

Cook, Mishawn

From: Cook, Mishawn
Sent: Wednesday, May 25, 2016 9:19 AM
To: Cook, Mishawn
Subject: Comingling of Financial Records

Dear Boulder Marijuana Licensee:

This email is a reminder email to Boulder businesses that each city marijuana business is separate and distinct from every other marijuana business. Each separate business holds a separate license that is identified by a unique license number and associated license type.

Section 6-14-9 and Section 6-16-9 of the Boulder Revised Code require each marijuana business to maintain a complete set of books of accounts for that license number and associated license type that are separate from any other business. Such books of account include, without limitation, separate profit and loss records, account statements, equipment receipts, product transport documents, and tax remittance records, and other records specifically listed in those code sections. Each licensed business is also required to have a separate bank account. This separate accounting is required for co-located licensed locations and each licensed business regardless of whether the same owner owns more than one licensed business. Comingling of records is prohibited by our local code.

Please note that this requirement is the same both in the City of Boulder Medical Marijuana Business (MMB) Code and in the City of Boulder Recreational Marijuana Business (RMB) Code as is more fully described below.

Please let us know if you have questions and we will get you in contact with the appropriate staff member.

Thank you, Mishawn Cook

Supporting Boulder Revised Code Sections Below:

MMB 6-14-9. - Right of Entry - Records to Be Maintained.

(a) Records to Be Maintained. Each licensee shall keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, correspondence, bank statements, including cancelled checks and deposit slips, and all other records necessary to show fully the business transactions of such licensee. Receipts shall be maintained in a computer program or by pre-numbered receipts and used for each sale. The records of the business shall clearly track medical marijuana product inventory purchased and sales and disposal thereof to clearly track revenue from sales of any medical marijuana from other paraphernalia or services offered by the medical marijuana business. The licensee shall also maintain inventory records evidencing that no more medical marijuana was within the medical marijuana business than allowed by applicable law for the number of patients who designated the medical marijuana business owners as their primary caregiver and the maximum amount represented to the state for its license from the state. All such records shall be open at all times during business hours for the inspection and examination of the city or its duly authorized representatives. The city may require any licensee to furnish such information as it considers necessary for the proper administration of this chapter. The records shall clearly show the source, amount, price, and dates of all marijuana received or purchased, and the amount, price, dates, and patient or caregiver for all medical marijuana sold.

(b) Separate Bank Accounts. The revenues and expenses of the medical marijuana business shall not be commingled in a checking account or any other bank account with any other business or individual person's deposits or disbursements.

(c) Disclosure of Records. By applying for a medical marijuana business license, the licensee is providing consent to disclose the information required by this chapter, including information about patients and caregivers. Any records provided by the licensee that includes patient or caregiver confidential information may be submitted in a manner that maintains the confidentiality of the documents under the Colorado Open Records Act, § 24-72-201, et seq., C.R.S., or other applicable law. Any document that the applicant considers eligible for protection under the Colorado Open Records Act shall be clearly marked as confidential, and the reasons for such confidentiality shall be stated on the document. In the event that the licensee does appropriately submit documents so as not to be disclosed under the Colorado Open Records Act, the city shall not disclose it to other parties who are not agents of the city, except law enforcement agencies. If the city finds that such documents are subject to inspection, it will provide at least twenty-four-hour notice to the applicant prior to such disclosure.

(d) Audits. The city may require an audit to be made of the books of account and records of a medical marijuana business on such occasions as it may consider necessary. Such audit may be made by an auditor to be selected by the city that shall likewise have access to all books and records of the medical marijuana business. The expense of any audit determined necessary by the city shall be paid by the medical marijuana business.

(e) Consent to Inspection. Application for a medical marijuana business license or operation of a medical marijuana business, or leasing property to a medical marijuana business, constitutes consent by the applicant, and all owners, managers, and employees of the business, and the owner of the property to permit the city manager to conduct routine inspections of the medical marijuana business to ensure compliance with this chapter or any other applicable law, rule, or regulation. The owner or business manager on duty shall retrieve and provide the records of the business pertaining to the inspection. For purposes of Rule 241 of the Colorado Rules of Municipal Procedure and Subsection 2-6-3(e) of this code, inspections of medical marijuana businesses and recordings from security cameras in such businesses are part of the routine policy of inspection and enforcement of this chapter for the purpose of protecting the public safety, individuals operating and using the services of the medical marijuana business, and the adjoining properties and neighborhood, as provided in Section 6-14-1, "Legislative Intent and Purpose," B.R.C. 1981. Application for a medical marijuana business license constitutes consent to inspection of the business as a public premises without a search warrant, and consent to seizure of any surveillance records, camera recordings, reports, or other materials required as a condition of a medical marijuana license without a search warrant.

