



CANNABIS RETAILER OPERATIONAL MANUAL

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1

INTRODUCTION

WELCOME TO THE ALBERTA CANNABIS INDUSTRY

1.1 INTRODUCTORY NOTE

This Operational Manual details the appropriate procedures for interacting with Alberta Gaming, Liquor & Cannabis (AGLC) as a wholesale recreational cannabis reseller. In alignment with provincial law, AGLC is the sole wholesaler of cannabis products in Alberta, mandated to responsibly supply Alberta's retailers with recreational cannabis products.

AGLC is committed to:

- Keeping cannabis out of the hands of children and youth
- Protecting public health
- Promoting safety on roads, in workplaces and in public spaces
- Limiting the illegal cannabis market
- Continuing to offer choices Albertans can trust

This Operational Manual should be used as a reference for understanding how to interact with AGLC controlled cannabis supply chain in order to supply and manage the inventory of a private cannabis retail store.

Following all of the procedures outlined in this document does not constitute adherence to the full set of AGLC policies. All retailers licensed by AGLC must adhere to AGLC policies as established by provincial law in the *Gaming, Liquor and Cannabis Act*. The full set of AGLC policies that apply to retailers is described in the [Retail Cannabis Store Handbook](#) available on [aglc.ca](#).



Check [aglc.ca](#) often for updates to this document

This document is subject to evolve and change as the cannabis industry in Alberta grows and matures. Be sure to check [aglc.ca](#) often to ensure that this is the latest version.

Details regarding Alberta's approach to cannabis legalization can be found at [alberta.ca/cannabis](#).

For more information regarding the legalization and regulation of cannabis in Canada, please visit [canada.ca/cannabis](#).

1.2 GLOSSARY OF TERMS

Alberta Cannabis Call Centre – The Alberta Cannabis Call Centre is AGLC's main communications channel for working with wholesale and retail customers as well as addressing questions and comments from Albertans.

AGLC - Alberta Gaming, Liquor & Cannabis

Bill of lading (BOL) - A hauler or carrier's contract, which may also act as the receipt of goods transported and delivered to the retailer.

Cannabis - Any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not.

Cannabis accessories - Accessories that promote the responsible and legal consumption and storage of cannabis.

Cannabis licence - A licence under the *Gaming, Liquor and Cannabis Act* that authorizes the purchase, sale, transport, possession and storage of cannabis.

Cannabis product - A product that contains cannabis.

Cannabis Representative - A corporation or individual registered with AGLC who is in the business of representing a cannabis supplier in the sale of the cannabis supplier's cannabis products.

Cannabis supplier - A person who holds a federal licence that authorizes the person to produce cannabis and cannabis products for commercial purposes or to sell cannabis to AGLC.

Electronic Funds Transfer (EFT) – The electronic transfer of money from one bank account to another via computer-based systems.

GLCA - *The Gaming, Liquor and Cannabis Act*.

GLCR - The Gaming, Liquor and Cannabis Regulation.

Inspector - An Inspector of AGLC, a police officer as defined in the *Police Act* or someone designated by AGLC as an Inspector under the GLCA.

Licensed premises - All areas associated with the operations of the retailer, including, but not limited to:

- Areas cannabis products may be sold; and
- Any storage room, lobby, hallway or other service areas used by the retailer in support of the areas where cannabis products may be sold.

Licensed Producer – A business licensed by the Canadian Federal Government to produce cannabis products. Within the context of this document, the term refers specifically to those licensed to produce recreational cannabis products.

Online retail – Cannabis products sold through an internet-based store directly to consumers. In the case of this document, online retail refers to AGLC's direct-to-consumer e-commerce experience on albertacannabis.org.

Qualified Cannabis Worker (QCW) - Any person who is over the age of 18 years, has successfully completed the SellSafe Cannabis Staff Training program, has passed a criminal records check and has been deemed qualified by AGLC.

Retailer – A business holding a Cannabis Licence to retail cannabis products in Alberta.

SellSafe - A mandatory social responsibility training program designed to help retail cannabis staff understand what their responsibilities are to their customers. The program also helps workers understand Alberta's cannabis laws and what AGLC's policies are so they can follow them.

Staff - Any QCW employed by the retailer or contracted by the retailer or a third party to perform assigned or delegated duties.

Stock Keeping Unit (SKU) - A common term for a unique numeric identifier, typically in a database. A specifically assigned product number for each variation of an item. The SKU number represents variations of the item by size, color, type, or by any other specific designation to aid in computer ordering and inventory control. (*ISM, 2000*)

1.3 CANNABIS IN ALBERTA 101

1.3.1 Alberta's Approach to Cannabis

 <p>Minimum age The minimum age for cannabis will be aligned with Alberta's legal drinking and smoking age.</p>	 <p>Safeguards for sales The AGLC will manage wholesale and distribution. Licensed growers will be strictly regulated by the federal government.</p>	 <p>Buying cannabis Privately run cannabis stores will sell cannabis and accessories under strict regulations. The AGLC will operate online sales.</p>
 <p>Consuming cannabis Smoking and vaping will be restricted in areas frequented by kids, and in other public places where smoking is prohibited.</p>	 <p>Growing cannabis Albertans will be able to grow up to 4 plants per household.</p>	 <p>Possessing cannabis Adults can possess up to 30 grams of legally produced cannabis in public. Those under 18 can't possess, purchase or use cannabis.</p>
 <p>Drug-impaired driving Cannabis consumption will not be allowed in vehicles. Penalties will be the same as alcohol-impaired driving.</p>	 <p>Impairment in workplaces Alberta is reviewing all existing regulations and programs to ensure rules continue to address impairment risk.</p>	 <p>Advertising and packaging Federal restrictions to be placed on advertising and promotion of cannabis, particularly to minors.</p>

alberta.ca/cannabis-framework.aspx

1.3.2 Legislation Overview

Pre-empting the legalization of recreational cannabis in Alberta mandated by federal Bill C-45, the Government of Alberta developed the Alberta Cannabis Framework to establish a vision for cannabis in the province. The purpose of the framework and accompanying legislation is to set the stage for the legal and responsible use of cannabis by Albertans.

