

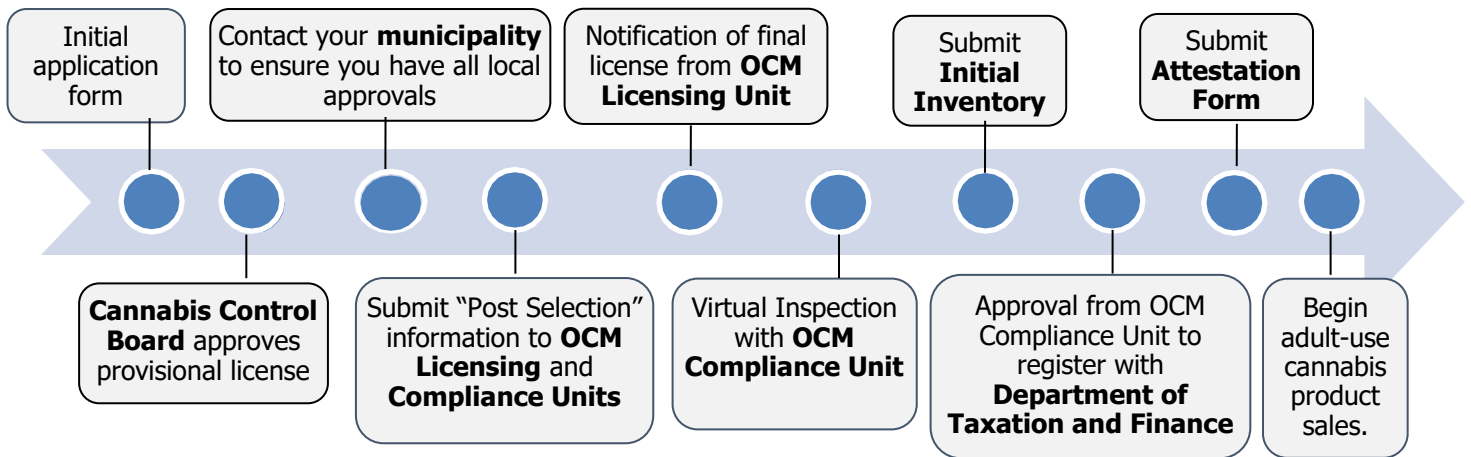


Dear Licensee:

Congratulations on obtaining Board approval for an Adult-Use Retail Dispensary License!

The Compliance Unit at the Office of Cannabis Management (the Office or OCM) is providing you with an Adult-Use Retail Compliance Welcome Packet (packet) for your information. This packet is a tool to assist you with preparing for the opening of your dispensary and does not replace guidance, laws, or regulations. **This Compliance Welcome Packet does not constitute final licensure or approval to commence operations. Additionally, the provision of this packet does not constitute approval (or proximity protection) of any proposed premises (or location) you may have submitted. All licensees are bound by current and future state laws, rules, regulations, terms and conditions, and guidance.**

Figure 1. Overview of Key Steps



This packet includes important information to assist you with understanding requirements in law, regulation, and guidance that are important to your retail location buildout.

Please read all materials included in the packet. Violations of applicable laws, regulations, and guidance will require you to take corrective action. For example, if your dispensary’s outdoor sign contains images, then you will be required to correct that violation (e.g. by removing or covering up all images) in order to open your dispensary. The information in this packet is intended to assist you in avoiding common violations and prepare for your virtual pre-operational inspection.

An important step in opening your dispensary is ensuring you are in compliance with all applicable local permits and approvals. This includes, but is not limited to, local laws, regulations, building codes, possible traffic and parking approvals. Please reach out to the local municipality where your dispensary will be located to ensure that you have all necessary permits for opening and operating a business within the municipality.

This Compliance Welcome Packet contains the following documents:

- **Virtual Inspection Checklist**
 - This document will list information that is necessary to comply with guidance, regulations, and law. The information referenced in this document must be submitted to the Office.
 - This information must be reviewed by the Office before a virtual inspection can be scheduled.
 - Submitting all required information **at one time** may help to expedite processing by the Office. You may submit this information prior to receiving notification of final licensure (and receiving the license certificate) from the Office’s Licensing Unit.



- After you have submitted Post Selection information, and documents are reviewed, the Office's Compliance Unit will reach out to schedule a virtual inspection.
- This virtual inspection will be the first inspection of your premises by the Office and will be conducted via video chat (e.g. Microsoft Teams). You should be prepared to stream live video from a mobile device at the licensed premises during this inspection.
- This is not the only time your premises will be inspected to determine compliance with applicable laws, regulations, and guidance. After you begin operations, future inspections may be scheduled or unscheduled and they may be in-person instead of virtual. All licensed or permitted premises, regardless of the type of premises, and all records including but not limited to financial statements and corporate documents, are subject to inspection by the Office, and more information regarding compliance inspections can be seen in [the applicable regulations](#) (9 NYCRR 133).
- **Guidance on Inventory Acceptance and Adult-Use Cannabis Product Packaging and Labeling**
 - Provisional licensees may not accept inventory from distributors (including AUCCs and AUCPs). Please ensure you do not accept inventory until you have received full licensure (i.e. a final license) from the Office's Licensing Unit.
- **Guidance regarding Marketing and Advertising and Undue Influence**
- **Guidance on Initial and Weekly Inventory Submissions**
 - This template must be filled out and emailed to the compliance unit with your initial inventory **prior** to the first sale and each week thereafter. Weekly reporting periods begin each Sunday.
- **Attestation Form**
 - No earlier than 2 weeks and no less than 48 hours prior to your opening date, this form must be signed and returned to the compliance email- compliance@ocm.ny.gov.
 - This form must be returned to the Office before you may receive approval to register with Department of Taxation and Finance and begin adult-use cannabis product sales.

The Compliance Unit is here to answer your questions about commencing operations and operating in a compliant manner. The compliance unit can be reached at compliance@ocm.ny.gov. The Compliance Unit will be reaching out to schedule a mandatory virtual call with you. You have been assigned a specific Compliance Inspector to assist you in completing outstanding compliance requirements prior to opening your dispensary.

Please remember when emailing the Compliance Unit to include your full license number and entity name to avoid delays in response from the Office.

If you are a provisional licensee, please continue to work with the Office's Licensing Unit (AULicensing@ocm.ny.gov) on any outstanding document submissions required for final licensure.

