

§543.41 What are the minimum internal control standards for drop and count for Tier C gaming operations?

- (a) *Computer applications.* For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control described by the standards in this section, as approved by the Tribal gaming regulatory authority in writing, will be acceptable.
- (b) *Card game drop standards.* (1) The setting out of empty card game drop boxes and the drop shall be a continuous process. The drop begins with the removal of the first card game drop box; however, empty drop boxes are not required to be placed on tables that are inactive at the time of the drop.
- (2) At the end of each shift:
- (i) All locked card game drop boxes shall be removed from the tables by a person independent of the card game shift being dropped;
- (ii) A separate drop box shall be placed on each table opened at any time during each shift or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and
- (iii) Upon removal from the tables, card game drop boxes shall be transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
- (3) If drop boxes are not placed on all tables, then the card game department shall document which tables were open during the shift.
- (4) The transporting of card game drop boxes shall be performed by a minimum of two persons, at least one of whom is independent of the card game shift being dropped.

(5) All card game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

Written Comment (March): As a result of the section (b) (1) being revised, we recommend removing the requirement of the drop boxes being marked according to shift. If not please provide clarification on this section

If this requirement is deleted from this section, there may still be 2 sets of boxes that will be used during the course of any given game day; one set of boxes will be counted at the end of a shift and the second set of boxes will be on the open tables.

Response: The Committee reviewed (b) and did not have any comments pertaining to subsection (b)(5). The comment has no bearing on the transition from 542 to 543.

Note (May): Following discussion during the conference call, the decision was made to add “if applicable” following “shift” due to the fact that an increasing number of gaming operations are using a single box for a twenty-four shift.

Proposed revision incorporating May note:

(5) All card game drop boxes shall be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

(6) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities.

(c) *Soft count room personnel.* (1) The card game soft count and the player interface financial instrument storage component count shall be performed by a minimum of three individuals.

Written Comment (March): What is the rationale for using the term “employee” in 542 and “individual” in 543?

Response: We will revise for consistency.

Proposed revision as a result of March written comment:

(1) The card game soft count and the player interface financial instrument storage component count shall be performed by a minimum of three ~~individuals~~ employees.

(2) Count room personnel shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. At no time during the count, shall there be fewer than three individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three persons.

(4) The count team shall be independent of transactions being reviewed and counted.

The count team shall be independent of the cage/vault departments; however, an accounting representative may be used if there is an independent audit of all soft count documentation.

(5) All coin, tokens, chips and/or cash inventory stored in the count room shall be secured from unauthorized access at all times.

(d) *Card game soft count standards.* (1) The card game soft count shall be performed in a soft count room or other equivalently secure area with comparable controls.

(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

(4) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency). The test currency shall be counted by the currency counter to ensure that the counter is functioning properly. The test results shall be documented and maintained.

(i) The currency counter test shall be performed with test currency rather than with currency from a drop box.

(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.

(5) The card game drop boxes shall be individually emptied and counted in such a manner to prevent the commingling of funds between boxes until the count of the box has been recorded.

(i) The count of each box shall be recorded in ink or other permanent form of recordation.

(ii) For counts that do not utilize a currency counter, a second count shall be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.

(iii) Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by either the count team members or accounting personnel. All single-use coupons shall be cancelled daily by either the count team members or accounting personnel to prevent improper recirculation.

(iv) If a currency counter interface is used:

(A) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access.

(B) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.

543.41 (d) (6) has been moved to proposed 543.50 Revenue Audit.

~~(6) Unannounced currency counter and currency counter interface (if applicable) tests shall be performed by personnel independent of the cage, vault, count team, and card games departments on at least a quarterly basis with the test results documented and maintained. All denominations of currency and vouchers counted by the currency counter must be tested. This test may be performed by internal audit or the Tribal gaming regulatory authority. The result of these tests shall be documented and signed by the person or persons performing the test.~~

(6) If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour

during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.

(7) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount by table and to ensure that two counts of the rejected currency (by table and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent “dummy” table is prohibited.

(8) Card game drop boxes, when empty, shall be shown to another member of the count team, or to another person who is observing the count, or to surveillance, provided the count is monitored in its entirety by a person independent of the count.