Aspects of this framework have been implemented through various pieces of legislation introduced during fall 2017 and spring 2018, including substantive changes to the *Gaming and Liquor Act* that address oversight, distribution and licensing for non-medical cannabis. To properly reflect this, the amendments include renaming the act to the *Gaming, Liquor and Cannabis Act*.

1.3.3 The Role of AGLC

The newly renamed GLCA empowers Alberta Gaming, Liquor & Cannabis (AGLC) (formerly the Alberta Gaming and Liquor Commission) to regulate and supply retail cannabis products to Albertans. To this end AGLC has three roles within the Alberta cannabis market:

Regulator – AGLC regulates the cannabis industry in Alberta and acts as a neutral party in ensuring that both private retailers and AGLC’s online retail offering are operating safely, responsibly and in accordance with the law.

Wholesaler - AGLC is the only source of recreational cannabis products for private retailers in Alberta, as well as AGLC’s online retail service offering. Unlike Alberta’s liquor model, AGLC’s wholesale cannabis business does not operate using a consignment model. Therefore, AGLC purchases cannabis products outright from select federally licensed cannabis suppliers around the country, instead of offering any cannabis supplier the opportunity to supply AGLC on a consignment basis. This model of operation has been adopted by AGLC to ensure a steady supply of cannabis products to Albertans at a more stable price point as the cannabis market matures.

Online retailer - AGLC operates a direct-to-consumer e-commerce site for Albertans to purchase cannabis online. AGLC operates the sole online source for recreational cannabis in Alberta in order to ensure that appropriate age verification measures are taken, cannabis is secured in transit and that legal cannabis is equitably available to communities across the province.

Retailers should refer to the [Retail Cannabis Store Handbook](#) for information on how Alberta’s legislation applies to them, as well as the Gaming, Liquor and Cannabis Act and the Gaming, Liquor and Cannabis Regulation to ensure that they are abiding by provincial law.



2

PURCHASE & RETURNS

BUYING CANNABIS INVENTORY FROM AGLC

2.1 GENERAL INFORMATION

In order to enable Alberta's retailers to efficiently order wholesale cannabis products to their locations, AGLC has established albertacannabis.org as the province's point of sale. (All orders are currently placed through a manual process. See section 2.4)

The online shopping experience caters to both Alberta's direct to consumer online sales needs, as well as enables all of Alberta's wholesale cannabis purchases. Note that wholesale purchases can only be made through a retailer account.

Once an order is placed on albertacannabis.org it may not be altered or redirected. Please ensure that all of your order information is accurate before completing an online transaction.

AGLC does not accept returns for wholesale cannabis products except in the case of damaged, or incorrectly shipped cannabis products, or in the case of a recall.

AGLC does not take orders for cannabis products over the phone. However, any inquiries regarding how to place an order, the status of an order, or any other purchase or return related questions may be directed towards the Alberta Cannabis Call Centre at 1-(855)-436-5677 or albertacannabis@aglc.ca.

2.2 ALBERTA CANNABIS ONLINE ACCOUNT

2.2.1 Account Overview

In order to purchase wholesale cannabis product to stock a private cannabis retail store, setup and login into a retailer account on albertacannabis.org is required. This account enables cannabis retailers to easily and securely place wholesale orders.

AGLC recommends limiting access to account login information to only key staff members such as Purchasing Managers and/or Category Managers.

2.2.2 Account Setup

When a retailer is licensed (or receives pre-approval for a cannabis licence), they will receive instructions on how to set-up an account on albertacannabis.org. If a retailer is having trouble creating or logging into their account they should contact the Alberta Cannabis Call Center.

2.3 AGLC'S PRODUCT ASSORTMENT

AGLC's assortment of cannabis products is constantly shifting as the cannabis market in Alberta evolves and matures. AGLC only sells cannabis products that are grown and produced in Canada and strives to provide retailers with a diverse set of high quality products for Albertans. The following product categories are available:

- **Dried flower** – Cannabis plant matter that has been dried and is ready to be smoked or vaporized.
- **Milled flower** – Dried flower that has been ground into a coarse powder making it easier to roll into a joint.
- **Pre-rolls** – Milled flower that has been packed into rolling paper to form a joint that is ready to smoke.
- **Oils** – Cannabis extract mixed with carrier oils. Please refer to Schedule 3 of Bill C-45 for product equivalency. (Will be moved to 'Extracts' in Phase II.)
- **Capsules** – Capsules of cannabis oils that are swallowed to provide consistent and simple dosing of cannabis. (Will be moved to 'Extracts' in Phase II.)
- **Seeds** – Cannabis plant seeds that may be used for home growing.
- **Edibles** – Products containing cannabis that are intended to be consumed in the same manner as food (i.e. eaten or drunk).
- **Topicals** – Products that include cannabis as an ingredient and are intended to be used on external body surfaces (i.e. skin, hair, and nails).
- **Extracts** – Products that are produced using extraction processing methods or by synthesizing phytocannabinoids.