Under no circumstances are licensees permitted to accept any cannabis product until they have received full licensure from the Licensing Unit.

This Retail Compliance Welcome Packet does not constitute final licensure or approval to commence operations.

Kindly confirm receipt of this packet and let us know if you have any questions.

Thank you.
Office of Cannabis Management, Compliance Unit



Section A: Virtual Inspection Checklist & Other Key Reminders

This document is intended to assist you in preparing to conduct your first compliance inspection with the Office (a virtual pre-operational inspection) and, ultimately, begin operations.

This document has two purposes:

- 1. Preparing for your Virtual Inspection.** One of the final things you must do to receive approval to begin retail sale of cannabis products is complete a virtual inspection (i.e. a live video chat) of your dispensary with the Office's Compliance Unit. This inspection will not be scheduled until certain required information about your dispensary has been submitted to (and reviewed by) the Office.

To streamline the Office's review of your information, please:

- ✓ Do not provide the documents in a Dropbox or Google Drive or other similar third-party storage service; the Office cannot access these platforms and this may delay processing of your documents.
- ✓ Provide all images in a standard format (e.g. .png, .jpeg, .gif, etc) that may be easily viewed in Microsoft Outlook. Do not provide images in .HEIC format as this may delay processing or require you to resubmit in a different format.

- 2. Ongoing compliance with law, regulation, and guidance.** This document provides guidance that may help you prepare for future compliance inspections. The Office's Compliance Unit may inspect your premises at any time in order to determine your compliance with law, regulation, and guidance, and these inspections may be announced or unannounced.

Please use this document as a reference as you buildout and begin operations. These key requirements are only **some** of the items that are required in cannabis law and OCM regulations. This document **does not** include all requirements but provides some key reminders as you work toward operating a compliant business.

Please reference the below links for applicable regulations and guidance documents:

- [Adult-Use Cannabis Regulations](#) (These regulations include license specific, general business, and general operating requirements and prohibitions)
- [Guidance for Conditional Adult-Use Retail Dispensaries](#)
- [Adult-Use Packaging and Labeling & Marketing and Adverting Regulations](#)
- [Adult-Use Packaging and Labeling & Marketing and Advertising Guidance](#)
- [Laboratory Testing Limits](#)
- [Conditional Adult-Use Retail Dispensary Delivery Guidance](#)
- [Electronic Inventory Tracking System FAQs](#)
- [Adult-Use Cannabis Violations, Hearings, and Enforcement Regulations](#)

These can all be found at <https://cannabis.ny.gov/> All adult use licensees are bound by current and future state laws, rules, regulations, terms and conditions, and guidance.



Certificate of Occupancy

The following information must be provided to the Office:

- A copy of the current certificate of occupancy.
 - If you have had any construction or renovation work at your licensed premises please provide a detailed description of all work to include the following:
 - Start date and end date of construction or renovation activity;
 - A description of the construction/renovation project;
 - A description of any, and all required local municipality inspections required for issuance of a post construction certificate of occupancy for the licensed premises, including date such inspections were completed, if applicable.
-

Floorplan

In order to schedule your virtual inspection, you must:

- Submit an accurate **Facility Floorplan** that describes all facilities on-premises where licensed activities are taking place or cannabis products are being stored and clearly notes:
 - Details of all parcel boundaries (e.g. physical boundaries, roads, water crossings, etc)
 - All entrances and exits to the retail dispensary;
 - The activities performed (e.g. secure storage area, employee break area, retail floor, sanitary facilities, etc) in each room/area;
 - The location of all security cameras;
 - Square footage of each room/area;
 - The location of each cash register or other point of sale station;
 - The location of all outdoor signs (*see the “Marketing and Advertising” section of this checklist for more information on these signs*); and
 - All areas within the facility to be secured from unauthorized access.
-

Security

In order to schedule your virtual inspection, you must:

- List the name of your security provider.
- Submit a letter from a central monitoring station, on their letterhead, that confirms all security system components have been installed, operational, and turned over to them for monitoring.
- Submit screenshots from all cameras installed on the premises. These screenshots must show date and time stamps embedded on each image.
- Submit a description confirming the specific crowd control measures that will be used.



- If you anticipate using security guards at all times, or during certain times, describe the number of guards and where and when they will be present.
- If you plan to use stanchions or another physical barrier, then you must describe this barrier (which may be through your floorplan if clearly labeled).

Key requirements to be aware of:

- ✓ Implement and maintain a written **Security Plan** that covers all areas of Part 125.3(a)(2).
- ✓ Security measures must prevent unauthorized access, deter theft of cannabis products, prevent loitering, provide a safe for cash onsite, and have all perimeter doors and windows locked.
- ✓ **Security System** must be installed that secures the entire perimeter (including all doors and windows) that is connected to a 3rd party monitoring system. A failure notification system must alert a representative of the licensee within 5 minutes of a failure in the security system.
- ✓ **Security Video Cameras** must cover all entry and exit points as well as all areas where cannabis products are stored or handled. Recordings must be continuous during business hours but can be motion activated after hours. Date and time stamp must be embedded on all recordings.
- ✓ Backup power at the location in the event of a power failure/outage must be maintained for a minimum of eight hours

Inventory and Cannabis Product Sales

In order to schedule your virtual inspection, you must:

- Provide the name of your inventory tracking system and your point of sale system.
 - Ensure these systems are installed and operational prior to the virtual inspection.
 - This system will be required to submit data through an application programming interface (API) to the Office’s seed-to-sale tracking system at a later date. See the “*Initial & Weekly Inventory Submissions*” section of this Welcome Packet and the inventory tracking FAQ document linked at the top of this page for more information on this.
- Submit a sample consumer receipt from your point of sale system that includes all required information pursuant to 123.10(f)(2) of the regulations (including your license number).
- (If you plan to sell cannabinoid hemp/CBD products) Confirm the status of your Hemp/CBD retail licensure and the associated license or application number.

After receiving a final license from OCM’s Licensing Unit, but prior to receiving approval to begin operations you must:

- [Register](#) with the New York State Department of Taxation & Finance to receive an [Adult-Use Cannabis Certificate of Registration](#) to collect and remit the adult-use cannabis products tax.

