Compliance Education Bulletin

Bulletin CE2018-01
January 17, 2018

The Oregon Liquor Control Commission is providing the following information to: recreational marijuana licensees.

The bulletin is part of OLCC's compliance education. It is important that you read it, and understand it. If you don't understand it please contact the OLCC for help.

Failure to understand and follow the information contained in this bulletin *could result in an OLCC rules compliance violation affecting your ability to work or operate your business*.

Bulletin CE2018-01 covers the following issues:

- Metrc functionality enhancements
  - [Viewing item information prior to receipt of transfer](#); and
  - [External Transfers](#)

Metrc Functionality Enhancements

Metrc has introduced two new major functionality enhancements in order to align with [newly adopted OLCC administrative rules](#) and assist licensees in remaining compliant with the [preexisting marijuana rules.](#)
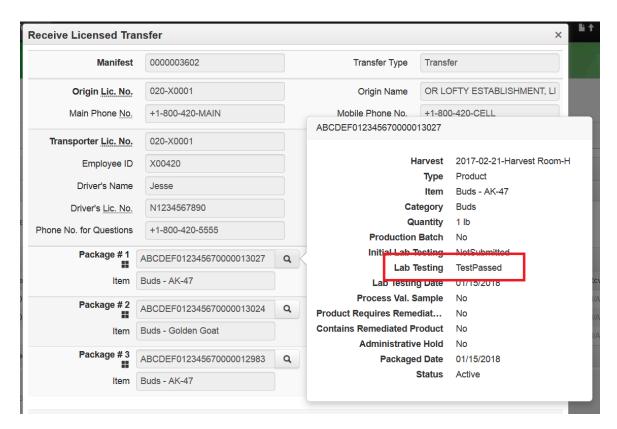
The enhanced functions provide more detailed package information to prospective recipients of a transfer, including source packaging information and more extensive product testing data.

The Metrc upgrade also includes features for transfers into the OLCC CTS – specifically for new licensees' start-up inventory and hemp items. **Important: this new "external transfers" functionality does not replace the license-to-license transfer functionality.**
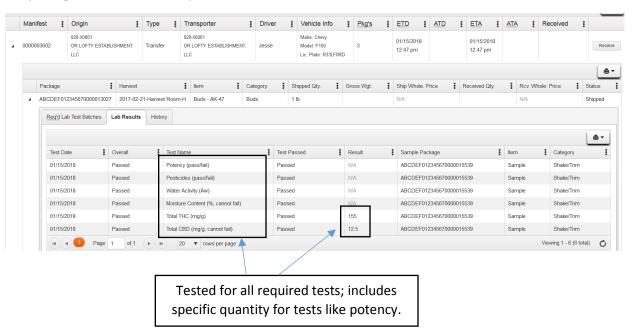
Also, some existing Metrc features will be disabled; these are noted elsewhere in this compliance education bulletin.
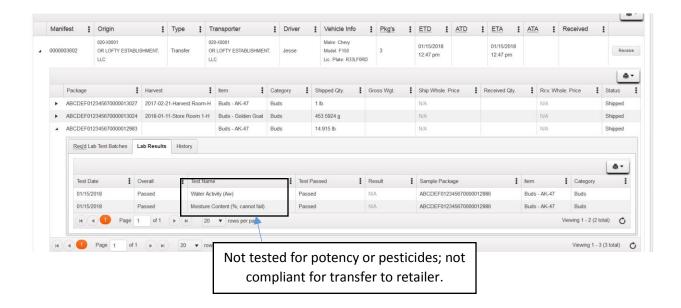
Viewing item information prior to receipt of transfer

It is now possible for a licensee to see package-level information, including full test results and package history, prior to receiving a transfer. Prior to this functionality enhancement, receiving licensees could see high level information about an incoming transfer, including the test status of each package:

This functionality is still in place and should continue to be used to verify test status information. However, licensees now have the ability to see significantly more information about a package prior to receiving it. This is critical information for a receiving licensee to know whether a package was tested in full compliance with the rules. For example, in the below example, a retailer would be able to see that one package was tested in compliance with the rules while another was not:

Tested for all required tests; includes specific quantity for tests like potency.

