system, click on the Support area dropdown on the navigational toolbar and select the appropriate resource, including educational guides, manuals, and more.
- <u>Additional Metrc training available</u>
- <u>Metrc Knowledge Center</u>