Key requirements to be aware of:

- ✓ You may only receive and sell packaged cannabis product whose lot has passed testing conducted by an OCM permitted laboratory; received product must be accompanied by a Certificate of Analysis (either hard copy or electronic); *the QR code on the final packaging is NOT sufficient.*



- ✓ Each inventory transaction, including but not limited to sale of cannabis product(s) must be tracked in your inventory tracking system.
 - ✓ Aside from adult-use cannabis products, inventory can only include cannabinoid hemp products (if you currently hold a Cannabinoid Hemp retail license issued by OCM), cannabis paraphernalia, stationary, gifts, and other minor incidentals, and branded merchandise (including apparel, which may only be in adult sizes) containing the licensee's brand.
 - ✓ Inventory cannot include items attractive to individuals under twenty-one (like toys or games) and food, beverages, or personal care items (except water).
-

Cannabis Product Storage

In order to schedule your virtual inspection, you must:

- As you complete the security requirements listed above, make sure that the secure product storage area (such as an access controlled room, vault, or safe) is clearly visible in screenshots from security cameras in this area.
- Clearly identify the secure product storage area on your Facility Floorplan as described above.

Key requirements to be aware of:

- ✓ Products must be in a secure area that is not accessible to customers such as an access controlled room, vault, safe, or other access-controlled area.
 - ✓ Cannabis product on display must be kept in a secure locked display case; *this does not prohibit customers from inspecting cannabis product with an employee.*
-

Signs

In order to schedule your virtual inspection, you must:

- Submit clear, color pictures of all signs to be displayed both inside and outside of the dispensary.

Key requirements to be aware of:

- ✓ Because they are an advertisement that may be seen by the general public, **outdoor signs** have specific additional requirements (such as they cannot include any images, patterns, logos, or other similar visual information).
 - If your outdoor sign does not meet relevant requirements, then you will be asked to remove or cover the noncompliant elements.
 - Images, stickers, and window coverings with a design are not allowed.
 - See the “*Marketing and Advertising & Undue Influence*” section of the welcome packet for additional information on Outdoor Signs.
- ✓ You may have signs *inside* of the dispensary that contain images or logos, or that advertise other cannabis product brands.



- However, these advertisements must only be easily viewed from within the interior of the retail dispensary and they cannot use or depict cannabis, cannabis products, paraphernalia, or the imagery or action of smoking or vaping unless such reference is used in the licensee’s name, entity name, doing business as name, or logo.
- These interior signs, if they include or display a brand of another licensee, are **retail advertising specialties**, and will count towards your limit for that brand. See the “*Marketing and Advertising & Undue Influence*” section of the welcome packet for additional information on Retail Advertising Specialties.
- ✓ You are required to post a dispensary verification tool outside of your dispensary. This may be printed or displayed digitally but shall be displayed clearly, in plain sight, in good working order, and in a manner that does not overlap any other information, including outdoor signs
- ✓ You are required to post the following information inside of the dispensary in a place that customers can see:
 - The final license once it has been issued by OCM Licensing Unit.
 - The dispensary’s hours of operation.
 - New York State’s possession limit for cannabis:
 - It is legal for adults 21 years or older to possess 3 ounces of cannabis and 24 grams of cannabis concentrate (e.g. edibles, oil).
 - Allowable purchase limits:
 - At a maximum, this must be the State’s possession limit as listed in the bullet above.
 - You may choose to set a purchase limit that is lower than the possession limit.
 - Notification that “Consuming cannabis is not allowed on this premises.”
 - Notification that “Cannabis can impair concentration, coordination and judgment. Do not operate a vehicle or machinery under the influence of cannabis.”
 - Notification that “Using cannabis, in any form, while you are pregnant or chest/breastfeeding passes THC to your baby and may be harmful to your baby. There is no known safe amount of cannabis use during pregnancy or while chest/breastfeeding.”
 - Notification, in **bold** and including capital letters as indicated, that “**Adult-use cannabis products are for use only by persons 21 years and older. KEEP OUT OF REACH OF CHILDREN AND PETS.**”
 - Prices of all items for sale (this may be on a menu made available to customers). Even if the price of an item is listed on a menu, any items displayed to customers inside the store must have a price tag or placard with the item’s price and total cost (including tax).

Delivery to Consumers
(If applicable)

Before you can deliver cannabis products, you must:

- Notify the Office of your intention to begin delivery to consumers and the date on which you will begin delivery.



- ❑ Prior to conducting your first delivery, maintain a written delivery plan which demonstrates how your delivery service will comply with all requirements of Part 125 and Part 123.20, including, but not limited to, the key requirements listed below.

Key requirements to be aware of:

Transportation Vehicle Requirements

- ✓ Must own (or lease) vehicle to be used for delivery and cannot have any signs, markings, advertising, or marketing identifying business or cannabis
- ✓ Must have temperature controls, locked box or bag or cage to secure cannabis product, have a shipping manifest identifying all cannabis products, and have an operating GPS

Delivery to Customer Requirements

- ✓ Orders can only be placed by phone or licensee’s own delivery platform and must be prepaid
- ✓ Cannot have more than \$20,000 of cannabis products in an enclosed vehicle at any time and cannot have more than \$5,000 of cannabis products in a non-enclosed vehicle at any time
- ✓ Customers must be provided a receipt with required information for all deliveries
- ✓ Employee in vehicle must have employment identification for the retail dispensary
- ✓ You may only sell packaged cannabis product whose lot has passed testing conducted by an OCM permitted laboratory

Other Items To Keep in Mind

- ✓ **Staffing and Training** – Written policies and procedures must be kept on-site at all times, employees have required training within 30 days of hire, and you **MUST** have an employee in charge that is 21 years of age or older. Employees that interact with customers must be at least 21 years old, and all other employees must be at least 18 years old.
- ✓ **Marketing and Advertising**
 - Compliance must be maintained with Parts 128 and 129 - Adult Use Packaging, Labeling, Marketing and Advertising Regulations, which are linked at the top of this document.
 - See the “*Marketing and Advertising & Undue Influence*” section of the welcome packet for additional information on marketing and advertising.
- ✓ **Quarantine/Remediation/Recalls>Returns/Disposal Procedures** – you must have policies and procedures in place for **each** of these events. You may be required to share these with the Office at any time, and they must include the required elements of Part 125.9.



Delinquent Payments

Suppliers may, but are not required to, sell cannabis products to retailers on credit, provided that payments comply with the requirements set forth in Title 9 NYCRR Section 124.2, and retailers purchasing cannabis products on credit pay for such products within 30 days, unless otherwise approved by the Cannabis Control Board.