Not tested for potency or pesticides; not compliant for transfer to retailer.

Licensees are also able to see the full history in the package drilldown, including whether the package was properly created from a source package:

Proper chain of custody: new package documented as pulling from an existing source.

	Manifest	Origin	Type	Transporter	Driver	Veh
◢	0000003602	020-X0001 OR LOFTY ESTABLISHMENT, LLC	Transfer	020-X0001 OR LOFTY ESTABLISHMENT, LLC	Jesse	Mak Mod Lic. I

	Package	Harvest	Item	Category	Shipped
▶	ABCDEF012345670000013027	2017-02-21-Harvest Room-H	Buds - AK-47	Buds	1 lb
▶	ABCDEF012345670000013024	2018-01-11-Store Room 1-H	Buds - Golden Goat	Buds	453.592
◢	ABCDEF012345670000012983		Buds - AK-47	Buds	14.915 l

Req'd Lab Test Batches | Lab Results | **History**

Description

Packaged 15 Pounds of Buds - AK-47

Improper chain of custody: created as a "thin air package" with no source; if not brought in as pre-approved start-up inventory (through Inventory Transfer Request) this package does not have proper chain of custody.

Two important notes:

1) With more information available to licensees, the OLCC expects licensees to perform greater due diligence prior to receipt of incoming transfers. This includes confirmation that full compliance testing has been completed. For more information on what specific testing is required for each item and destination type, see OHA's testing website: www.healthoregon.org/marijuanatesting.

2) Currently the Lab Results tab only shows testing conducted since the implementation of the functionality in early January; testing conducted prior to that date will not appear at this time. However, in the coming week or two this historic information will be populated in Metrc and will be available in the Lab Results tab of the relevant package(s).

External Transfers

OLCC's recently adopted rules introduced opportunities for licensees **with the proper endorsements/approvals** to receive product in from and send product out of the OLCC system. These specific allowances are:

- "Bump-up" producer canopy that allows production for OMMP patients: requires OLCC approval and payment of a fee;
- Hemp endorsement for OLCC processors: requires OLCC approval. **As of December 28th retailers may not receive hemp from outside the OLCC system. Only pre-approved OLCC processors may receive hemp items from hemp growers or handlers**;

- Processing for medical patients that allows processors to receive usable marijuana from OMMP patients, process into cannabinoid extracts, concentrates, and products: requires OLCC approval.

No product may be received from OMMP growers using this External Transfers functionality. The annual medical-to-recreational "20 pound transfer" provision is not currently active. More information on this provision specifically and medical tracking generally will be released in the coming weeks and months prior to July 1, 2018.

To accommodate this pre-approved activity and more transparently document the receipt from (or transfer to) approved sources, Metrc has a new "External" transfers type in addition to the pre-existing "Licensed" transfers for license-to-license manifests.
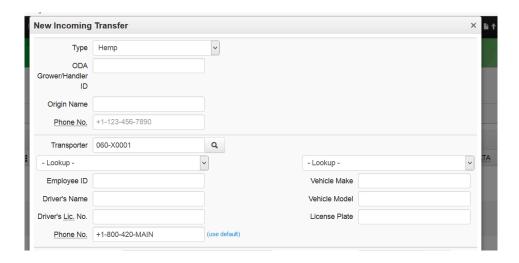
This new functionality will also be used for licensee's start-up inventory (brought in through OLCC-approved Inventory Transfer Request and producers' 90-day start up period for immature plants and seeds). **In the coming weeks the ability to create packages without a source in the packages section of Metrc will be disabled.** The only way to create a new package that does not come from an existing Metrc package will be through the Incoming External Transfers section.

Important: it is very important that you understand when External Transfers should – and should not – be used. Incorrect or improper use of External Transfers could result in compliance action, up to and including revocation of your license.