(9) Pit marker issue and payment slips (if applicable) removed from the card game drop boxes shall either be:

- (i) Traced to or recorded on the count sheet by the count team; or
- (ii) Totaled by shift and traced to the totals documented by the computerized system.

Accounting personnel shall verify the issue/payment slip for each table is accurate.

Written Comment (March): The use of the term “pit marker” in 543 is a Class III term; we recommend using the term “marker”.

Response: The reference will be stricken. This represents an error in transition from 542 to 543.

Corrected proposal as a result of March written comment:

~~(9) Pit marker issue and payment slips (if applicable) removed from the card game drop boxes shall either be:~~

~~(i) Traced to or recorded on the count sheet by the count team; or~~

~~(ii) Totaled by shift and traced to the totals documented by the computerized system. Accounting personnel shall verify the issue/payment slip for each table is accurate.~~

(9) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change. If a currency interface is used, corrections to card games count data shall be made using one of the following:

(i) Draw a single line through the error on the card games document, and write the correct figure above the original figure. The correction must then be initialed by the two count team members verifying the change. If this procedure is used, an individual independent of the card games department and count team shall enter the correct figure into the computer system prior to the generation of related card games reports; or

(ii) During the count process, correct the error in the computer system and enter the passwords of at least two count team members. If this procedure is used, an exception report shall be generated by the computer system identifying the table number, the error, the correction, and the count team members attesting to the correction.

(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.

(10) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented.

(11) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

(12) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person/individual independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.

(13) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

(14) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.

(15) Access to stored, full card game drop boxes shall be restricted to authorized members of the drop and count teams.

(e) Player interface financial instrument storage component drop standards. (1) A minimum of three individuals shall be involved in the removal of the player interface storage component drop, at least one of whom is independent of the player interface department.

(2) All financial instrument storage components shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.

(3) Surveillance shall be notified when the drop is to begin so that surveillance may monitor the activities. The player interface financial instrument storage component drop begins when the first financial instrument storage component is removed.

(4) The financial instrument storage components shall be removed by a person independent of the player interface department then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.

(i) Security shall be provided over the financial instrument storage components removed from the player interfaces and awaiting transport to the count room.

(ii) The transporting of financial instrument storage components shall be performed by a minimum of two persons, at least one of whom is independent of the player interface department.

(5) All financial instrument storage components shall be posted with a number corresponding to a permanent number on the player interface.

(f) *Player interface financial instrument storage component count standards.* (1) The player interface financial instrument storage component count shall be performed in a soft count room or other equivalently secure area with comparable controls.

(2) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(3) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

(4) The count team shall not have access to bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the bill-in meters provided the count team members do not have knowledge of the dollar amount of currency contained in the currency acceptor drop boxes pursuant to the bill-in meters during the count process.

Written Comment (March): Need to use “financial instrument storage component” rather than “currency acceptor drop box”.

Response: Agree. Scrivener error. Will be corrected.

Corrected proposal as a result of March written comment:

(4) The count team shall not have access to bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the bill-in meters provided the count team members do not have knowledge of the dollar amount of currency contained in the ~~currency acceptor drop boxes~~ **financial instrument storage components** pursuant to the bill-in meters during the count process.

(5) Immediately prior to the count at least two count team members shall verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency). The test currency shall be counted by the currency counter to ensure the counter is functioning properly. The test results shall be documented and maintained.

(i) The currency counter test shall be performed with test currency rather than with currency from a financial instrument storage component.

(ii) If the same currency counter is used for one revenue center (e.g., gaming or nongaming revenue center) and then immediately used for a second revenue center, performing the currency counter test once will satisfy the standard provided the same count team members complete one count and then proceed to the other revenue center count.

(6) If a currency counter interface is used:

(i) It shall be adequately restricted (e.g., password, keys, etc.) so as to prevent unauthorized access).

(ii) The currency drop figures shall be transferred via direct communications line or computer storage media to the accounting department.

543.41 (f) (7) has been moved to proposed 543.50 Revenue Audit.

~~**(7) Unannounced currency counter and currency counter interface (if applicable) tests shall be performed by personnel independent of the cage, vault, count team, and player interface departments on at least a quarterly basis with the test results documented and maintained. All denominations of currency and vouchers counted by the currency counter must be tested. This test may be performed by internal audit or the Tribal gaming regulatory authority. The result of these tests shall be documented and signed by the person or persons performing the test.**~~

(7) The financial instrument storage components shall be individually emptied and counted in such a manner to prevent the commingling of funds between storage components until the count of the storage component has been recorded.

