

## **SOPs for Recordkeeping**

### **OVERVIEW**

Tambre, as a Class 5 Retailer License applicant, will develop Standard Operating Procedures for Recordkeeping that comply with the following requirements established in the New Jersey Cannabis Regulatory Commission Notice of Application for Personal Use Cannabis Licenses: N.J.A.C. §17:30-9.7 Cannabis Business Recordkeeping and N.J.A.C. §17:30-14.5 Cannabis Retailer Recordkeeping.

Through these SOPs, Tambre will ensure the compliance and security of all records maintained for a duration specific to each record type, as required by the New Jersey Cannabis Regulatory Commission regulations, and state and federal laws. Tambre will establish controls to protect against electronic records tampering per N.J.A.C. §17:30-9.10(a).

All required recordkeeping tasks and data will be detailed in the Business Operations Manual, pursuant to N.J.A.C. §17:30-9.6(a)(3). The Operations Manual will always be accessible to staff on the premises. This will ensure accurate recordkeeping throughout all aspects of the retail operation, including purchase/acquisition of cannabis, shop inventory, and sales. In compliance with all pertinent state regulations, Tambre will also generate records for general business operations, financial audits, loss occurrences, adverse events, and public safety, which are outlined below.

Within 30 days of employment and annually thereafter, all individuals requiring training will complete at least eight hours of onsite or online training courses per N.J.A.C. §17:30-9.8(a). Per N.J.A.C. §17:30-9.8(b), topics will include state and federal laws regarding cannabis; state and federal laws regarding privacy and confidentiality; informational developments in the field of cannabis; the proper use of security measures and controls that have been adopted; and specific procedural instructions for responding to an emergency, including a robbery or workplace violence.

### **CANNABIS INVENTORY RECORDKEEPING**

Through appropriate inventory handling and recordkeeping, Tambre will ensure the security of usable cannabis and cannabis products; and pursuant to N.J.A.C. §17:30-9.7, will aid in safeguarding consumers in case of recalls if products are found unsafe.

Through appropriate inventory handling and recordkeeping, Tambre will ensure the security of usable cannabis and cannabis products; and pursuant to N.J.A.C. §17:30-9.7, will utilize a point-of-sale/inventory management system compatible with the Commission selected seed-to-sale tracking system, Metrc, that gives the Commission the means to see the entire cultivation and production history behind every single cannabis-based product. Additionally, Tambre will utilize the inventory management system to aid in recordkeeping, simplify cannabis product recalls, document chain of custody, ensure proper tax revenue accounting, and ease in inspections, audits, and reports. If the Commission decides to use a different seed-to-sale tracking system at a later date, Tambre will fully comply with the new system.

Training will be a key component of recordkeeping programs. Tambre will be committed to ensuring employees with inventory or recordkeeping responsibilities build core skill sets needed to successfully engage with the recordkeeping system. Tambre will provide ongoing training and support that will ensure user proficiency, accurate recordkeeping, and compliance. No employee or manager will be authorized to utilize the recordkeeping system or the POS-system until they have completed all necessary training to utilize the systems.

Inventory will be tracked using a management system designated by the Commission as per N.J.A.C. §17:30-3.6, and an internal cloud-based inventory system. A daily record of cannabis item inventory will be maintained pursuant to N.J.A.C. §17:30-9.13(b), including, at minimum:

- Date of inventory;
- Summary of inventory findings; and
- Name, title, and signature of persons who conducted inventory.

In accordance with N.J.A.C. §17:30-9.7(a), Tambre will maintain a system of recordkeeping that will permit the identification for purposes of recall of any batch of cannabis or lot of cannabis products from consumers when such cannabis items are found to be unsafe for use. As part of this system, Tambre will ensure that the container that contains the cannabis item bears an identifying name and number, and that the final packaged cannabis item contains all labeling information required by N.J.A.C. §17:30-13.3, to make it possible to determine the complete manufacturing history of the packaged cannabis item. This information will be clearly visible and legible.

In compliance with N.J.A.C. §17:30-9.7(c), Tambre will retain every written report from a testing laboratory for any cannabis item sold to a consumer. All written reports by testing laboratories for any cannabis items that have been sold to consumers will be maintained for four (4) years.