External Transfers are to be used only when product is coming into or out of the OLCC system in line with existing rules and laws. It should not be used when sending or receiving products to other OLCC licensees.
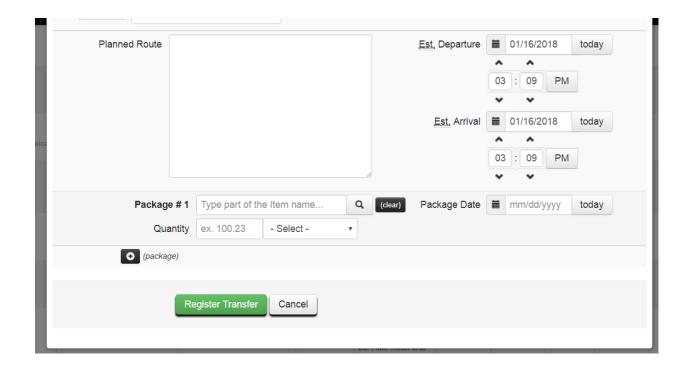
Creating an External Transfer

External Transfers function nearly identically to Licensed Transfers in terms of usability – a manifest is created and the transfer must be received for the package to reach its destination. However, due to the External (unlicensed) Entity being the sender or receiver, there are important distinctions. You must first select an External Transfer type that has been configured by the OLCC. Depending on the type of transfer you will need to enter the specific information as prompted. For example, for a processor receiving usable marijuana from a medical patient for processing, the processor would be prompted to enter the OMMP card number of the patient; for a processor receiving hemp from an ODA-registered hemp grower or handler, the processor would be prompted to enter both the Business Name and ODA Registration Number of the hemp grower/handler.
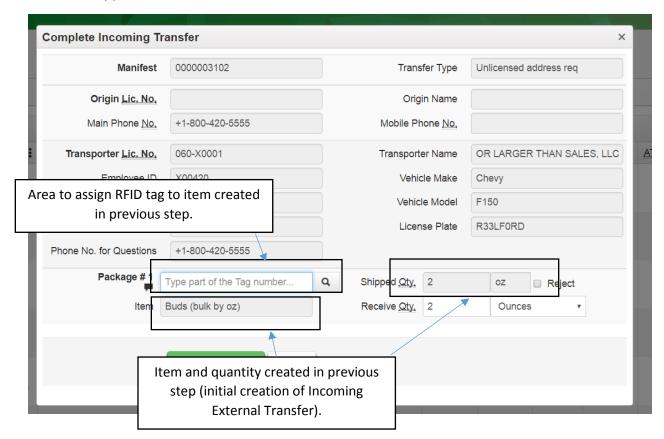
Incoming External Transfer

Unlike a Licensed Transfer, in which a preexisting package is being selected for transfer, an Incoming External Transfer is simultaneously receiving **and creating** a package. As such, creating an Incoming External Transfer is a hybrid of the Licensed Transfer and Package Creation functionality. Creating the specific package is a two-step process:

1) Submit the Incoming External Transfer: provide the information as prompted for the transfer itself as well as the item name and quantity of the product being received.

2) Receive/confirm the transfer: confirm the quantities received and assign a specific RFID tag to the item(s).

Complete Incoming Transfer ✕

Manifest	0000003102	Transfer Type	Unlicensed address req
Origin Lic. No.		Origin Name	
Main Phone No.	+1-800-420-5555	Mobile Phone No.	
Transporter Lic. No.	060-X0001	Transporter Name	OR LARGER THAN SALES, LLC
Employee ID	X00420	Vehicle Make	Chevy
		Vehicle Model	F150
		License Plate	R33LF0RD
Phone No. for Questions	+1-800-420-5555		

Area to assign RFID tag to item created in previous step.

Package # 1 — Type part of the Tag number... 🔍 — Shipped Qty. 2 oz ☐ Reject

Item — Buds (bulk by oz) — Receive Qty. 2 Ounces ▼

Item and quantity created in previous step (initial creation of Incoming External Transfer).

Upon confirmation of the Incoming External Transfer the package will appear in the packages section of your Metrc facility account. Like a Licensed Transfer, completing step 1 but not step 2 (i.e. leaving the transfer uncompleted) will **leave the item "in limbo" and your inventory will not be properly reconciled.**