(i) The count of each storage component shall be recorded in ink or other permanent form of recordation.

(ii) [Reserved]

(8) If currency counters are utilized and the count room table is used only to empty financial instrument storage components and sort/stack contents, a count team member shall be able to observe the loading and unloading of all currency at the currency counter, including rejected currency. The count team member operating the currency counter does not need to be monitored by another count team member if an individual independent of the count process monitors the operator of the currency counter on an unannounced basis for a minimum of one hour during the count process from recorded or live surveillance at least monthly. The date, time, and results of the independent observation shall be documented.

(9) When the currency counter rejects currency (re-run of rejected currency is permissible) but does not record the amount of rejected currency, procedures shall be developed and implemented to record the rejected currency amount, by player interface, and to ensure that two counts of the rejected currency (by player interface and in total) are performed to ensure the correct amount of the drop is recorded on the count sheet. Posting rejected currency to a nonexistent “dummy” player interface is prohibited.

(10) Storage components, when empty, shall be shown to another member of the count team, to another person who is observing the count, or to surveillance, provided that the count is monitored in its entirety by a person independent of the count.

(11) To correct errors in soft count documentation, a single line shall be drawn through the error, and the correct figure entered above the original figure. The correction shall be initialed by at least two count team members verifying the change. If a currency interface

is used, corrections to player interface count data shall be made using one of the following:

(i) Draw a single line through the error on the player interface document, and write the correct figure above the original figure. The correction shall then be initialed by two count team members verifying the change. If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports;

or

(ii) During the count process, correct the error in the computer system and enter the passwords of at least two count team members. If this procedure is used, an exception report shall be generated by the computer system identifying the player interface number, the error, the correction, and the count team members attesting to the correction.

(iii) If the computer system does not allow corrections as specified in (ii), management shall develop and implement alternative procedures for documenting corrections to the soft count records and communicating the information to the accounting department.

(12) The count sheet shall be reconciled to the total drop by a count team member who shall not function as the sole recorder, and variances shall be reconciled and documented.

This standard does not apply to vouchers removed from the financial instrument storage components.

(13) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

(14) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized

person independent of the revenue generation and the count process for verification.

Such person shall certify by signature as to the amount of the drop proceeds delivered and received. It is recommended that the individual performing the verification count be precluded from having prior knowledge of the results of previous count performed by count team personnel. Any unresolved variances shall be reconciled, documented, and/or investigated by accounting/revenue audit.

(15) The cage/vault person shall sign the count sheet, or other reconciling document, and thereby assume accountability of the currency drop proceeds, ending the count.

(16) The count sheet, with all supporting documents, shall be delivered to the accounting department by a count team member or a person independent of the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

(17) Access to stored full financial instrument storage components shall be restricted to:

- (i) Authorized members of the drop and count teams; and
- (ii) Authorized personnel in an emergency for the resolution of a problem.

(g) *Player interface coin drop standards.* (1) A minimum of three individuals shall be involved in the removal of the player interface drop, at least one of whom is independent of the player interface department.

(2) All drop buckets shall be removed only at the time previously designated by the gaming operation and reported to the Tribal gaming regulatory authority, except for emergency drops.

(3) Surveillance shall be notified when the drop is to begin in order that surveillance may monitor the activities. The player interface coin drop begins when the first drop bucket is removed.

(4) Security shall be provided over the buckets removed from the player interface drop cabinets and awaiting transport to the count room.

(5) As each player interface is opened, the contents shall be tagged with its respective player interface number if the bucket is not permanently marked with the player interface number. The contents shall be transported directly to the area designated for the counting of such drop proceeds. If more than one trip is required to remove the contents of the player interfaces, the filled carts of coins shall be securely locked in the room designed for counting or in another equivalently secure area with comparable controls. There shall be a locked covering on any carts in which the drop route includes passage out of doors.

(i) Alternatively, a smart bucket system that electronically identifies and tracks the player interface number, and facilitates the proper recognition of gaming revenue, shall satisfy the requirements of this paragraph.