Consistent with adverse event and sales recordkeeping described below, Tambre will maintain all daily inventories, monthly inventory audits, and related documents required by law for at least four (4) years from the date of inventory. These records will always be available on the premises, and Tambre will make any inventory records available to the Commission or its authorized agent, upon request.

Whenever any sample or record is removed by a person authorized to enforce state or federal law for the purpose of an investigation or as evidence, such person will tender a receipt, and that receipt will be kept for at least four (4) years.

#### **SALES RECORDKEEPING AND SALES REPORTING**

In compliance with N.J.A.C. §17:30-9.7(b), Tambre will maintain complete, accurate, and confidential records of all cannabis item sales to consumers or cannabis businesses, entered in a cloud-based, track and trace point-of-sale system. All sales transactions will also be appropriately logged in the Commission-designated inventory management system. This includes any curbside sales, which will be conducted in compliance with N.J.A.C. §17:30-14.4. Pursuant to N.J.A.C. §17:30-9.7(b)(2), to protect consumer privacy, no unnecessary personal information will be collected. Cannabis item sales records will include:

- Quantity;
- Variety;
- Form; and
- Cost of the item.

Pursuant to N.J.A.C. §17:30-14.3(c), personnel will log that the examination of photographic identification cards and confirmation of legal age occurred in a record, and will maintain such record, which will be available for inspection by the Commission should they request it.

Tambre will keep complete and accurate records of cannabis item sales, including individual sales amounts, total annual sales, and total returns. All cannabis sales records will be maintained electronically, on-site and within the cloud, for four (4) years, per N.J.A.C. §17:30-14.5 and §17:30-9.7(b)(1). An annual report will be provided to the Commission for all sales data within each calendar year. As per N.J.A.C. §17:30-14.5(b), annual sales reports will provide, at minimum, the following statistical data:

- Total number of consumers who purchased each cannabis item;
- Total number of cannabis item transactions; and
- Taxes collected.

Further efforts to safeguard the public include maintaining sales records in a manner that supports the recall plan, as required by N.J.A.C. §17:30-9.17, and recording consumer complaints regarding cannabis items, as per N.J.A.C. §17:30-9.16. Tambre will retain the written records of cannabis-related complaints and adverse events, along with investigation and follow-up actions and other data required by N.J.A.C. §17:30-9.16(f) for (4) four years, utilizing the recordkeeping best practices described in this SOP.

### **ADMINISTRATIVE AND EMPLOYEE RECORDS**

Tambre will properly maintain all pertinent administrative, business, and personnel records. Pursuant to N.J.A.C. §17:30-9.7(d), Tambre will document and maintain the following administrative records for the cannabis business:

- An organizational chart;
- A general description of the cannabis business facilities;
- Descriptions of all functional areas;
- A detailed, labeled floor plan including total available square footages;
- The standards and procedures used to determine the price for usable cannabis or cannabis products; and
- Records for any price changes.

Tambre will maintain good business practices and keep in compliance with all financial recordkeeping required by state and federal laws. Pursuant to N.J.A.C. §17:30-9.7(e), business records will include at minimum:

- Assets and liabilities;
- Monetary transactions and journals;
- Income and expense ledgers; and
- Supporting documents including agreements, checks, invoices, and vouchers.

Should the Commission request an audit of these financial records by an independent certified public accountant, Tambre will fully comply with all demands pursuant to N.J.A.C. §17:30-9.7(f), bear all costs of the audit, and provide any further assistance needed by the Commission to complete the audit.

Tambre will maintain a personnel record for each owner, principal, management services contractor, employee, and volunteer of the license holder. Pursuant to N.J.A.C. §17:30-9.7(i), these records will include at minimum:

- Application for employment or volunteer work;
- Current cannabis business identification card;
- Driver's license or other state or federally issued photo ID;
- Certification confirming submission to the jurisdiction of the courts of the state, and agreement to comply with all laws of the state pertaining to the Commission;
- Documentation references were verified;
- Documentation of submission of fingerprints for individuals' criminal history record background check;
- Job or role description or contract detailing the duties, authority, responsibilities, qualifications, and supervision of the job or role;

- Signed statement documenting all required training and details of training;
- Documentation of performance evaluations; and
- Documentation of any disciplinary action taken.