This product list is subject to expand and change as AGLC expands its lineup of cannabis products and new cannabis products become legalized.

2.4 PURCHASING FROM AGLC

Purchasing cannabis products from AGLC is similar to purchasing other types of products from most other e-commerce sites. The only major difference with purchasing from AGLC as opposed to another e-commerce site is the payment process, which occurs after the order is submitted. The following steps comprise the process:

1. Visit AGLC's online e-commerce site albertacannabis.org to begin your wholesale purchase. AGLC only takes cannabis orders through the e-commerce site and does not accept orders over the phone.
2. **Login** – Login to your retail account using your email and password. If you do not have an account or have issue logging in, see section 2.2 Alberta Cannabis Online Account.
3. **Select products** – Select wholesale cannabis products from available inventory and add the desired quantity to the cart.



Order Quantity Limitations

Be aware that AGLC retains the right to place limitations on the quantity of an individual product or product category available for purchase by an individual retailer. This limitation is in place to stop any individual retailer from mono-polizing the supply of a particular product or product category.

Note also that AGLC's online retail business is similarly constrained, so as to not provide an undue advantage.

4. **Begin checkout** – Select the checkout button to purchase the items in your cart.
5. **Review order information** – Review that your order information and the contents of your cart are correct.



Orders Are Final and Unalterable After Submission

Be aware that once an order is submitted it may not be changed and that returns are not accepted by AGLC for wholesale products that are not faulty. The retailer is responsible for ensuring the contents of an order are correct before submission.

6. **Submit order** – After reviewing the order to confirm that all information is correct, submit the order to complete the purchase.



Receive Order Confirmation Email

If the purchase is successfully submitted, you will receive an email confirming that the order has been placed.



Receive Delivery Notification Email

A couple of days after the order has been received by the retailer, you will receive an email notification that delivery has been completed.

7. **Make payment** – Payment must be provided via one of the methods outlined in section *5.1 Payment Methods*. Payments must be made for each individual order and cannot be paid together as a lump sum.



Receive Payment Confirmation Email

If the payment is successfully made, you will receive an email confirming that payment is complete.

8. **Receive delivery** – Ensure that your retail location meets the requirements outlined in section *3.4 Delivery Requirements* of this document in preparation for delivery. Once the shipment arrives, be sure to count the number of cases received and note the number along with any apparent damage to the cases on the bill of lading (BOL). Once the shipment has been accepted both a retail employee and the delivery driver must sign the BOL.



Receive Order Receipt Email

Once the order is prepared for delivery in our warehouse, you will receive an email with a receipt for the order.

2.4A MANUAL PURCHASING PROCESS

AGLC will continue to manage inventory levels through a manual order process to encourage equity. To purchase cannabis products from AGLC through the manual process, retailers will receive an up-to-date order form each Monday with current stock listings for the week. This order form will always be sent to the email address associated with your e-commerce account.

(Note: If you don't wish to place an order one week, you must send a written statement to albertacannabis@aglc.ca letting us know you won't be submitting an order for that week.)

1. **Fill out your information on the order form** – Ensure all 'bill to' and 'ship to' information is filled out completely. Your 'ship to' information should be identical to your store's information, including the email address, which should be the email associated with your e-commerce account.
2. **Select Products** – The order form is unique every week and contains a full product catalogue of the inventory available each week. Enter the desired quantity of each product on the order form.
 - a. **Order Quantity Limitations** – Be aware that AGLC retains the right to place limitations on the quantity of an individual product or product category available for purchase by an individual retailer.

This limitation is in place to stop any individual retailer from monopolizing the supply of a particular product or product category. Note also that AGLC's online retail business is similarly constrained, so as to not provide an undue advantage.
3. **Submit your order form** – After reviewing the order to confirm that all information is correct, your order form must be returned to us via email to albertacannabis@aglc.ca by 10 a.m., each Tuesday. The form must be submitted by your store's ecommerce email address.
4. **Place order** – We will place your order. You will receive an automated email stating 'your order has been placed'.
5. **Make Payment** – Use the automated email as your invoice for payment. The total amount displayed on that email includes your shipping charges for that week's order. Payment must be

provided via one of the methods outlined in Section 5.1 – Payment Methods.

- a. If you have a delivery day of Monday or Tuesday, make your payment as soon as possible – generally by Wednesday at noon. It's important you submit your payment by this deadline in order to avoid any possible shipping delays on your regular scheduled delivery day or missed order cycles.
 - b. If your scheduled delivery day is Wednesday, Thursday or Friday, your deadline for payment remains Thursday at 5 p.m.
 - c. Payments must be made for each individual order and cannot be paid together as a lump sum.
6. Once payment is received, the order will be shipped with retailers receiving deliveries on their assigned delivery day. Orders received during the week will be delivered within 7 to 10 business days.