(ii) [Reserved]

(6) Each drop bucket in use shall be:

(i) Housed in a locked compartment separate from any other compartment of the player interface and keyed differently than other player interface compartments; and

(ii) Identifiable to the player interface from which it is removed. If the player interface is identified with a removable tag that is placed in the bucket, the tag shall be placed on top of the bucket when it is collected.

(7) Each player interface shall have drop buckets into which coins or tokens that are retained by the player interface are collected. Drop bucket contents shall not be used to make change or pay hand-paid payouts.

(8) The collection procedures may include procedures for dropping player interfaces that have trays instead of drop buckets.

(h) *Hard count room personnel.* (1) The weigh/count shall be performed by a minimum of three individuals.

(2) At no time during the weigh/count shall there be fewer than three individuals in the count room until the drop proceeds have been accepted into cage/vault accountability. Surveillance shall be notified whenever count room personnel exit or enter the count room during the count.

(i) If the player interface count is conducted with a continuous mechanical count meter that is not reset during the count and is verified in writing by at least three individuals at the start and end of each denomination count, then one person may perform the wrap.

(ii) [Reserved]

(3) Count team members shall be rotated on a routine basis such that the count team is not consistently the same three persons more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three persons.

(4) The count team shall be independent of transactions being reviewed and counted. The count team shall be independent of the cage/vault departments, unless they are non-supervisory player interface personnel and perform the laborer function only (Non-supervisory player interface personnel are defined as persons below the level of player interface shift supervisor). A cage cashier may be used if this person is not allowed to

perform the recording function. An accounting representative may be used if there is an independent audit of all count documentation.

(i) *Player interface coin count and wrap standards.* (1) Coins shall include tokens.

(2) The player interface coin count and wrap shall be performed in a count room or other equivalently secure area with comparable controls.

(i) Alternatively, an on-the-floor drop system utilizing a mobile scale shall satisfy the requirements of this paragraph, subject to the following conditions:

(A) The gaming operation shall utilize and maintain an effective on-line player interface monitoring system, as described in §542.13(m) (3);

(B) Components of the on-the-floor drop system shall include, but not be limited to, a weigh scale, a laptop computer through which weigh/count applications are operated, a security camera available for the mobile scale system, and a VCR to be housed within the video compartment of the mobile scale. The system may include a mule cart used for mobile weigh scale system locomotion.

(C) The gaming operation must obtain the security camera available with the system, and this camera must be added in such a way as to eliminate tampering.

(D) Prior to the drop, the drop/count team shall ensure the scale batteries are charged;

(E) Prior to the drop, a videotape shall be inserted into the VCR used to record the drop in conjunction with the security camera system and the VCR shall be activated;

(F) The weigh scale test shall be performed prior to removing the unit from the hard count room for the start of the weigh/drop/count;

(G) Surveillance shall be notified when the weigh/drop/count begins and shall be capable of monitoring the entire process;

(H) An observer independent of the weigh/drop/count teams (independent observer) shall remain by the weigh scale at all times and shall observe the entire weigh/drop/count process;

(I) Physical custody of the key(s) needed to access the laptop and video compartment shall require the involvement of two persons, one of whom is independent of the drop and count team;

(J) The mule key (if applicable), the laptop and video compartment keys, and the remote control for the VCR shall be maintained by a department independent of the player interface department. The appropriate personnel shall sign out these keys;

(K) A person independent of the weigh/drop/count teams shall be required to accompany these keys while they are checked out, and observe each time the laptop compartment is opened;

(L) The laptop access panel shall not be opened outside the hard count room, except in instances when the laptop must be rebooted as a result of a crash, lock up, or other situation requiring immediate corrective action;

(M) User access to the system shall be limited to those persons required to have full or limited access to complete the weigh/drop/count; and

(N) When the weigh/drop/count is completed, the independent observer shall access the laptop compartment, end the recording session, eject the videotape, and deliver the videotape to surveillance.

(ii) [Reserved]

(3) Access to the count room during the count shall be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.

(4) If counts from various revenue centers occur simultaneously in the count room, procedures shall be in effect that prevent the commingling of funds from different revenue centers.

(5) The following functions shall be performed in the counting of the player interface drop:

(i) Recorder function, which involves the recording of the player interface count; and

(ii) Count team supervisor function, which involves the control of the player interface weigh and wrap process. The supervisor shall not perform the initial recording of the weigh/count unless a weigh scale with a printer is used.