Pursuant to Title 9 NYCRR Section 124.2, suppliers must report delinquent payments due from retailers who have purchased cannabis products from them on credit. The Office of Cannabis Management (Office) will compile a cash on delivery list (C.O.D. list) of all retailers who are delinquent in payments for credit purchases and make it available to suppliers (distributors, microbusinesses, cooperatives, Registered Organizations with dispensaries, and Registered Organizations without dispensaries) for their review prior to extending credit to a retailer. An updated list will be published weekly on Wednesday's.

An electronic reporting platform, accessible by suppliers only, has been created for suppliers to:

- Report retailers who have failed to make payment on an invoice as required in 9 NYCRR Section 124.2, (add the retailer to the C.O.D. list).
- Report receipt of full payment for the invoice amount due from a retailer (remove the retailer from the C.O.D. list).
- Review the C.O.D. list prior to extending credit sales to retailers.

The C.O.D. list will contain the license number and entity name of all retailers who have been reported as having failed to make payment on an invoice within 30 days of delivery.

Suppliers are prohibited from extending credit to any retailer who appears on the C.O.D. list. Retailers who appear on the C.O.D. list will be limited to cash purchases until all reported delinquent payments have been paid in full.

Please take the time to review the material below as it details the regulatory responsibilities of both retailers and suppliers who engage in credit sales and how appearing on the C.O.D. list may affect you.

- [Delinquent Payments Guidance](#)
- [C.O.D. List – Supplier Instructions](#)
- [2024 Credit Calendar](#)
- [2024 Payment Calendar](#)
- [Notice of Default Template](#)
- [Delinquent Payment FAQ's](#)
- [Retailers Guide to the C.O.D. List](#)



Section B: Inventory Acceptance & Adult-Use Cannabis Product Packaging and Labeling

This communication is intended to provide information that will assist you as you begin to order products from distributors to sell at your retail dispensary.

The Office of Cannabis Management (the Office) does not “pre-approve” packaging and labeling. It is a processor’s obligation to package and label its products in accordance with applicable regulations. As a retailer, it is your obligation to sell products that are properly packaged and labeled and that are not being sold beyond their expiration date. As a reminder, **under no circumstances are licensees permitted to accept any cannabis product until they have received full licensure from the Licensing Unit.**

The Office will review product packages and labels at both processing facilities and when visiting retail premises like your dispensary. In the event that an element of a product’s packaging or labeling violates laws, regulations, and guidance, any repackaging or relabeling required by the Office will be the processor’s responsibility to address. Product packaging and labeling violations may lead to product quarantines and recalls that can impact your operations.

In order to guard yourself against these risks and to reduce the likelihood that unacceptable products reach consumers, the Office encourages you to actively review the products received before accepting a shipment of cannabis products ordered from a distributor. If a product you have purchased from a distributor is not properly packaged or labeled (or is otherwise not suitable for retail sale) when it is provided to you by the distributor, then you are encouraged to reject that shipment from the distributor.

In reviewing a shipment of cannabis products ordered from a distributor, you may wish to consider the following factors:

- **Does the product’s packaging and labeling comply with the packaging and labeling requirements?** You should check all requirements using the checklists attached to this document.
 - Some examples of issues to watch for include:
 - A Date of Expiration is missing;
 - A tamper evident seal has not been applied;
 - Product was “packaged to order” by the processor instead of being packaged prior to (or shortly after) lab testing; and
 - Principal Packaging Display Panel information (e.g. Total THC and Total CBD in mg, net weight, etc.) is missing or is not on the panel of the package intended to be displayed at retail.
- **Does the product’s Certificate of Analysis match its label?**
 - The amount of all phytocannabinoids (e.g., THC, CBD, CBG, CBN, etc.) and terpenes (e.g., linalool, pinene, etc.) listed on the label must be within 15% (i.e., not less than 85% nor more than 115%) of the certificate of analysis.
- **Can you sell the units you are purchasing before they expire?**



**Adult-Use Retail Compliance Welcome Packet:
*Inventory Acceptance & Adult-Use Cannabis Product Packaging and Labeling***

- Retailers may never offer a product for retail sale after that product's date of expiration. Keep track of the dates of expiration of the products you buy and sell.
- You must remove products from menus, display cases, etc once they have expired.

After you accept a shipment, you will need to make sure it is properly entered in your inventory. A retailer must list a product's lot number on its initial and weekly inventory submission. For more information on these initial and weekly inventory submissions, see the "Guidance on Initial and Weekly Inventory Submissions" section of this welcome packet.

If you are unsure about whether a product has been packaged or labeled properly after reviewing the materials in this document, you may always contact the Office's compliance unit at Compliance@ocm.ny.gov.



Appendix A: Cannabis Product Packaging & Labeling Checklists

Checklist 1: All Cannabis Product Packaging	
Cannabis product packaging, which includes all packaging elements except non-consumer packaging, must meet <u>all</u> of these requirements.	
Requirement	<input checked="" type="checkbox"/>
Does not contain features that emit scent or sound	<input type="checkbox"/>
Does not contain features that change or alter a package's appearance through technology, including holographic packaging, unless the feature is for an anti-counterfeiting purpose	<input type="checkbox"/>
Is not attractive to individuals under twenty-one <i>(If packaging occurs after January 1, 2024)</i>	<input type="checkbox"/>
Is not made of plastic that contains less than 25% post-consumer recycled content	<input type="checkbox"/>

Checklist 2: Retail Package	
A product's retail package must meet <u>all</u> of these requirements.	
Requirement	<input checked="" type="checkbox"/>
Child-resistant	<input type="checkbox"/>
Tamper-evident	<input type="checkbox"/>
Resealable <i>(If product has more than one serving)</i>	<input type="checkbox"/>
Fully encloses product to minimize oxygen exposure and prevent contamination and/or degradation of the product <i>(such as degradation due to exposure to light)</i>	<input type="checkbox"/>
Does not impart any toxic or deleterious substance onto the cannabis product	<input type="checkbox"/>