2.5 PRODUCTS RETURNS & CLAIMS

Cannabis purchases from AGLC are final sale. AGLC only accepts returns for the following reasons:

- **Faulty products** – A cannabis product delivered to the retailer is defective. Possible examples include faulty products, empty containers, THC/CBD levels that vary from the provided range, products with compromised packaging making them unfit for sale or underweight products. (Please note: Health Canada regulations allow for a 10 per cent difference in weight for more than zero to not more than two grams of cannabis, and a five per cent difference in weight for more than two grams of cannabis.)
- **Recalled products** – The retailer has products that are the subject of a recall.
- **Shipping errors** – The retailer has received a quantity or type of product that does not match their order, or has received visibly damaged cases of product.

Details regarding product recalls and shipping errors are each covered in their own sections within this document. *Section 2.7 Product Recalls* covers the product recall process and *section 3.5 Damaged/Incorrect Product on Delivery* covers the unique requirements for making a product claim based on a shipping error. Review the aforementioned sections before making a claim for a recalled product or a return based on a shipping error.

The return process is as follows:

1. **Identify the need for a return** – A retailer may identify that the product they have been shipped can be returned based on any of the following reasons:

FAULTY PRODUCTS

- Mold or insects are present.
- The packaging of the product is compromised so as to make the product unsafe or unsaleable.
- The product was delivered in an unsaleable state due to defect or abnormality.
- Product is faulty.
- A sealed container is empty.
- THC/CBD levels vary from the provided range.
- Underweight products. (Please note: Health Canada regulations allow for a 10 per cent difference in weight for more than zero to not more than two grams of cannabis, and a five per cent difference in weight for more than two grams of cannabis.)

RECALLED PRODUCTS

- The retailer has received a message from AGLC indicating that the product has been recalled.
- AGLC has indicated on its website the product is the subject of a recall.
- Health Canada has indicated that the product is the subject of a recall.

SHIPPING ERRORS

- The cases the product is in appeared damaged upon delivery and this damage was recorded on the signed bill of lading (BOL).
- Too much product was received² and the error in case count was indicated on the signed BOL.
- Not enough product was received and the error in case count was indicated on the signed BOL.
- A picking error resulted in the wrong type of product being delivered to the retailer. Please ensure you inspect inside your delivered cases immediately, as **mis-pick errors must be reported**

² Retailers are obligated to report to AGLC if they receive too much product in error. Failing to act on shipping errors that result in an over-delivery of Product may result in the revocation of the retailer's cannabis licence.

within 48 hours of receipt.

2. **Document evidence** – After a product has been identified for a return, the retailer should document any evidence that the product is applicable for return. Pictures should be taken as evidence whenever applicable.
3. **Document quantity** – Before proceeding, the retailer should have an understanding of the quantities of each SKU that they are submitting for a return.
4. **Contact call centre** – Contact the Alberta Cannabis Call Centre and be prepared to provide the following:
 - Cannabis licence number
 - Reason for return
 - Evidence for the return (such as photographs)
 - The types and quantities of each SKU being returned
 - The order number associated with the product
 - Note that in some cases the customer service agent may instruct the retailer to destroy the product in question instead of returning it. In this case, destroy the product in accordance with AGLC policy and skip to Step 8.

Note that in the case of a short-shipment, no product needs to be returned. In this case skip to Step 8.
5. **Receive Return Merchandise Authorization (RMA) from our call centre** – If the customer service agent determines that the claim for a return is valid, an RMA will be generated and emailed to retailer.
6. **Return the product** – Details regarding return shipping are covered in section *3.6 Return Shipping Process*. Typically, return shipments are picked up by the carrier during the next inbound delivery to the retail location. AGLC will cover the cost of return shipping.
7. **Await inspection** – After the returned products arrive at AGLC warehouse, AGLC will investigate to ensure that the return claim is accurate and that all the claimed products have been returned. If the inspection reveals that the claim was inaccurate or misleading, a refund will not be issued to the retailer and the products will not be

shipped back to the retailer.

8. **Receive refund** – If the inspection reveals that the retailers claims were accurate, AGLC will issue a refund to the Retailer.

For details on refund payments see section 5.3 *Refund Payments*. Refunds are only issued through EFT, so in order for a retailer to receive a refund they must have set-up EFT as a payment method.

2.6 RETURNS FROM YOUR CUSTOMERS

As a retailer, you may choose to accept returns from your own customers if they are dissatisfied with a product. However, AGLC will not provide refunds to retailers that are not for faulty or recalled products. Furthermore, retailers are required to not resell returned cannabis products. Products returned to a retailer must either be returned to AGLC if they have been recalled or are faulty, or be destroyed in accordance with the product destruction procedures as outlined in the [Retail Cannabis Store Handbook](#).

Retailers must accept returns from customers for recalled products, if they have carried that product in the past. AGLC will provide refunds for recalled products. AGLC requires the packaging complete with the excise stamp in order to provide a refund.

AGLC will investigate any claims that a product is faulty and issue refunds at its own discretion.

2.7 PRODUCT RECALLS

Recalls may need to be issued for products that are damaged, faulty, dangerous, or discovered to not be in compliance with federal or provincial laws, policies, or standards. AGLC will issue a Product Recall Notice via email providing specific information of the recalled products. Recalls will also be posted on aglc.ca/cannabis and albertacannabis.org. It is the responsibility of all cannabis retailers in Alberta to monitor the appropriate information channels along with their own inventory in order to comply with all recall instructions from AGLC.

Upon the announcement of a recall, retailers are obligated to remove the recalled product from active inventory and clearly mark the products as 'Do Not Sell – Recalled Product'.

Retailers must post any recall notices issued by AGLC prominently in all licensed premises for a minimum of 30 days.