(6) The player interface drop shall be counted, wrapped, and reconciled in such a manner to prevent the commingling of player interface drop coin with coin (for each denomination) from the next player interface drop until the count of the player interface drop has been recorded. If the coins are not wrapped immediately after being weighed or counted, they shall be secured and not commingled with other coins.

(i) The amount of the drop from each player interface shall be recorded in ink or other permanent form of recordation on a player interface count document by the recorder or mechanically printed by the weigh scale. Additionally, if a weigh scale interface is used, the count figures shall be transferred via direct communications line or computer storage media to the accounting department.

(ii) Corrections to information originally recorded by the count team on player interface count documentation shall be made by drawing a single line through the error, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members who verified the change.

(A) If a weigh scale interface is used, corrections to player interface count data shall be made using one of the following:

(1) Drawing a single line through the error on the player interface document, writing the correct figure above the original figure, and then obtaining the initials of at least two count team members. If this procedure is used, an individual independent of the player interface department and count team shall enter the correct figure into the computer system prior to the generation of related player interface reports; or

(2) During the count process, correct the error in the computer system and enter the passwords of at least two count team members. If this procedure is used, an exception report shall be generated by the computer system identifying the player interface number, the error, the correction, and the count team members attesting to the correction.

(B) [Reserved]

(7) If applicable, the weight shall be converted to dollar amounts before the reconciliation of the weigh to the wrap.

(8) If a coin meter is used, a count team member shall convert the coin count for each denomination into dollars and shall enter the results on a summary sheet.

(9) The recorder and at least one other count team member shall sign the weigh tape and the player interface count document attesting to the accuracy of the weigh/count.

(10) All members of the count team shall sign the count document or a summary report to attest to their participation in the count.

(11) All drop proceeds and cash equivalents that were counted shall be turned over to the cage or vault cashier (who shall be independent of the count team) or to an authorized person independent of the revenue generation and the count process for verification. Such person shall certify by signature as to the amount of the drop proceeds delivered and received.

(12) All player interface count and wrap documentation, including any applicable computer storage media, shall be delivered to the accounting department by a count team member or a person independent of the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

(13) If the coins are transported off the property, a second (alternative) count procedure shall be performed before the coins leave the property. Any variances shall be documented.

(14) *Variances.* Large (by denomination, either \$1,000 or 2% of the drop, whichever is less) or unusual (e.g., zero for weigh/count or patterned for all counts) variances between the weigh/count and wrap shall be investigated by management personnel independent of the player interface department, count team, and the cage/vault functions on a timely basis. The results of such investigation shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.

(j) *Security of the count room inventory during the player interface coin count and wrap.*

(1) If the count room serves as a coin room and coin inventory is not secured so as to preclude access by the count team, then the following standards shall apply:

(i) At the commencement of the player interface count the following requirements shall be met:

(A) The coin inventory shall be counted by at least two individuals, one of whom is a member of the count team and the other is independent of the weigh/count and wrap procedures;

(B) The count in paragraph (j) (1) (i) (A) of this section shall be recorded on an appropriate inventory form;

(ii) Upon completion of the wrap of the player interface drop:

(A) At least two members of the count team (wrap team), independently from each other, shall count the ending coin inventory;

(B) The counts in paragraph (j)(1)(ii)(A) of this section shall be recorded on a summary report(s) that evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the count room;

(C) Prior to verification of the count by cage/vault personnel, the same count team members shall compare the calculated wrap to the weigh/count, recording the comparison and noting any variances on the summary report;

(D) A member of the cage/vault department shall count the ending count room inventory by denomination and shall reconcile it to the beginning inventory, wrap, transfers, and weigh/count. Any reconciliation variance shall be documented; and

(E) At the conclusion of the reconciliation, at least two count/wrap team members and the verifying cage/vault person shall sign the summary report(s) attesting to its accuracy.