Appendix A: Cannabis Product Packaging & Labeling Checklists

Checklist 3: Principal Packaging Display Panel (PPDP)	
The product's PPDP must include <u>all</u> of this information. <i>For more information about the PPDP, see section 4a of this guidance.</i>	
Required information	<input checked="" type="checkbox"/>
Total THC mg in a single serving, in bold	<input type="checkbox"/>
Total THC mg in the entire package, in bold	<input type="checkbox"/>
Total THC in the entire package, as a percent of the package's total volume	<input type="checkbox"/>
<i>(if Total CBD in the package is >0.01mg)</i>	
Total CBD mg in a single serving, in bold	<input type="checkbox"/>
<i>(if Total CBD in the package is >0.01mg)</i>	
Total CBD mg in the entire package, in bold	<input type="checkbox"/>
Number of servings in the entire package and recommended size of serving <i>(if applicable)</i> , except for cannabis flower and other forms of cannabis intended for vaporization.	<input type="checkbox"/>
Product weight	<input type="checkbox"/>
Other phytocannabinoid mg in a single serving, in bold ¹	<input type="checkbox"/>
Other phytocannabinoid in the entire package, as a percent of the package's total volume, except for edibles ¹	<input type="checkbox"/>
Terpene profile ¹	<input type="checkbox"/>

¹Labeling is only *required* to list information about terpenes or phytocannabinoids (other than THC and CBD) if the product's terpene or phytocannabinoid content is marketed.



Appendix A: Cannabis Product Packaging & Labeling Checklists

Checklist 4: Retail Package or Marketing Layer

A product must include all of the following information on its retail package or, if a marketing layer is used, the marketing layer.

Required information	<input checked="" type="checkbox"/>
Nutritional label <i>OR</i> Supplemental fact panel (if applicable)	<input type="checkbox"/>
Date of Expiration	<input type="checkbox"/>
Use by Date	<input type="checkbox"/>
List of solvents used (<i>if applicable</i>)	<input type="checkbox"/>
Proper storage conditions	<input type="checkbox"/>
Clear usage instructions	<input type="checkbox"/>
Processor Name	<input type="checkbox"/>
Processor license number	<input type="checkbox"/>
Processor location (<i>city or zip code</i>)	<input type="checkbox"/>
Processor's direct contact info (<i>phone or email</i>)	<input type="checkbox"/>
Universal Symbol (<i>any one of the three as shown in Figure 2</i>)	<input type="checkbox"/>
Lot unique ID or lot number or bar code	<input type="checkbox"/>
A scannable bar code or QR code linked to the product's Certificate of Analysis	<input type="checkbox"/>
"This product contains cannabis and THC", in bold	<input type="checkbox"/>
"KEEP OUT OF REACH OF CHILDREN AND PETS. For use only by persons 21 years and older.", in bold	<input type="checkbox"/>
"Warning: Do not use if pregnant or nursing.", in bold	<input type="checkbox"/>
"Poison Center 1-800-222-1222", in bold	<input type="checkbox"/>
"Warning: Smoking or vaping is hazardous to health.", in bold	<input type="checkbox"/>
"Warning: Effects of this product may be delayed by 4 or more hours.", in bold	<input type="checkbox"/>
"Warning: For topical use only. Do not eat or smoke.", in bold	<input type="checkbox"/>
Only <u>one</u> of the following rotating warnings, in bold : <ul style="list-style-type: none"> • "Cannabis can be addictive." • "Cannabis can impair concentration and coordination. Do not operate a vehicle or machinery under the influence of cannabis." <i>or</i> • "There may be health risks associated with consumption of this product." 	<input type="checkbox"/>



Appendix A: Cannabis Product Packaging & Labeling Checklists

Checklist 5: Is it false or misleading?	
Cannabis products cannot have false or misleading packaging or labeling. A product's packaging and labeling must meet <u>all</u> of these requirements.	
Requirement	<input checked="" type="checkbox"/>
Does not make health claims	<input type="checkbox"/>
Does not include the word "organic"	<input type="checkbox"/>
Does not include the word "craft" unless the processor meets the term (as it relates to cannabis products) as defined in future regulation or guidance	<input type="checkbox"/>
Does not include the term "gluten-free" unless the product meets the term as defined in 21 CFR § 101.91	<input type="checkbox"/>
Does not include the term "kosher" or imply the product is kosher, unless the product is packaged and labeled in compliance with section 201-a of the Agriculture and Markets Law	<input type="checkbox"/>
Does not include the term "vegan" unless the product contains no animal products, including gelatin	<input type="checkbox"/>
Does not create a reasonable consumer confusion as to whether the product is trademarked, marked, or labeled in any manner that violates any federal trademark law or regulation	<input type="checkbox"/>
Does not portray the product as one that is authorized under Article 3 (medical cannabis) or Article 5 (cannabinoid hemp) of the Cannabis Law	<input type="checkbox"/>
Does not depict cannabis products or paraphernalia	<input type="checkbox"/>
Does not promote overconsumption	<input type="checkbox"/>
Does not promote price or price reductions, unless part of a sustainability program or otherwise authorized by the Office or Board	<input type="checkbox"/>
Does not promote a customer loyalty program, unless part of a sustainability program or otherwise authorized by the Office or Board	<input type="checkbox"/>
Does not promote any discounts or coupons, unless part of a sustainability program or otherwise authorized	<input type="checkbox"/>
Does not include any special branding material, unless authorized	<input type="checkbox"/>
Does not make any other false or misleading statements	<input type="checkbox"/>



Appendix A: Cannabis Product Packaging & Labeling Checklists

Checklist 6: Is it attractive to individuals under twenty-one?

Cannabis products cannot be attractive to individuals under twenty-one in their packaging or labeling. A product's packaging and labeling must meet all of these requirements.

Requirement	<input checked="" type="checkbox"/>
Does not include cartoons.	<input type="checkbox"/>
Does not use bubble-type letters or any other cartoon-like font.	<input type="checkbox"/>
Does not use bright colors that are "neon" in appearance.	<input type="checkbox"/>
Does not create similarities to products that are commonly associated with, or products marketed in a manner so as to be attractive to, individuals under twenty-one.	<input type="checkbox"/>
Does not use words that refer to products commonly associated with, or products marketed in a manner so as to be attractive to, individuals under twenty-one (unless the word is part of the licensee's or a cultivar's name).	<input type="checkbox"/>
Does not use terms "candy" or "candies" or variants in spelling such as "kandy" or "kandeez" (unless the word is part of the licensee's or a cultivar's name).	<input type="checkbox"/>
Does not use symbols, images, characters, public figures, phrases, toys, or games that are commonly used to market products to individuals under twenty-one.	<input type="checkbox"/>
Does not use images of individuals who could reasonably appear to be under the age of twenty-one, unless that individual is at least twenty-five years of age.	<input type="checkbox"/>



Section C: Marketing and Advertising & Undue Influence

This communication is intended to provide information that will assist you in making decisions regarding marketing and advertising your retail premises.

