

HIGHLANDS

Vault Inventory SOP

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PURPOSE

This Standard Operating Procedure explains the functional operation of Highlands vault inventory storage

SCOPE

This is a company-wide procedure that covers the organization and storage for inventory

RESPONSIBILITIES

- **Ensure accuracy on transferring packages and packaging label requirements**
- **Organize product by harvest and METRC identification number, also known as METRC tag**
- **Compliance Department** – Ensure all SOPs are written in compliance with all state and local rules and regulations.

Rules and Regulations (Cannabis Regulatory Agency of Michigan)

R 420.212 Storage of marijuana product. Rule 12. (1) All marijuana products must be stored at a marijuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules. Page 22 Courtesy of Michigan Administrative Rules (2) All containers used to store marijuana products for transfer or sale between marijuana businesses must be clearly marked, labeled, or tagged, if applicable, and enclosed on all sides in secured containers. The secured containers must be latched or locked in a manner to keep all contents secured within. Each secured container must be identified and tracked in accordance with the acts and these rules. (3) All chemicals or solvents must be stored separately from marijuana products and kept in a closed container in locked storage areas. (4) Marijuana-infused products, edible marijuana products, or materials used in direct contact with the marijuana-infused products or edible marijuana products, must have separate storage areas from toxic or flammable materials. (5) Marijuana products not in final packaging must be stored separately from other types of marijuana product in compliance with these rules. (6) A marijuana sales location shall store all marijuana products for transfer or sale behind a counter or other barrier separated from stock rooms. (7) A laboratory shall establish an adequate chain of custody and instructions for sample and storage requirements. (8) A licensee shall ensure that any stock or storage room meets the security requirements of these rules and any other applicable requirements in the acts and these rules. History: 2020 AACs; 2022 MR 5, Eff. Mar. 7, 2022.

Required Tools/Equipment

- Label maker
- Sharpie

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- Scale
- Storage bins
- Leaf Link Invoice
- Painter's Tape / Masking Tape

Specific Procedure

- All inventory must have a METRC tag physically visible and attached to it
 - When receiving product into a new location in your facility, always check the weight physically matches what has been recorded in METRC.
 - Locate METRC tag on your container
 - Use this METRC tag to look up the product you are receiving to make sure it is accurate and has passed all required testing before accepting it into the vault
 - Weigh by using a scale and a bin that has been tared out on the scale
 - Place bag of product into bin and record the product's weight
 - Using the label maker, label each container with the METRC tag number, strain, and weight in grams
 - Place the label on the bin over a tape like painter's tape (so as to not leave residue on bins), and put it into the allocated space pertaining to its harvest. *All inventory must have a METRC tag physically visible and attached to it*
- Categorizing vault inventory
 - Sort inventory by harvest, using the METRC tag that ties to the COA, internally referred to as "the grand-parent tag"
 - Once these strains are sorted, the production lead will decide what the product will become: i.e. bulk, prepacked, prerolls
 - Once the product has been produced into "final product," the total amount created is made into a new METRC tag, internally referred to as "parent tag" for 1/8ths, prerolls, or bulk. The vault inventory person makes sure everything is put into its new category and labeled according to:
 - Harvest
 - Strain
 - Unit Type (i.e. 1/8ths, prerolls, bulk)
 - Transportation tags, internally referred to as "child tags" (see SOP on labeling/fulfillment for details on this step)
 - Amount in eaches

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- Source METRC tag marked as S.T. followed by the last 4 digits of the original source batch number - *so that internal verification of the COA can be easily found*
- Only authorized vault personnel should be handling products in the vault, unless released to an individual employee for production by an authorized vault employee