**Section 1291.310 Inventory Control System**

a) A dispensing organization AIC shall have primary oversight of the dispensing organization's State Verification System and Point of Sale System. The inventory Point of Sale System shall be real-time, web-based and accessible by the Department 24 hours a day, seven days a week.

b) A dispensing organization shall establish an account with the State Verification System that documents:

1) Each sales transaction at the time of sale;

2) Each day's beginning inventory, acquisitions, sales, disposal and ending inventory;

3) All acquisitions of cannabis and cannabis-infused products from a cultivation center, craft grower, infuser, transporter, or dispensary including:

A) A description of the products including the quantity, strain, variety and batch number of each product received;

B) The name and license identification number of the cultivation center, craft grower, infuser, transporter, or dispensary providing the cannabis and cannabis infused products;

C) The name and license identification number of the cultivation center or transporter agent delivering the cannabis;

D) The name and license identification number of the dispensing organization agent receiving the cannabis; and

E) The date of acquisition.

4) The disposal of cannabis, including:

A) A description of the products being disposed, including the quantity, strain, variety, batch number and reason for the cannabis being disposed;

B) The method of disposal; and

C) The date and time of disposal.

c) A dispensing organization shall use a point of sale system that establishes and maintains an interface with the State Verification System to track the sale of cannabis, consistent with the Act and this Part.

d) Upon cannabis delivery, a dispensing organization shall confirm the product's name, strain name, weight, identification number, and quantity on the manifest matches the information on the cannabis product label and package. The product name listed and the weight listed in the State Verification System shall match the product packaging.

e) An AIC shall conduct a daily physical count of all inventory, except as permitted under subsection (e)(4) and also conduct a reconciliation documenting and balancing cannabis inventory by confirming the State Verification System matches the dispensing organization's point of sale system and the amount of physical product at the dispensary. The daily physical count shall include checking the use-by date for all inventory and quarantining any expired product.

1) A dispensing organization must receive Department approval prior to completing an inventory adjustment. It shall provide a detailed reason for the adjustment. Inventory adjustment documentation must be kept at the dispensary for two years from the date performed.

2) If, after the daily inventory reconciliation the dispensing organization identifies an imbalance in the amount of cannabis due to mistake, the dispensing organization shall determine how the imbalance occurred and, immediately upon discovery, take and document corrective action. If the dispensing organization cannot identify the reason for the mistake within two calendar days after first discovery, it shall inform the Department immediately in writing of the imbalance and the corrective action taken to date. The dispensing organization shall work diligently to determine the reason for the mistake. The dispensing organization shall complete its investigation within 10 business days. If the investigation is not complete within 10 business days, the dispensary shall notify the Department of next steps and a contemplated deadline. The Department may extend the investigation period upon a showing of good cause.

3) If, after the daily inventory reconciliation or through other means, the dispensing organization identifies an imbalance in the amount of cannabis due to theft, criminal activity or suspected criminal activity, the dispensing organization shall immediately determine the manner in which the theft or criminal activity occurred and take and document corrective action. Within 24 hours after the first discovery of the reduction due to theft, criminal activity or suspected criminal activity, the dispensing organization shall inform the Department and ISP in writing.

4) A dispensing organization is not required to perform a daily physical count of bulk cannabis inventory if stored pursuant to the requirements in this Part. The dispensing organization must verify daily that any bulk cannabis inventory meets the storage requirements of this subsection (e)(4). If the packaging of bulk cannabis inventory becomes torn or tampered with it must be recounted and resealed before the completion of the next daily physical count. Bulk cannabis inventory must be counted monthly by physically removing each item from the sealed containers, counting each item, and checking the expiration date. Bulk cannabis inventory must then be resealed and labeled with the last date it was counted. All expired product must be destroyed in accordance with Section 1291.325. For the purposes of this Section "bulk cannabis inventory" means cannabis and cannabis-infused products stored in the reinforced vault in clear, heat-sealed or taped shrink wrap bags or sheeting that is labeled with the date the inventory is sealed, the last four digits of the batch number, the number of items contained within the wrapping and the date the inventory was last counted. Bulk cannabis inventory is included in the dispensing organization's total inventory available for sale.

5) The AIC shall certify their consideration of the factors in this subsection (e)(5) on a form provided by the Department.

f) A dispensing organization shall maintain the documentation required in this Section in a secure locked location at the dispensing organization.

g) A dispensing organization shall ensure the oldest stock of cannabis and cannabis-infused product is dispensed first. A dispensing organization may deviate from this requirement upon Department approval.

h) If cannabis is abandoned at a dispensing organization, it shall be accounted for and destroyed in compliance with this Part.

(Source: Added at 48 Ill. Reg. 13377, effective August 20, 2024)