

3796:6-3-20

Medical marijuana dispensary internal inventory control system.

- (A) A dispensary designated representative shall have primary oversight of the dispensary's medical marijuana inventory control system. The inventory control system shall be real-time, web-based, backed-up at least daily and accessible by the state board of pharmacy immediately upon request.
- (B) A dispensary's inventory control system shall allow for tracking so that the oldest stock of medical marijuana is distributed first. A dispensary may deviate from this requirement, if such deviation is temporary and appropriate.
- (C) A dispensary shall establish and implement an inventory control system for its medical marijuana that documents an exact accounting of:
- (1) Each transaction and each day's beginning inventory, acquisitions, sales, disposal and ending inventory.
 - (2) Acquisitions of medical marijuana from a licensed processor or cultivator holding a plant-only processor designation, including:
 - (a) A description of the products including the quantity, strain, variety and batch number of each product received;
 - (b) For each product, the finished form, number of units or volume of each finished form in each container, the number of commercial containers of each finished form;
 - (c) The name and license number of each of the processors and cultivators providing the medical marijuana;
 - (d) The name and license number of the licensed processor and cultivator agents delivering the medical marijuana;
 - (e) The name and license number of the licensed dispensary employee receiving the medical marijuana;
 - (f) The date of acquisition; and
 - (g) Any other information deemed appropriate by the state board of pharmacy.
 - (3) Records of the sale or dispensing of medical marijuana and denials of such sales, which shall contain:

- (a) A description of the products including the quantity, strain, variety and batch number of each product dispensed;
 - (b) The name and license number of the licensed dispensary employee selling, dispensing, or denying the sale or dispensing of the medical marijuana;
 - (c) The date of dispensing; and
 - (d) The name and registration number of the patient and, if applicable, the caregiver.
- (4) The disposal of medical marijuana, including:
- (a) A description of the products, including quantity, strain, variety, batch number and cause for the medical marijuana being destroyed;
 - (b) The name and license number of the dispensary employee destroying the medical marijuana or medical marijuana product;
 - (c) The name and license number of the dispensary key employee verifying the destruction of the medical marijuana or medical marijuana product;
 - (d) The method of disposal and the name, address and telephone number of the disposal company; and
 - (e) The date of disposal.
- (D) The designated representative shall conduct and document an audit of the dispensary's daily inventory according to generally accepted accounting principles at least once weekly.
- (1) If the audit identifies a reduction in the amount of medical marijuana in the dispensary's inventory not due to documented causes, the dispensary shall determine where the loss occurred and immediately take and document corrective action. The dispensary shall immediately inform the state board of pharmacy of the loss by telephone and provide written notice of the loss and the corrective action taken within two business days after first discovery.
 - (2) If the reduction in the amount of medical marijuana in the inventory is due to criminal activity or suspected criminal activity, the dispensary shall immediately make a report identifying the circumstances surrounding reduction to the state board of pharmacy and law enforcement with jurisdiction where the suspected criminal acts occurred.

- (3) If the audit identifies an increase in the amount of medical marijuana in the dispensary's inventory not due to documented causes, the dispensary shall determine where the increase occurred and take and document corrective action.
- (4) ~~The dispensary shall submit quarterly financial audit statements in a format and medium approved by the state board of pharmacy. Quarterly audits may include, but are not limited to, an income statement, balance sheet and weekly medical marijuana inventory, including marijuana acquisition, wholesale cost and sales, prepared in accordance with generally accepted accounting principles. Annually, the dispensary shall submit an audit including the same information, compiled and certified by an auditor or certified public accountant. Both such quarterly and annual submissions shall be in a format and medium approved by the state board of pharmacy.~~ At the conclusion of every fiscal year, each medical marijuana dispensary or the common owner of multiple dispensaries within the state, shall cause an audit to be prepared and certified by a licensed independent auditor or an independent certified public accountant. The audit may be part of a consolidated audit for all dispensaries owned by an ultimate owner of multiple dispensaries in the state, but must specify where relevant information pertaining to Ohio dispensaries is located within the consolidated audit. The audit must be certified as accurate based on the information provided and conducted under generally accepted auditing standards (GAAS). Each dispensary, or their common owner, shall also provide a certified statement which includes an annual income statement, balance sheet, and cash flow statement, prepared under generally accepted accounting practices (GAAP). The audit and certified statement signed by the chief financial officer, auditor, or accountant shall be submitted to the Board within 120 days of the end of the fiscal year.

(E) A dispensary shall:

- (1) Maintain the documentation required of this rule in a secure, locked location for three years from the date on the document. These records may be kept electronically if the method is approved by the state board of pharmacy and the records are backed-up each business day;
- (2) Provide any documentation required to be maintained in this rule to the state board of pharmacy for review upon request; and
- (3) If maintaining a bank account, retain for a period of three years a record of each deposit or withdrawal from the account.

- (F) A dispensary shall not accept returns of medical marijuana, unless the return is pursuant to a program offered under paragraph (D) of rule 3796:6-3-14 of the Administrative Code, a recall, or the consequence of an error in dispensing. If medical marijuana is abandoned at the dispensary, it shall be accounted for and destroyed. All returned or abandoned medical marijuana shall be destroyed in compliance with rule 3796:6-3-14 of the Administrative Code. A dispensary shall notify the state board of pharmacy in writing of any returned or abandoned medical marijuana.
- (G) All records of each day's beginning inventory, acquisitions, sales, disposal and ending inventory shall be kept for a period of three years at the place where the medical marijuana and medical marijuana products are located. Any dispensary intending to maintain such records at a location other than this place must first send a written request to the state board of pharmacy. The request shall contain the dispensary name and license number and the name and address of the alternate location. The state board of pharmacy will send written notification to the dispensary documenting the approval or denial of the request. A copy of the state board of pharmacy's approval shall be maintained with the other records of medical marijuana. Any such alternate location shall be secured and accessible only to authorized dispensary employees.

Effective: 1/2/2023
Five Year Review (FYR) Dates: 2/3/2022 and 01/02/2028

CERTIFIED ELECTRONICALLY

Certification

11/09/2022

Date

Promulgated Under: 119.03
Statutory Authority: 3796.04
Rule Amplifies: 3796.04, 3796.20
Prior Effective Dates: 09/08/2017