



NCDQS C-QAS Accreditation Standards – Distributor

V1.0 7/1/2022

13 sections, 74 standards

Cannabis Products:

This standard applies to the distribution of any product containing, comprised of, or derived from, cannabis or hemp.

Section 1: Business Information

1. The business is appropriately registered with the state and has an EIN.
2. The facility has and maintains appropriate current, valid licensure, permits and/or registrations for handling cannabis products in the state in which it is located.
3. The facility distributes cannabis products into other states only where it is legal to do so and the facility has the appropriate non-resident license, permit or registration, and complies with the nonresident state regulations on the distribution of cannabis.
4. There is a defined organizational structure with clear lines of authority.
5. The business carries an appropriate amount of general and product liability insurance.
6. The business has an appropriate financial management system or process in place that includes a relationship with a bank or financial institution, the use of a CPA, development of a business plan or budget, and review of periodic financial reports.
7. There is a designated representative in charge of the facility with appropriate education, training, and experience. The DR is involved in the day-to-day operations of the facility and for regulatory and operational compliance.
8. If there are co-located businesses that handle cannabis or cannabis-related products, there is physical and electronic segregation of products and operations as appropriate.

Section 2: Administration

1. There are policies and procedures that address all aspects of the operation.
2. There is a document control policy and procedure that describes how policies and procedures are developed, reviewed, revised, approved, and archived.
3. There is a record retention policy including how and where records are securely stored, how records are accessed and by whom, how long each type of record is kept, and the process for record destruction at the end of the required storage time.
4. There is a compliance policy and procedure that addresses:



- a. Federal law
- b. State law
5. There is a process for ensuring compliance and keeping up-to-date with:
 - a. State and federal laws, rules and regulations.
 - b. Accreditation requirements and standards.
 - c. Industry best practices.
6. There is a policy and procedure that addresses routine reporting to state and/or federal agencies when required, for performing self-inspections when required, and for the reporting of suspicious or illegal activity.

Section 3: Safety and Crisis Operations

1. A safety and crisis plan is developed and a hard copy of the safety and crisis plan is kept on the premises and with key personnel.
2. Contact lists are maintained for emergency services and for repair vendors (electric company, HVAC repair, alarm company, etc.). A list of employee contact information is maintained.
3. The plan addresses natural disasters or emergencies (geographically appropriate, fire, flood, hurricane, tornado, earthquake, etc.), man-made crises (active shooter, medical emergency, blood borne pathogen, strike, prolonged electrical outage, etc.)
4. People safety and training is performed.
5. Business continuity plan including notifications if business is closed for a length of time.
6. Product security and integrity plan if the facility cannot be used or secured.
7. Data security (devices/computer hardware that contain data) plan if the facility cannot be used or secured.

Section 4: Environment

1. Neat, clean, well-lit and of an appropriate size for the volume of business.
2. Pest control is in place.
3. There is a restroom for employees and sink with hot and cold running water.
4. Products are stored within conditions indicated on the packaging or labeling for the products. If there is no indication of storage conditions, product will be stored at USP-defined controlled room temperature.
5. Temperature and humidity monitored 24/7 with real-time alerts for excursions, process to evaluate product exposed to an excursion, equipment calibrated or replaced annually (or interval indicated by manufacturer).
6. Waste handling and removal procedures are in place to deter diversion or theft.



Section 5: Security

1. Visitor log, valid ID, and escorted at all times.
2. Authorized access, tracked (ID badge/unique code)
3. Building secured (locked) during business hours
 - a. Appropriate commercial grade locks in use
 - b. Doors cannot be opened from the inside undetected
4. Building secured (locked) after hours
5. All entry points on the alarm system (doors, windows, roof hatch, etc.)
6. Additional security in place as appropriate (glass-break detectors, motion sensors, etc.)
7. 24/7 alarm, battery back-up
8. 24/7 camera, security of recordings, retention time
9. IT security (remote access and on site)

Section 6: Human Resources

1. Hiring and initial verifications and screening
 - a. Verification of employment and education history
 - b. Verification of certification/registration if required.
 - c. Drug testing
 - d. Background check
2. Job descriptions for all positions including any required credentials.
3. There is an Employee Handbook (HR policies)
4. Training is documented.
 - a. Initial training and orientation
 - b. Ongoing training (annual, updates, etc.)
5. Ongoing evaluation
 - a. Routine, random and for-cause background checks and drug testing
 - b. Performance review process
 - c. Stepped disciplinary process.
 - d. Resignation/termination process that includes immediate deactivation of security system codes, alarm codes, and computer access codes and retrieval of company property such as keys.