As a reminder, the Office of Cannabis Management (the Office) does not “pre-approve” marketing and advertising. It is a licensee’s obligation to ensure its marketing and advertising complies with all applicable law, regulations, and guidance.

This section highlights certain frequent issues which have been identified by the Office during retail pre-operational inspections, but there are requirements related to marketing and advertising that are not described here. For additional information on marketing and advertising, refer to the [relevant regulations](#) (9 NYCRR Part 128-129) and the [guidance document](#).

In considering your dispensary’s marketing and advertising, consider the following things:

1. **Consider your Advertisements.** Many things may be subject to the rules on marketing, advertising and advertisements. Examples of advertisements include publications, videos, use of a brand representative, websites, social media, print media, broadcast media, TV, radio, streaming media, out of home media, outdoor signs, merchandise, event sponsorship, street art, murals, and digital communications, as well as any other form of media that is for the purpose of causing, directly or indirectly, the purchase or use of a brand or cannabis product.

Additionally, you cannot sell or display toys or games or other items that are commonly associated with (or marketed in a manner so as to be attractive to) individuals under twenty-one and you cannot engage in any other marketing or advertising that would make your dispensary (or menu) appear attractive to individuals under twenty-one. A licensee’s marketing and advertising (as well as its advertisements) can never be attractive to individuals under twenty-one and can never be false or misleading.

2. **Pay Special Attention to Outdoor Signs.** A retail dispensary licensee may use up to two outdoor signs for the purpose of alerting individuals to the location of the dispensary. For most digital or physical advertisements, a licensee is required to maintain evidence demonstrating that the audience reasonably expected to view that advertisement consists of at least 90% people that are 21 years of age or older. Although a licensee’s two outdoor signs are still considered “advertisements”, they are exempted from this requirement to demonstrate a certain audience of the advertisement and may be viewed by the general public.

Because outdoor signs may be seen by the general public, they may only contain certain information at a maximum, and they may never contain images, logos, symbols, patterns, or other similar graphics. If the Office observes an outdoor sign containing noncompliant elements during a pre-operational inspection of your dispensary, then you will be required to remove or cover the noncompliant elements before the dispensary may begin operations. As you make plans regarding your dispensary’s outdoor signs, please consider the following requirements:

- Outdoor signs must be identified on your dispensary’s site plan;
- Outdoor signs can only contain certain information at a maximum: the businesses name and location, certain contact information, and the nature of the business;



- Outdoor signs can never contain images, symbols, patterns, logos, or other elements that are outside of the maximum allowed information;
- Fonts and colors may be used in outdoor signs, but they may never make the sign attractive to individuals under twenty-one;
- Information that is necessary to find and enter the store (e.g. hours of operation, store policies such as “No Weapons”, an open/closed indicator, etc) are considered part of the “nature of the business” and may be included once per outdoor sign;
- An outdoor sign must be affixed to a permanent structure, and can never be on a vehicle; and
- An outdoor sign may use lights, including lights that are “neon”, however the sign (and the rest of the dispensary’s exterior) may never be attractive to individuals under twenty-one.

For more information about outdoor signs, please refer to Part 129.4 of the regulations and Section 11 of the guidance document linked at the top of this section.

3. **Caution on Arrangements with Cultivators, Processors, and Distributors.** There are limits on the ways suppliers of cannabis products (i.e. cultivators, processors, and distributors) of cannabis products may interact with retailers of these products (like your retail dispensary). You should be very careful about accepting anything of value (such as gifts, royalties, rebates, and other treats or services of any nature)—including marketing and advertising—from suppliers. The transfer of these goods and services, unless allowed by law, regulation, or guidance, can create undue influence between licensees.

However, there are certain things you can accept from suppliers. These things which you can accept are explained in law, regulation, and guidance. One example would be *Retail Advertising Specialties*. A retail advertising specialty is cannabis merchandise (i.e. any consumer good that does not contain cannabis and includes or displays the brand of a licensee) that a supplier provides to a retailer and is not intended for retail sale at the dispensary. These could be used as décor within your dispensary or they could be provided to customers. The total amount of retail advertising specialties that a supplier may provide to you may not exceed \$200 per brand in any one calendar year per licensee. Examples of retailer advertising specialties include trays, rolling papers, mats, menu cards, matches, paper napkins, filters, thermometers, clocks, shirts, hats, visors, branded signs, refrigerators, display cabinets, art, and calendars.

Some examples of things that would be prohibited because they create undue influence include:

- Allowing a cultivator, processor, or distributor to conduct “brand activations”, “table”, or otherwise advertise using a brand representative within the licensed premises.
- Accepting retail advertising specialties from a particular supplier in excess of the \$200 per brand per calendar year limit.
- Accepting or requiring certain free samples or other things from a supplier as a condition of selling their product in your dispensary.
- Requiring employees to wear a certain licensee’s merchandise, regardless of if you have been provided that merchandise. Outside of retail advertising specialties, brands may provide you with merchandise of a nominal value to be passed on to your



employees. Your employees may choose to wear this merchandise at work, but you may never require they wear a certain brand's merchandise.

- Accepting incentives from a supplier in exchange for recommending certain brands to customers or as a reward for hitting a certain sales target of that brand's products.
- Placing a product in a certain place on shelves, menus, etc. because of an agreement with a supplier.

There are other general business requirements and prohibitions that are intended to prevent undue influence that may impact your dispensary's operations. For additional information on undue influence, refer to the relevant regulations (9 NYCRR Part 124) located at www.cannabis.ny.gov/regulations.

While the Office does not pre-approve marketing and advertising, any questions regarding your ongoing compliance with applicable law, regulation, and guidance may be directed to the Office's compliance unit at compliance@ocm.ny.gov.



Section D: Initial and Weekly Inventory Submissions

Pursuant to Section 78 of the Cannabis Law, the Office of Cannabis Management (the Office) requires all licensees to utilize an electronic system that tracks cannabis as it moves through the supply chain from seed to sale. Licensees have flexibility in the vendor and system they wish to use, but the system that is used must be able to transmit data to the Office's system (BioTrack THC).