Additional recall instructions will be issued with the recall announcement whether communicated by email or by website posting. Retailers are obligated to follow all recall instructions communicated by AGLC.

Retailers must maintain a log of all recalled cannabis products. This log may be part of the retailers POS system. This log will include:

- Recall notice date;
- Amount of product removed from inventory;
- Amount of customer returned product that is unopened;
- Amount of customer returned product that is opened;;
- Product SKU; and
- Disposition of product.

Retailers must accept returns for all recalled products they have carried in the past, as long as the customer has the product packaging and some amount of the product remains. Retailers must provide an MSRP refund for recalled products, whether or not the customer has a receipt and regardless of the condition of the packaging or the remaining product. Retailers must provide refunds on recalled products only if they have carried that product in the past. Retailers are allowed to encourage customers to return product to the original store where it was purchased to get their full refund.

Retailers must deal with recalled product as directed by AGLC, which may include returning it to the warehouse for a refund. The retailers will receive wholesale cost on the recalled products they have available in their inventory. The retailers will be refunded at MSRP on recalled products that have been returned by customers. The retailers may refund their customers the full price the customers paid, but AGLC will only refund the MSRP. If the customer's receipt lists a purchase price lower than the MSRP, the retailer only needs to refund the lower purchase price.

Retailers must follow all federal and provincial laws related to handling unsafe products including all policies outlined in the [Retail Cannabis Store Handbook](#) and any instructions that Health Canada may choose to provide.



3

SHIPPING & RECEIVING

HOW OUR PRODUCTS WILL GET TO YOUR CANNABIS

3.1 GENERAL INFORMATION

AGLC charges a flat shipping rate per delivery around the province to ensure businesses located near AGLC's operations do not receive a financial or logistical advantage.

Please be aware that all shipping is provided by AGLC's network of carriers. Self-pickup or the use of other third-party shipping providers is not allowed. This policy is in place to ensure the safe, secure and appropriately tracked delivery of cannabis across Alberta. Note also that cannabis products cannot be shipped to retailers with cancelled or suspended cannabis licences. Cannabis products cannot be shipped between retailers. In the event of a permanent store closure please refer to the [Retail Store Cannabis Handbook](#).

This section of the document outlines how Alberta cannabis products are packed and shipped and the requirements that retailers must meet in order to receive a wholesale order.

3.2 ORDER COSTS

AGLC uses a fixed delivery rate across the province and a centralized Alberta Cannabis Call Centre. The postage stamp delivery

rate simply means that, regardless of your store's location, the order fee will be consistent. Rates will be reviewed regularly and may be adjusted at any time. Delivery fees will be applied to each individual order. Multiple orders placed during the same delivery window will each incur a delivery charge and will be delivered together. AGLC Customer Service handles all questions or concerns with delivery. Should the need arise, a retailer need only contact the Alberta Cannabis Call Centre and they will manage all other parties if required, including the carrier.

Retailers unable to accept their order on the scheduled delivery day will incur overnight storage charges, in addition to the second delivery charge.

3.3 DELIVERY TIMING

Retailers will be assigned one delivery day per week. Your assigned delivery day will be communicated to you by the call center. The table below indicates the assigned delivery day and the corresponding deadline for payment processing. AGLC does not guarantee the delivery timetable below. To maximize the likelihood that the delivery timetable below is able to be kept, retailers should allow two to five business days for payment processing. Retailers should place their order(s) and ensure that payment is processed by AGLC before the payment processing day.

Note that AGLC only packs and ships orders after payment for the order is complete. Multiple orders placed during the same delivery window will be delivered together. Every individual order will have a delivery charge applied to it. Retailers must account for the payment processing time of their chosen method of payment when considering the cut-off. For example, if a retailer's assigned delivery day is Wednesday and chooses to pay by certified cheque, the cheque must be **processed** by AGLC by Monday.

DELIVERY TIMING	
ASSIGNED DELIVERY DAY	PAYMENT MUST BE PROCESSED BY:
Monday	Thursday
Tuesday	Friday
Wednesday	Monday
Thursday	Tuesday
Friday	Wednesday

3.4 DELIVERY REQUIREMENTS

Effective November 18, 2019, AGLC implemented a Master Case shipping process for all orders.

- AGLC's network of carriers will assemble smaller cases of product from a retailer's order into Master Cases
- Master Cases will be transported to the retailer on a pre-assembled pallet
- The Master Cases will be dropped off in the receiving area. If a proper receiving area is not available, the Master Cases will be delivered outside of the closest accessible entrance point

Master Case Images:



It is the responsibility of each retailer to ensure that a staff member is available to receive its shipment of products and that the staff member follows the reception requirements demonstrated in the below table.

DELIVERY REQUIREMENTS



RETAILER RESPONSIBILITIES WHEN ACCEPTING DELIVERY

The retailer must have someone available to accept the order(s) being delivered.

The retailer must accept all of the order(s), or refuse the order(s) altogether in the event an order was delivered completely erroneously. If there is an error in the order(s) in the form of a shortage, overage or damaged Master Case(s), the retailer must still accept the order while marking the discrepancy on the bill of lading (BOL), so that the error may be corrected later.

1. Upon delivery, the retailer must ensure they count and sign for the number of sealed Master Cases and ensure that the Master Case count stamp has been marked with the count of Master Cases received and initialed. See Master Case Count Stamp image below.