Personnel records specific to the cannabis business, as identified in N.J.A.C. §17:30-9.7, will be retained for a minimum of twelve months following the date when employment is terminated, as per N.J.A.C. §17:30-9.7(j). All other employee records covered under the New Jersey Wage and Hour Law will be retained for at least six (6) years, pursuant to N.J.A.C. §12:56-4.4.

### **OTHER PERTINENT RECORDKEEPING STANDARDS**

Tambre's recordkeeping will also track destruction and loss occurrences in the Commission-designated inventory management system as well as the internal cloud-based inventory system. As per N.J.A.C. §17:30-9.7(h), all cannabis that is destroyed on premises will be recorded, and records will be kept for minimum two (2) years. Records will be updated before any destroyed cannabis is prepared for removal or removed from the premises to be disposed of.

As per N.J.A.C. §17:30-9.7(g), Tambre will also maintain records of any loss occurrences reported pursuant to N.J.A.C. §17:30-9.11 in an auditable electronic format for two (2) years after the date of the occurrence report. Records will include:

- The date;
- The quantity disposed of;
- The manner of disposal; and
- The persons present during the disposal, along with their signatures.

Should Tambre engage in any advertising, such advertising will be consistent with the requirements and prohibitions established in N.J.A.C. §17:30-14.2. Tambre will retain records of any advertisement as evidence of regulatory compliance, per N.J.A.C. §17:30-14.2(g). The digital records of the advertisement, as published, will include a precise description of the expected audience and a list of all publications and venues in which the advertisement appeared. These records will be available upon the request of the Commission.

### **ACCESS TO RECORDS AND RECORDS PROTECTION**

Tambre will utilize recordkeeping best practices in producing and maintaining all records. These best practices include using the Commission-designated inventory management system and internal cloud-based point-of-sale software. Electronic records will be labeled and dated according to the naming convention provided in the Operations Manual.

Physical documents will be digitized or otherwise backed up electronically every day. These will be retained as necessary, along with materials that cannot be adequately digitized, in locked cabinets in secured areas. Regularly scheduled digital backups and quality assurance checks will ensure record integrity. All record creation and management practices will be detailed in the Operations Manual, to ensure accurate recordkeeping.

Access to recordkeeping software, electronic documents, and passwords will be restricted only to registered employees authorized by the General Manager. Access to physical records, hard drives, and recordkeeping storage areas, including the Manager's Office, will be restricted to employees and managers with a job-related reason to access these areas.

Records will be created digitally on an internet-connected electronic device and maintained utilizing secure cloud storage. To avoid adulteration or exposure of important records and information, Tambre will take proactive measures to secure and protect these items. A wide range of strategies, tactics, and tools will be used, including:

- Security packages verifying user sign-on to computers, log recordings, and password verifications, which change every 90-days;
- Anti-virus and anti-malware software to detect and prevent cyber-attacks, intrusions, and theft of digital records;
- Strengthening domain and network security, establishing strong password policies, creating a regular patching routine, and segmenting networks;
- Conducting once a year, third-party vulnerability hacking tests to check for weaknesses in the system;
- Using online security software to conduct periodic scans and virus checks to eliminate malware, Trojan horses, and attempts at hacking into the system;
- Creating a hidden naming convention for the wireless system;
- Automatic backups on all files into a secured section of the cloud;
- Documenting policies on information security and IT-related issues, such as password protocols;
- Facility employee training, awareness initiatives, and risk-generated alerts on time-sensitive threats; and
- Annually renewed facility employee acknowledgements on proper use of the electronic systems within the facility.

#### Onsite Assessments

Tambre will permit and facilitate scheduled and unscheduled onsite assessments, at any time without notice, by the CRC or its designee, as a condition of obtaining and maintain licensure per N.J.A.C. §17:30-17.3 (a). Tambre will demonstrate compliance with required regulations and will provide the CRC with immediate and complete access to any material and information, including sales and other financial records per N.J.A.C. §17:30-17.3(b). Tambre will provide proof that staff is at least 21 years old as per N.J.A.C. §17:30-17.3(c). Onsite assessment may include, but not be limited to, topics in N.J.A.C. §17:30-17.3(d)(1-7).