You are required to have an electronic inventory tracking system in place now. However, the Office's system is not ready to integrate with licensees' inventory tracking systems, and this integration will occur in the future. Licensees must obtain a 3rd party inventory tracking system that will be capable of integrating with the NY-API within 60 days of the NY-API being available. It is unclear when the NY-API will be available, and details will be shared as they become available.

Because the Office's system is not yet ready to integrate with licensee systems, all retail dispensaries are required to submit weekly inventory reports through the Office's reporting portal. These reports must be submitted through the [report portal](#) using the [most recent reporting template](#). After each successful submission through the portal, you will receive prompt confirmation for your records.

There are two types of inventory reports you must submit:

1. Initial Inventory; and
2. Weekly Inventory.

Both initial inventory and weekly inventory reports must use the [most recent reporting template](#). For your initial inventory report, enter "Initial Inventory" in the "Week Reporting for:" field of the template. These two reports are submitted to different places and at different times.

- You must submit your initial inventory report to Compliance@ocm.ny.gov after you receive a final license and commence operations approval.
- You must submit a weekly inventory report each week through the [report portal](#). All weekly inventory reports must be submitted by 11:59pm every Monday and must cover Sunday through Saturday of the previous week. There are absolutely **no exceptions** to the due date for any reason including holidays or store business hours.

Guidance on Using the Inventory Report Template to Complete your Inventory Report

Please ensure that when you're completing the [most recent reporting template](#) that you are only including information specific to the week (i.e. the reporting period) in question. No information should be carried over from the week before.

- **Complete all information above the actual inventory**
 - The dates of the reporting period for which you're submitting



- Your complete license number (please make sure this matches the number on your license exactly - OCM-RETL-2X-XXXXXX or OCM-AUCR-TD-P2XXXX), entity name, DBA (if applicable) and address.
- The information of the person preparing and submitting the report.
- **License Number of Supplier-** Please enter the complete license number of the AUCC or AUCP from which you received each product. This should be the entire license number with the format matching the example provided. This number can be found on the shipping manifest that accompanied each product.
 - The license number of an AUCC or AUCP should be listed as:
 - OCM-AUCC-2X-XXXXXX or OCM-AUCP-2X-XXXXXX
 - The license number should not:
 - Use “OCM” or “ocm” rather than required “OCM”;
 - Include the incorrect number of digits (e.g. “OCM-AUCP-22-123” instead of “OCM-AUCP-22-000123”);
 - Attribute an AUCC licensee as the supplier for non-flower products (e.g. edibles, vapes, topicals, etc); or
 - Include a four digit year (e.g. “OCM-AUCC-2023-.....”).
- **Product Description-** Please enter the brand name and a description of the product (ex: pre-roll), as well as the weight, volume or count/quantity in the package.
 - Description should match the corresponding product Certificate of Analysis (CoA) and product label.
- **Product Type or Form-** You must select a product type/form from the dropdown list provided for each product listed on your report.
 - You must not create your own type/form as this information is required to be categorized using the options provided.
- **Batch/Lot Unique Identifier-** Each lot of product is required to be labeled with a unique batch/lot number.
 - Batch ID/Lot Unique Identifiers are used by the Office for cannabis tracing and to identify products that require quarantine or recall.
 - These numbers are assigned by the entity that sends the product for lab testing, not by retailers. The number can be simple, however is unlikely to be. It will likely be a string of letters and/or numbers that is not easily duplicated.
 - Batch ID/Lot Unique Identifiers should be entered into your system precisely, including dashes, spaces and case sensitivity.

It is in your best interest to ensure each product received matches the corresponding CoA and shipping manifest prior to accepting receipt.



For additional information regarding accepting inventory from distributors, see the “**Guidance on Inventory Acceptance and Adult-Use Cannabis Product Packaging and Labeling**” in this welcome packet.

- **Price per Unit-** The price of each product before retail tax.
- **Quantity Received-** Please enter how many units with this Batch ID/Lot Unique Identifier you’ve received during this reporting period. This information should not be carried over from the week before.
 - If you had 10 units of this product lot remaining last week but didn’t receive any this week, this number should be 0.
 - If you had 10 units of this product lot remaining last week and received 200 units this week, the number should be 200.
 - If you did not receive any products from this lot during this reporting period, please enter a “0,” do not leave a blank.
- **Quantity Sold-** Please enter how many units with this Batch ID/Lot Unique Identifier you sold during this reporting period. This information should not be carried over from the week before.
 - If you sold 100 last week and 10 this week, the number should be 10.
 - If you didn’t sell any products from this lot during this reporting period, please enter a “0,” do not leave a blank.
- **Quantity Remaining Onsite-** Please enter how many units with this Batch ID/Lot Unique Identifier you have left in the facility at the end of this reporting period.
 - If you don’t have any units remaining at the end of the reporting period (you sold out of everything during this week), please enter a “0,” do not leave a blank.
 - If you didn’t have a product on hand at all during this reporting period (e.g. you sold out of it completely last week), then it shouldn’t be listed on the report at all—even if the quantity is zero across the row.
- **Inventory Adjustment-** Use this column to indicate and explain any reduction of inventory that cannot be attributed to a sale. For example, if you had any damaged/defective units, units awaiting disposal, or pulled units of product from your inventory for sample/displays during the report period, they would be captured as an adjustment.
 - Select the reason for adjustment from the list provided.
- **Quantity of Inventory Adjustment-** Use this column to indicate the number of units of each product removed from your inventory, but not sold. For example, if you had any damaged/defective units, units awaiting disposal, or pulled units for sample/displays.
 - Enter the adjustment quantity as a **positive** number (similar to Qty sold). The Office assumes that all adjustments indicate a reduction in inventory. For example, if you adjust a specific product by 2 units, then that will indicate 2 units were removed from your inventory but not sold (because they were pulled as samples, damaged, etc). Do not enter a reduction of 2 units as “-2.”



- If there were no inventory adjustments made, please enter “0.”
- If there is a reason noted in the inventory adjustment column, there must be a quantity associated with it, and vice versa.

Note: Please make sure that the quantity received, quantity sold, quantity remaining onsite, and the adjustment total properly (i.e. values should ensure the formula below is accurate). If the math doesn't work, then your inventory report may be returned to you for corrections.