(f) Reporting of Source, Quantity, and Sales. The records to be maintained by each medical marijuana business shall include the source and quantity of any marijuana distributed, produced, or possessed within the premises. Such reports shall include, without limitation, for both acquisitions from wholesalers and transactions to patients or caregivers, the following:

- (1) Name and address of seller or purchaser;
- (2) Date, weight, type of marijuana, and dollar amount or other consideration of transaction; and
- (3) For wholesale transactions, the state and city, if any, sales and use tax license number of the seller.

RMB 6-16-9. - Right of Entry - Records to Be Maintained.

(a) Records to Be Maintained. Each licensee shall keep a complete set of books of account, invoices, copies of orders and sales, shipping instructions, bills of lading, weigh bills, correspondence, bank statements, including cancelled checks and deposit slips, and all other records necessary to show fully the business transactions of such licensee. Receipts shall be maintained in a computer program or by pre-numbered receipts and used for each sale. The records of the business shall clearly track recreational marijuana product inventory purchased and sales and disposal thereof to clearly track revenue from sales of any recreational marijuana from other paraphernalia or services offered by the recreational marijuana business. The licensee shall also maintain inventory records evidencing that no more recreational marijuana was within the recreational marijuana business than allowed by applicable law. All such records shall be open at all times during business hours for the inspection and examination of the city or its duly authorized representatives. The city may require any licensee to furnish such information as it considers necessary for the proper administration of this chapter. The records shall clearly show the source, amount, price, and dates of all marijuana received or purchased, and the amount, price, and dates for all recreational marijuana sold.

(b) Separate Bank Accounts. The revenues and expenses of the recreational marijuana business shall not be commingled in a checking account or any other bank account with any other business or individual person's deposits or disbursements.

(c) Disclosure of Records. By applying for a recreational marijuana business license, the licensee is providing consent to disclose the information required by this chapter. Any document that the applicant considers eligible for protection under the Colorado Open Records Act shall be clearly marked as confidential, and the reasons for such confidentiality shall be stated on the document. In the event that the licensee does appropriately submit documents so as not to be disclosed under the Colorado Open Records Act, the city shall not disclose it to other parties who are not agents of the city, except law enforcement agencies. If the city finds that such documents are subject to inspection as public records of the city, it will attempt to provide at least twenty-four-hour notice to the applicant prior to such disclosure.

(d) Audits. The city may require an audit to be made of the books of account and records of a recreational marijuana business on such occasions as it may consider necessary. Such audit may be made by an auditor to be selected by the city that shall likewise have access to all books and records of the recreational marijuana business. The expense of any audit determined necessary by the city shall be paid by the recreational marijuana business.

(e) Consent to Inspection. Application for a recreational marijuana business license or operation of a recreational marijuana business, or leasing property to a recreational marijuana business, constitutes consent by the applicant, and all owners, managers, and employees of the business, and the owner of the property, to permit the city manager to conduct routine inspections of the recreational marijuana business to ensure compliance with this chapter or any other applicable law, rule, or regulation. The owner or business manager on duty shall retrieve and provide the records of the business pertaining to the inspection, including the security tapes from the cameras required by the security plan. For purposes of Rule 241 of the Colorado Rules of Municipal Procedure and Subsection 2-6-3(e) of this code, inspections of recreational marijuana businesses and recordings from security cameras in such businesses are part of the routine policy of inspection and enforcement of this chapter for the purpose of protecting the public safety, individuals operating and using the services of the recreational marijuana business, and the adjoining properties and neighborhood, as provided in Section 6-14-1, "Legislative Intent and Purpose," B.R.C. 1981. Application for a recreational marijuana business license constitutes consent to inspection of the business as a public premise without a search warrant, and consent to seizure of any surveillance records, camera recordings, reports, or other materials required as a condition of a recreational marijuana license without a search warrant.

(f) Reporting of Source, Quantity, and Sales. The records to be maintained by each recreational marijuana business shall include the source and quantity of any marijuana distributed, produced, or possessed within the premises. Such reports shall include, without limitation, for both acquisitions from wholesalers and retail sales transactions, the following:

- (1) Date, weight, type of marijuana, and dollar amount or other consideration of transaction;
- (2) For wholesale transactions, the State of Colorado, and city, if any, sales and use tax license number of the seller; and
- (3) The amount of marijuana within the restricted area.

Mishawn J. Cook
License & Collection Administrator, CMC
City of Boulder, Finance Dept.
Main: 303-441-4192
Direct: 303-441-3010
Fax: 303-441-1919
Mail: PO Box 791, Boulder, CO 80306
Office: 1777 Broadway-1st Floor, Boulder, CO 80302
Web page: www.bouldercolorado.gov/licensing