	Pallet Count	Master Case Count	Initials
Connect	_____	_____	_____
Carrier	_____	_____	_____
Consignee	_____	_____	_____

2. Retailer must ensure the Master Cases are stored in a secured area that is visible under a video camera (it is recommended that retailers use a dolly to transport Master Cases into retail store).
3. Master Cases are required to be opened and product cases counted under a video camera. After each Master Case has been emptied, clearly show the empty Master Case to the camera. Failure to complete these steps will nullify and void any related product delivery shortage claims.
4. All order errors must be reported to the AGLC Cannabis Call Centre within 48 hours of receiving the product.
5. Flatten, store and prepare empty Master Cases for return to Connect Logistics via the carrier on your next delivery.



COUNT CASES







The number of Master Cases accepted by the retailer and any visibly damaged Master Cases must be clearly marked on the driver's copy of the BOL. Both the retailer and the driver then must sign that copy of the BOL. If the total received does not match the total on the BOL, make a note of the difference on the driver's copy of the BOL. Claims will be denied where "Subject to Recount", "Subject to Verification" or a similar statement has been noted on the BOL. The BOL includes any proof of delivery (POD) document that is substituted by the carrier.



DELAYING THE DELIVERY

Retailers are NOT permitted to delay the driver in order to conduct a product by product inventory check.

The accuracy of the actual products received are the responsibility of AGLC and not the delivery provider.

	<p>RECEIVING AREA</p> <p>The receiving area should be amenable to pallet drop delivery. For delivery services beyond a pallet drop delivery please refer to section 3.7 for additional services that can be provided at an additional cost.</p>
	<p>INCENTIVES</p> <p>Offering delivery personnel incentives, of any kind, for additional delivery services is strictly prohibited.</p> <p>All incidents should be reported to AGLC Cannabis Call Centre immediately.</p>
	<p>BROKEN RECEIVING EQUIPMENT</p> <p>The AGLC Cannabis Call Centre must be notified, prior to the order being delivered, if the forklift, dock leveler or scissor lift has broken down or repairs are needed to your off-loading area in general. A second delivery charge will be added to the next order if delivery cannot be completed on the first attempt.</p>
	<p>SNOW REMOVAL</p> <p>It is the responsibility of the retailer to ensure their dock area is free of snow and ice prior to the arrival of the delivery. The driver will not deliver the order if snow and ice has not been removed from the offloading area. A second delivery charge will be added to the next order if the delivery cannot be completed on the first attempt.</p>
	<p>PALLET RETURNS</p> <p>It is the responsibility of the retailer to retain all pallets received from a delivery and return them to the carrier during the next delivery. Pallets are to be returned in the same condition in which they were received. Retailers must ensure that all pallets received from an AGLC delivery are separated from all other pallets, stacked and are ready for pick up at the designated 'Receiving Area.' A charge of \$10 per wood pallet or \$70 per plastic pallet may be applied to cover the costs of the pallets not returned, at the discretion of AGLC.</p>
	<p>BE CAUTIOUS</p> <p>Master Cases placed on pallets may shift in transit causing pallet instability, even though the pallet and Master cases have been tightly shrink-wrapped prior to shipping. The protective shrink-wrap should be removed carefully, layer by layer, to avoid damaging the product.</p>

3.5 DAMAGED/INCORRECT PRODUCT ON DELIVERY






Although rare, product may be damaged or lost in transit. AGLC will investigate damaged product, shortages, overages and picking errors (the wrong product was shipped). Pictures will be required as part of these investigations.

Note that these are requirements for claims made with respect to short-shipped product, visibly damaged cases and product overages only.

Claims for a refund due to faulty product or a product recall are described in section 2 *PURCHASES & RETURNS*.

Retailers have the following responsibilities to ensure that an investigation is carried out correctly:

DAMAGED/INCORRECT PRODUCT CLAIM REQUIREMENTS

	<p>ALL ORDERS MUST BE COUNTED AND CAREFULLY EXAMINED FOR VISIBLE DAMAGES UPON DELIVERY</p> <p>An accurate, physical, total Master case count must be completed and noted on the driver's copy of the bill of lading (BOL) before it is signed. This count must also note any Master cases that appear damaged.</p> <p>The count only needs to consist of the number of Master cases not the contents of each case. If a picking error (i.e., the wrong product was shipped) is discovered after the fact, a claim may be made without evidence of this noted on the BOL within 48 hours of receipt. All other claims must be noted on the BOL to make a claim.</p> <p>Product must be kept in a secured and separate area than regular stock until the investigation has been completed.</p>
	<p>IF THERE IS AN ERROR, IT MUST BE REPORTED UPON DELIVERY³</p> <p>Clearly print on the driver's copy of the BOL: An explanation of the error (damage, shortage or overage of Master Case quantities delivered)</p>
	<p>ALL EVIDENCE OF DAMAGE MUST BE MAINTAINED BY THE RETAILER</p> <p>All evidence of damaged goods must be maintained for a minimum of 60 days after a claim has been received.</p> <p>This evidence should include pictures of damage, if applicable.</p>
	<p>THE BILL OF LADING MUST BE SIGNED OFF BY BOTH THE DRIVER AND THE RETAILER</p> <p>Failure to sign the BOL will result in your claim being denied. Make sure to obtain a copy of the signed BOL.</p>
	<p>CALL THE ALBERTA CANNABIS CALL CENTRE PROMPTLY</p> <p>Retailers must contact the Alberta Cannabis Call Centre within 48 hours to file a claim.</p> <p>Clearly indicate to the customer service representative that a claim is being made for one or more of the following:</p> <ul style="list-style-type: none"> • Breakage - Product was visibly damaged on delivery • Overage - Too much product was delivered • Shortage - Not enough product was delivered • Picking error - Incorrect product was delivered

³ Retailers are obligated to report to AGLC if they receive too much product in error. Failing to act on shipping errors that result in an over-delivery of product may result in the revocation of the retailer's cannabis licence.