To assist you in submitting accurate inventory reports, below is the formula used by the Office when reviewing inventory reports. An example of an incorrect entry is also provided. In this formula, “this week” refers to the week for which the report is being submitted, whereas “last week” refers to the week prior to the one for which the report is being submitted.

i.e. if you were reporting inventory for the week of January 7 – January 13, then January 7 - 13 would be “this week” and December 31 – January 6 would be “last week”

Current Week Quantity Remaining

$$= \text{Last Week Quantity Remaining} + \text{This Week Quantity Received} \\ - \text{This Week Quantity Sold} - \text{This Week Adjustment Quantity}$$

Example Scenario: A retailer reported 100 units as the Quantity Remaining of a specific product at the end of last week and did not report receiving any (or any adjustments) this week. On their inventory report, they reported selling 150 units this week and having 0 remaining at the end of the week.

Example Response: The above example is an example of someone who incorrectly completed their inventory report because their submission would cause the formula to fail.

Current Week Quantity Remaining

$$= \text{Last Week Quantity Remaining} + \text{This Week Quantity Received} \\ - \text{This Week Quantity Sold} - \text{This Week Adjustment Quantity}$$

What the licensee entered:

- Current Week Quantity Remaining = 0
- Last Week Quantity Remaining = 100
- Current Week Quantity Received = 0
- Current Week Quantity Sold = 150
- Current Week Adjustment Quantity = 0

$$0 = 100 + 0 - 150 - 0 \\ 0 = 100 - 150 \\ 0 = -50$$

Something is wrong with the licensee's reporting. It would not be possible for a dispensary to have -50 units on hand, and 0 does not equal -50.



Correcting the Error in This Example: In the event that the licensee actually did sell 150 units of that product in the current week, then they would need to adjust the quantity on hand. There could be a number of reasons for this discrepancy, and if you are in this scenario then you will need to examine your records (including previous inventory reports) to figure out what went wrong. It is possible in this scenario that the licensee did not enter a shipment that was received in the current week. However, it is also possible that the error lies in a previous week's reporting. In the case that a shipment was received in a previous week and not correctly entered in that week's inventory report, then the licensee will need to submit a "revised" report for that previous week which corrects the error. If you are required to revise a previous week's inventory report, be sure that this revised report includes all information previously submitted. In this scenario, it would be incorrect to submit a revision that only included the forgotten shipment. This may require you to revise multiple reports if the error was weeks prior and has been carried through without causing problems.

Instructions on Submitting an Inventory Report using the Report Portal

To use the portal, just click on the [report portal link](#), enter a few basic details, and upload your report. Below are the basic instructions for submitting the most recent reporting template through the portal.

1. Prove you are not a robot by solving the CAPTCHA.
2. Select "new" or "revised." "Revised" only if re-submitting a report after making changes.
3. Enter your email address (for confirmation of receipt).
4. Enter your license number (just type the last few #s, then select your full # from the list).
5. Enter your entity name.
6. Select the first day of report period (Sunday).
7. Download the most recent reporting template.
8. Enter your inventory onto the most recent report template.
9. Upload your report; created using the most recent template.
10. Review confirmation screen and verify that submission details are correct.
11. Print confirmation screen and/or check your email for message confirming receipt.

At this time, the portal is the only acceptable method for submitting your inventory report.

Reports submitted to the Office via email will be returned, and the report may be considered late if not resubmitted through the portal, as required, before the reporting deadline.



Pre-Operational Attestation Form

Instructions

- No more than two weeks prior and no less than 48 hours prior to your first day of operations, please submit this attestation form to Compliance@ocm.ny.gov.
 - Do not submit this form until you have received approval from the Office to begin operations.**
 - For example, if you planned to open to customers at 12:00 P.M. on January 1, then this form must be submitted after you have received approval from the Office to begin operations and between 12:00 P.M. on December 18 and 12:00 P.M. on December 30.
- Incomplete forms will be returned for completion.
- Please reach out to Compliance@ocm.ny.gov with any questions.

Licensee Information

License Number:	
Business Entity Name:	
DBA (if applicable):	
Address:	
Phone:	Email:
Website:	
Hours of Operation:	
Electronic Inventory/Point of Sale System Name:	
Third Party Central Monitoring Station Name:	
Employee in Charge Name:	
Employee in Charge Phone:	Employee in Charge Email:
Anticipated Opening Date:	
Facility Type: <input type="checkbox"/> Brick and Mortar Retail Dispensary	<i>For Brick-and-Mortar Retail Dispensaries Only:</i> Do you intend to offer a delivery service? <input type="checkbox"/> No <input type="checkbox"/> Yes- Anticipated delivery start date:

Attestations

Attestation	Initials
I confirm that all required security system components have been installed, are operational and turned over to the central monitoring station listed above.	_____



<p>I confirm that the electronic inventory tracking system has been installed, is operational and will meet the inventory tracking and reporting requirements set forth in regulations and guidance.</p>	<hr/>
<p>I confirm that I will maintain all records for the timeframe required in regulations and guidance and will make those records available to the Office for review upon request.</p>	<hr/>
<p>I confirm that I will notify the Office in writing of construction or event at my licensed facility which necessitates temporary closure of the facility, interruption of security coverage or removal of inventory no less than two weeks prior to such construction or event and will notify the Office in writing prior to re-opening.</p>	<hr/>
<p>I confirm that outdoor signs used include only licensee's name, entity name (or DBA), dispensary address, phone number, email address and website, and the nature of the business; and there are no more than two of these signs and they are affixed to the building or a permanent structure as described in 9 NYCRR Part 129.</p>	<hr/>
<p>I confirm that I have, or will be acquiring, all local permits or approvals necessary to operate my business in the municipality where my dispensary is located.</p>	<hr/>
<p>I confirm that I have read all applicable regulations, guidance documents and checklists and will maintain compliance with all applicable laws, regulations and guidance.</p>	<hr/>



Signature

I understand that the statements made in this attestation will be accepted for all purposes as the equivalent of an Affidavit and that any false statements, including omissions, made herein, in addition to being the possible basis for a revocation of any approval given as a result of this application, may be punishable as a misdemeanor under the provisions of Section 210.45 of the Penal Law of the State of New York.

Signature: _____

Date Signed: _____

Printed Name: _____

Title: _____