(2) If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, all of the following requirements shall be completed, at the conclusion of the count:

(i) At least two members of the count/wrap team shall count the final wrapped player interface drop independently from each other;

(ii) The final counts, in total and by denomination, shall be recorded on a summary report;

(iii) The same count team members (or the accounting department) shall compare the final wrap to the weigh/count, recording the comparison and noting any variances on the summary report;

(iv) A member of the cage/vault department shall count the wrapped player interface drop by denomination and reconcile it to the weigh/count summary report. Any variance shall be reconciled and documented;

(v) At the conclusion of the reconciliation, at least two count team members and the cage/vault person shall sign the summary report attesting to its accuracy; and

(vi) The wrapped coins (exclusive of proper transfers) shall be transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

(vii) The count team shall not have access to coin drop meter amounts until after the count is completed and the drop proceeds have been accepted into the cage/vault accountability. A count team member is allowed to read/record the amount from the coin-in meters provided the count team members do not have knowledge of the dollar amount

of coin contained in the drop buckets pursuant to the coin-in meters during the count process.

(k) *Transfers of currency and coin during the count.* (1) Transfers may be permitted during the count only if permitted under the internal control standards approved by the Tribal gaming regulatory authority.

(2) Each transfer shall be recorded on a separate multi-part form with a preprinted or concurrently-printed form number that shall be subsequently reconciled by the accounting department.

Written Comment (March): Add language that would allow for a paperless system. In the vault section a similar method of recording.

Response: The Committee reviewed the proposed standard and had no comments. This comment has no bearing on the transition from 542 to 543.

(3) Each transfer must be counted and signed for by at least two members of the count team and by a person independent of the count team who is responsible for authorizing the transfer.

(4) At least one part of the transfer form shall remain in the count room until the drop has been accepted into cage/vault accountability. The other part of the transfer form shall accompany the funds transferred from the count room during the count.

(l) *Key controls-general* (1) The player interface coin drop cabinet keys, card games drop box release keys, financial instrument storage component release keys, card games drop box contents keys, financial instrument storage component contents keys, and kiosk keys shall all be separately keyed from each other.

Written Comment (March): No Comment so long as the NIGC strikes this provision as agreed.

Response: The Committee reviewed the proposed standard and had no comment. Scrivener's notes contain no reference to agreeing to strike this provision. Believe that the commenter has confused agreement to strike similar provisions located in later subsections of 543.15 due to redundancy with (l) (1). The comment has no bearing on the transition from 542 to 543.

(2) Surveillance monitoring key access does not satisfy the requirements in this part for physical involvement.

(3) All duplicate keys shall be maintained in a manner that provides the same degree of control as is required for the original keys. Records shall be maintained for each key duplicated that indicate the number of keys made and destroyed.

(4) Records shall be maintained by the custodian of sensitive keys to document authorization of personnel accessing keys.

(m) *Player interface drop key control standards.* (1) Player interface coin drop cabinet keys, including duplicates, shall be maintained by a department independent of the player interface department.

(2) Accessing the keys needed to open player interface coin drop cabinets, including duplicates, shall require the involvement of two persons, one of whom is independent of the player interface department.

(3) Two individuals (separate from key custodian) shall be required to accompany such keys while checked out and observe each time player interface drop cabinets are accessed, unless surveillance is notified each time keys are checked out and surveillance observes the person throughout the period the keys are checked out.

Written Comment (March): If two people are required to accompany the keys while they are checked out, then what is the need for surveillance to monitor this activity?

Response: The Committee reviewed the proposed standard and had no comment. Commenter has misinterpreted the standard. Surveillance is not required to monitor this activity unless there are less than two people (i.e. only one person) accompanying the key. This comment has no bearing on the transition from 542 to 543.

(n) *Card game drop box key control standards.* (1) Procedures shall be developed and implemented to insure that unauthorized access to empty card game drop boxes shall not occur from the time the boxes leave the storage racks until they are placed on the tables.

(2) The involvement of at least two persons independent of the cage department shall be required to access stored empty card game drop boxes.

(3) At least three (two for card game drop box keys in operations with three tables or fewer) count team members are required to be present at the time count room and other count keys are issued for the count.

(o) *Card game drop box release keys.* (1) The card game drop box release keys shall be maintained by a department independent of the card game department.

(2) Only the person(s) authorized to remove card game drop boxes from the tables shall be allowed access to the card game drop box release keys; however, the count team members may have access to the release keys during the soft count in order to reset the card game drop boxes.

(3) Persons authorized to remove the card game drop boxes shall be precluded from having simultaneous access to the card game drop box contents keys and release keys.