3.6 RETURN SHIPPING PROCESS

Sales in Alberta, generally speaking, are final. Only recalled, or faulty product, product delivered in error, or damaged during delivery can be returned by a retailer. These returns require AGLC authorization.

Excess stock cannot be returned. Stock that has expired after delivery cannot be returned.

For a product to be shipped back to AGLC warehouse, a Return Merchandise Authorization (RMA) needs to be granted from the Alberta Cannabis Call Centre. Returns must be in a box with an RMA form on the outside, and a copy of the RMA inside. All returns must have an RMA. The RMA cannot have been altered in any way.

After the RMA is generated, the Call Centre will provide further instructions. Typically return shipments will be collected during the next delivery by carrier.

Refunds for products will not occur until the product reaches AGLC warehouse and is inspected by AGLC. Refunds are discussed in section 5.3 Refund Payments.

3.7 VALUE-ADD SERVICES

AGLC's third-party logistics provider (3PL) offers a number of value-add services (VAS) that the retailer may optionally use. VAS pricing will be quoted and agreed upon between AGLC's 3PL and the retailer. The table below summarizes some VAS offered.

Email Cannabis@Connect-Logistics.com to inquire about VAS.

VALUE-ADD SERVICES	
Service	Service Details
Document reprints	Reprinting of any of the delivery-related documents for claims or record keeping.
Specialized transportation services	Delivery services beyond a basic 'pallet-drop', such as moving product into a strip mall by hand.
Other services upon request	Retailers may request other services in order to fit their business needs.



4

TRACKING & REPORTING

TRACKING INVENTORY TO ALIGN WITH REPORTING AND RECORD KEEPING STANDARDS

4.1 GENERAL INFORMATION

As part of federal cannabis legislation, AGLC is required to track the movement of cannabis throughout the supply chain in Alberta. To meet this requirement, Alberta's cannabis retailers are required to report inventory, sales and employment statistics to AGLC on a monthly basis.

In addition to the data being required by Health Canada and Statistics Canada, AGLC uses the data for conducting audits and inspections. In partnership with various federal entities, AGLC will use, collect and analyze this data to detect illegal instances of diversion or inversion of cannabis from legal cannabis channel(s).

AGLC provides Alberta cannabis retailers access to submit reports on a monthly basis to AGLC online using its cannabis retailer portal.

4.2 INVENTORY & POINT OF SALE SYSTEMS

In accordance with the *Gaming, Liquor and Cannabis Act*, cannabis retailers are required to maintain a system that tracks their cannabis inventory perpetually and includes Point-of-Sale (POS) tracking. This system must be capable of supplying accurate inventory counts (among other required capabilities outlined in the GLCA) and all of the requirements detailed in the *Federal Compliance Reporting Technical Specification Document*, available at app.aglc.ca/CannabisPortal.

Retailers should be aware of the following considerations:

- Retailers should utilize an electronic inventory system that can meet the requirements detailed in the *Federal Compliance Reporting Technical Specification Document* to produce the data necessary to complete the *Cannabis Retailer Monthly Federal Compliance Report* form on a monthly basis.
- Retailers must utilize or reference the SKUs used by AGLC. The format of AGLC SKUs is as follows: CNB-#####. Alberta cannabis retailers must report transactional data, as detailed in the *Federal Compliance Reporting Technical Specification Document*, on a per SKU basis.
- Retailers must have at least one employee assigned to fulfilling the activities associated with federal compliance reporting as detailed in the *Federal Compliance Reporting – Instruction Guide* which can be found on the cannabis retailer portal in the federal compliance reporting page.
- AGLC inspectors are empowered to request and/or copy a retailer's records during an inspection; failure to provide requested records is a violation of the GLCA.

4.3 INSPECTIONS

Any inventory tracking or reporting data may be requested by inspectors at any time.

For more details related to inspections and AGLC regulatory policy, see the [Retail Cannabis Store Handbook](#).

4.4 MONTHLY REPORTING

4.4.1 Overview

As part of Bill C-45, the Canadian Federal Government has empowered Health Canada and Statistics Canada to task AGLC with gathering information related to the movement of cannabis throughout the Alberta supply chain. To comply with reporting requirements, retailers must submit monthly reports detailing inventory, sales, transactions (e.g., returns, destructions) and employment statistics.

This data will be used by the federal government, the provincial government and AGLC to make data driven policy, business and legislative decisions. Additionally, this data will be used by AGLC to aid in investigations and audits.

Each month, retailers must fill out the *Cannabis Retailer Monthly Federal Compliance Report - Template* and upload a completed document to the *Federal Compliance Reporting* page located in the cannabis retailer portal located at (app.aglc.ca/CannabisPortal).

4.4.2 Cadence

Retailers are required to submit their monthly sales and inventory data before 11:59 p.m. on the tenth day of every calendar month. Each report will correspond to the outputs of the prior month (e.g., a retailer will submit a report for June before the tenth calendar day of July).