Section 7: Vendors/Ordering product

1. Selection of vendors includes assessing the quality of the products to be purchased. Growing, harvesting, extraction and manufacturing of final products follows quality standards. Production, storage and transportation of products protects the quality, integrity, and security of the products.
2. Verification of vendors initially



- a. Verification of licensure directly with the licensing agency in the state in which they are located.
 - b. If the vendor is out of state, verification that the vendor is allowed to ship products into your state and has appropriate nonresident license, permit or registration to do so.
 - c. Ongoing verification of vendors is performed annually and at the time the license(s) expire.
 - d. Process including reporting if unable to verify appropriate licensure.
3. Product is ordered only from verified vendors.

Section 8: Product Receipt

1. Deliveries are received when the facility is open – no orders are left on the dock.
2. Physical inspection of the products includes review for:
 - a. Damage
 - b. Appropriate packaging and labeling
3. The products in the order match the purchase order.
4. The products in the order match the invoice/packing slip.
5. Receipt of Certificates of Analysis (COA) for each batch/lot OR product testing is performed and reviewed (if required). COA passed along to customer.
 - a. Including verifying that the lab that performed the analysis is appropriately certified and is testing to the appropriate standards.
6. Receipt and review of any tracking information. Tracking info passed along to customer.
7. Product not meeting the quality standards or with any discrepancies not resolved is quarantined for return or disposal.

Section 9: Inventory Management Process

1. Inventory frequency and documentation
2. Discrepancy investigation
3. Inventory adjustment process and authorization
4. Process to remove outdated or damaged product
5. Appropriate storage, product separated by batch/lot
6. Using tools (such as analyzing a “shrink report” or other internal/external audits) to detect diversion.
7. Investigation into discrepancies is documented, theft and/or significant loss appropriately reported.

Section 10: Recall, Quarantine and Destruction

1. Process to quarantine and procedures for handling:
 - a. Products received with discrepancies held until verified.



- b. Expired and short-dated products.
- c. Products that are damaged or have experienced a temperature/humidity excursion.
- d. Products that have been recalled or withdrawn from the market.
2. Process for the handling, evaluation, and disposition of customer returns.
3. Disposition/destruction process and documentation

Section 11: Customers

1. Initial verification directly with the licensing agency to ensure the customer is allowed to receive and possess cannabis products.
2. Verification of the “ship to” address
3. Annual verification of customers and at the time their license, permit or registration expires.
4. The distributor does not sell products directly to consumers, only to entities that will sell, dispense, or administer the products (other distributors, dispensaries, health-care entities, etc.).
5. Process if unable to verify/authenticate a customer including halting distribution to that customer and reporting to the appropriate agency.
6. There is a process to prevent distribution to customers in states where it is not allowed and/or in which the facility does not have a permit, registration, or license to do so.
7. There is a process to prevent shipping to an address other than the verified address.

Section 12: Customer Orders

1. Order process from customers
 - a. Suspicious orders
 - b. Samples policy
 - c. Returns policy
2. Shipping
 - a. Use of own delivery staff
 - b. Use of contracted delivery service
 - i. Verification initial and ongoing
 - ii. Driver background checks and drug screening
 - iii. Driver safety and security training
 - c. Validation of packaging under shipping conditions
 - i. Extreme heat
 - ii. Extreme cold
 - d. Orders tracked



Section 13: Quality Program

1. There is a quality committee, meetings are held quarterly (or more often), and are documented.
2. There is a process to gather data, investigate, review and analyze data, trend data over time, create improvements and evaluate effectiveness (CAPA).
3. The process includes (but is not limited to) a review of:
 - a. Vendors: failed authentication or verification, supply issues.
 - b. Customers: comments and complaints, failed authentication or verification, suspicious orders.
 - c. Carriers: delivery/damage issues, theft/loss.
 - d. Inventory: failed product receipt, inventory adjustment records, theft/loss, temperature and humidity records
 - e. HR: performance, disciplinary actions, background checks and drug testing results.
 - f. Internal audits, external audits, inspections, or survey results.
4. There is a process to report quality events to the appropriate agency or law enforcement including:
 - a. Theft/loss
 - b. Suspicious orders
 - c. Failed vendor or customer authentication
 - d. Other quality issues