(4) For situations requiring access to a card game drop box at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.

Written Comment (March): What about electronic key control systems? This would appear to require a manual process; we feel that a username and password should satisfy the signature requirement.

Response: The Committee reviewed the proposed standard and had no comment. 543.41 (a) permits the use of a computerized application so long as it provides the at least the level of control described by the standards in this section and has been approved by the TGRA. This comment has no bearing on the transition from 542 to 543.

(p) *Financial instrument storage component release keys.* (1) The financial instrument storage component release keys shall be maintained by a department independent of the player interface department.

(2) Only the person(s) authorized to remove financial instrument storage components from the player interfaces shall be allowed access to the release keys.

(3) Persons authorized to remove the financial instrument storage components shall be precluded from having simultaneous access to the financial instrument storage component contents keys and release keys.

(4) For situations requiring access to a financial instrument storage component at a time other than the scheduled drop, the date, time, and signature of the individual signing out/in the release key must be documented.

(q) *Card game drop box storage rack keys.* (1) A person independent of the card games department shall be required to accompany the card game drop box storage rack keys and observe each time card game drop boxes are removed from or placed in storage racks.

(2) Persons authorized to obtain card game drop box storage rack keys shall be precluded from having simultaneous access to card game drop box contents keys with the exception of the count team.

(r) *Financial instrument storage component storage rack keys.* (1) A person independent of the player interface department shall be required to accompany the financial instrument storage component storage rack keys and observe each time storage components are removed from or placed in storage racks.

(2) Persons authorized to obtain financial instrument storage component storage rack keys shall be precluded from having simultaneous access to financial instrument storage component contents keys with the exception of the count team.

(s) *Card game drop box contents keys.* (1) Issuance of the card game drop box contents keys at other than scheduled count times shall require the involvement of at least three persons from separate departments, including management. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the card game drop box contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.

Written Comment (March): It is our position that a usernames and passwords or biometric signatures would satisfy the signature requirements.

Response: The Committee reviewed the proposed standard and had no comment. 543.41 (a) permits the use of a computerized application so long as it provides the at least the level of control described by the standards in this section and has been approved by the TGRA. This comment has no bearing on the transition from 542 to 543.

(2) Only count team members shall be allowed access to card game drop box contents keys during the count process.

(t) *Financial instrument storage component contents keys.* (1) Issuance of the financial instrument storage component contents key at other than scheduled count times shall require the involvement of at least three persons from separate departments, one of whom must be a supervisor. The reason for issuance shall be documented with the signatures of all participants and observers. Two individuals from separate departments are required to accompany the financial instrument storage component contents key from the time the keys are issued until the time the keys are returned. The key custodian issuing keys constitutes physical involvement. A computerized key security system functions as the key custodian.

Written Comment (March): It is our position that a usernames and passwords or biometric signatures would satisfy the signature requirements.

Response: The Committee reviewed the proposed standard and had no comment. 543.41 (a) permits the use of a computerized application so long as it provides the at least the level of control described by the standards in this section and has been approved by the TGRA. This comment has no bearing on the transition from 542 to 543.

(2) Only the count team members shall be allowed access to financial instrument storage component contents keys during the count process.

(u) *Player interface computerized key security systems.* (Adopted May 4, 2005)

Written Comment (March): What is the significance of the use of the May 4, 2005 sign post?

Response: Scrivener error. Will be deleted.

Corrected proposal as a result of March written comment:

(u) *Player interface computerized key security systems.* (~~Adopted May 4, 2005~~)

(1) Computerized key security systems which restrict access to the player interface drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (m), (p), (r) and (t) of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (u) (2) (i) of this section.

Written Comment (March): If the technology can provide access to the box with the keys then it should provide access without the keys. We recommend the following language be added to this item (u) as noted above in item (a): “Nothing herein shall prohibit the account access component, financial instrument acceptor, and financial instrument dispenser from being included within the same component, or separated into individual components.” This statement was taken from the technical standards part 547.7(1).

Response: The Committee reviewed the proposed standard and had no comment. Disagree that this language should be incorporated in 543.41 since, as noted by the commenter, it is a technical standard and not a control standard. This comment has no bearing on the transition from 542 to 543.