4.4.3 Format

The uploaded report must use the Cannabis Retailer Monthly *Federal Compliance Report - Template*, which can be downloaded at the online cannabis retailer portal (app.aglc.ca/CannabisPortal).

Retailers must complete the report as per the instructions provided within the *Federal Compliance Reporting Technical Specification Document*; any deviation from those requirements will not be accepted by the portal and therefore may be subject to penalties if not submitted before the deadline.

4.4.4 Content

The data fields for the monthly report can be found on the federal compliance reporting page, within the cannabis retailer portal and the *Cannabis Retailer Monthly Federal Compliance Report - Template* available at (app.aglc.ca/CannabisPortal). Broadly speaking, the following information is required:

1. **Finished inventory** – Required to be entered on the available form, the value and quantity of sales, returns, destructions and opening

inventory for each AGLC SKU that the retailer has possessed within the given calendar month being reported.

2. **Business statistics** – Inputted directly on the federal compliance reporting page, within the online cannabis retailer portal, employment figures related to staffing for
 - a. management
 - b. administrative
 - c. sales
 - d. other

Definitions of these data requirements can be found within the *Federal Compliance Reporting Technical Specification Document*.

4.4.5 Penalties For Non-Compliance

Reports not completed or submitted by the due date, have incorrect data, or are improperly formatted, may be subject to administrative sanctions from the AGLC, as detailed in the *Federal Compliance Reporting Technical Specification Document*.



5

PAYMENTS

FINANCIAL TRANSACTIONS WITH AGLC

5.1 PAYMENT METHODS

AGLC requires payment for orders placed prior to shipment of goods. Payment may be made through one of the following three methods:

- bill payment
- pre-authorized debit (PAD)
- certified cheque, draft, or bank money order

5.1.1 Bill Payment

The bill payment method allows the retailer to submit payments for cannabis orders at participating financial institutions through online banking, telephone banking, or at a physical branch of the bank. Retailers have up to five (5) business days after the order is placed to make the payment. Once the payment is received and confirmed by AGLC, the goods ordered will be released for shipment. See section *3.3 Delivery Timing* for details on how payment timing impacts delivery timing. If payment is not received within five (5) business days, the order will be cancelled.

5.1.2 Pre-Authorized Debit

The PAD payment method requires an agreement to be signed between AGLC and the retailer, which allows AGLC to withdraw funds for an order from a bank account designated by the retailer. This form is available at aglc.ca/cannabis. Once the payment is received by AGLC, the goods ordered will be released for shipment.

If AGLC is unable to withdraw funds from the bank account for any reason (e.g. due to insufficient funds), the retailer will be charged a Non-Sufficient Funds (NSF) fee:

- First incident - \$25
- Second incident - \$50
- Afterwards - \$100/incident

It is the retailer's responsibility to ensure that the account the payment is being taken from is accessible and has sufficient funds.

Multiple incidents of failed payments may result in cancellation of the retailer's cannabis licence at the discretion of AGLC.

Since PAD payments are not considered a guaranteed form of payment, the retailer may be required to provide either a letter of credit (LOC) from their financial institution or provide AGLC with a cash security deposit (CSD). Total amounts required for the LOC or the CSD will be determined by AGLC and the requirement to provide the LOC/CSD will be determined by a credit evaluation of the retailer as conducted by AGLC.

5.1.3 Certified Cheque, Draft, Money Order

Once the order is placed, the retailer is required to provide AGLC with a certified cheque, draft, or bank money order prior to the shipment of the goods.

Payments for multiple orders should not be combined into a single payment.

If payment is not received within five (5) business days, the order will be cancelled.

5.2 PAYMENT SET-UP

To select or change a payment method, the retailer must complete a *Cannabis Retailer Payment Selection form*. The form is available at aglc.ca/cannabis. Instructions for completing and submitting the form are included on the form itself.

Selection of the payment method can only be processed by AGLC and cannot be altered by the retailer through their account on albertacannabis.org.

5.3 REFUND PAYMENTS

In case a refund is required, AGLC will issue such payments via Electronic Funds Transfer (EFT) directly into the retailer's bank account. Some of the reasons AGLC may choose to issue a refund to a retailer are covered in *Section 2 PURCHASES & RETURNS*.

Each retailer must complete the *EFT Request form* to enable refunds. The form is available at aglc.ca/cannabis. Instructions for completing and submitting the form are included on the form itself. Ensure that the 'Other' box at the top of the form is selected and also add the comment 'Cannabis Retailer' in the line next to the box.

AGLC will not issue refunds for amounts lower than \$5.

5.4 PAYMENT RELATED ENQUIRIES

If you have any questions regarding received or outstanding payments, or any payment related processes, please forward your enquiries to cannabisrevenue@aglc.ca.



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PAYMENTS

FINANCIAL TRANSACTIONS WITH AGLC

The best method to contact AGLC for cannabis related enquiries is to call or email the Alberta Cannabis Call Centre. Please do not contact AGLC's front desk for cannabis related enquiries. The Alberta Cannabis Call Centre is AGLC's main communications channel for working with wholesale and retail customers as well as addressing questions and comments from Albertans.

ALBERTA CANNABIS CALL CENTRE

Phone (Toll Free)	1 (855) 436-5677
Mon – Sun	6 a.m. to 10 p.m.
Statutory Holidays	6 a.m. to 10 p.m.
Email	albertacannabis@aglc.ca
Websites	albertacannabis.org aglc.ca/cannabis