(2) For computerized key security systems, the following additional player interface key control procedures apply:

(i) Management personnel independent of the player interface department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that player interface drop and count keys are restricted to authorized individuals.

(ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the player interface drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must

be documented with the signatures of all participating persons signing out/in the emergency manual key(s).

(iii) The custody of the keys issued pursuant to paragraph (u) (2) (ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.

(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the player interface drop and count keys only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating individuals signing out/in the emergency manual key(s).

543.41 (u) (3) and (4) have been moved to proposed 543.50 Revenue Audit

~~(3) For computerized key security systems controlling access to card games drop and count keys, accounting/audit personnel, independent of the system administrator, shall perform the following procedures:~~

~~(i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the card games drop and count keys. Also, determine whether any card games drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.~~

~~(ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to~~

~~determine whether any unusual card games drop and count key removals or key returns occurred.~~

~~(iii) At least quarterly, review a sample of users that are assigned access to the card games drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.~~

~~(iv) All noted improper transactions or unusual occurrences are investigated with the results documented.~~

~~(4) At least quarterly, an inventory of all count room, card game drop box release, storage rack, contents, override and panel keys shall be performed, and reconciled to records of keys made, issued, and destroyed. Investigations shall be performed for all keys unaccounted for, with the investigations being documented.~~

(v) *Card games computerized key security systems.* (1) Computerized key security systems which restrict access to the card game drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control standards; refer to paragraphs (n), (o), (q), and (s), of this section. This standard does not apply to the system administrator. The system administrator is defined in paragraph (v) (2) (i) of this section.

(2) For computerized key security systems, the following additional card game key control procedures apply:

(i) Management personnel independent of the card game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that card game drop and count keys are restricted to authorized individuals.

(ii) In the event of an emergency or the key box is inoperable, access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the card game drop and count keys, requires the physical involvement of at least three persons from separate departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating individuals signing out/in the emergency manual key(s).

(iii) The custody of the keys issued pursuant to paragraph (v) (2) (ii) of this section requires the presence of two persons from separate departments from the time of their issuance until the time of their return.

(iv) Routine physical maintenance that requires accessing the emergency manual key(s) (override key) and does not involve the accessing of the card games drop and count keys, only requires the presence of two persons from separate departments. The date, time and reason for access must be documented with the signatures of all participating individual signing out/in the emergency manual key(s).

543.41 (v) (3) and (4) have been moved to proposed 543.50 Revenue Audit.

~~(3) For computerized key security systems controlling access to player interface drop and count keys, accounting/audit personnel, independent of the system administrator, shall perform the following procedures:~~

~~(i) Daily, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes user's access within the system (i.e., system administrator). Determine whether the transactions completed by the system administrator provide an adequate control over the access to the player interface drop and count keys. Also,~~

~~determine whether any player interface drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized.~~

~~Written Comment (March): Where did the concept of a daily review come from? Not even in a manual system is there a requirement for the daily sign out log be reviewed each day. It would appear that having a daily review of the administrator's activity would defeat the purpose of having a computerized key security system. Therefore, we recommend removing "daily" and replacing it with the following: "For at least one day each month"~~

~~Response: The Committee reviewed the proposed standard and had no comment. Disagree that daily review of the reporting containing the transactions performed by the system administrator defeats the purpose of having a computerized key security system as vigilance over the system administrator's activities is an essential control, particularly as it relates to drop and count keys. This comment has no bearing on the transition from 542 to 543.~~

~~Note (May): Following discussion during the conference call it was concluded that the importance of oversight of the system administrator's transactions outweighed the small amount of time that daily review of the report would require.~~

~~(ii) For at least one day each month, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual player interface drop and count key removals or key returns occurred.~~

~~(iii) At least quarterly, review a sample of users that are assigned access to the player interface drop and count keys to determine that their access to the assigned keys is adequate relative to their job position.~~

~~(iv) All noted improper transactions or unusual occurrences are investigated with the results documented.~~

~~(4) At least quarterly, an inventory of all count room, player interface door, player interface fill cabinet, storage rack, contents, override and panel keys shall be performed, and reconciled to records of keys made, issued, and destroyed.~~

Investigations shall be performed for all keys unaccounted for, with the investigation being documented.

(w) Emergency drop procedures. Emergency drop procedures shall be developed by the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority.

(x) Equipment standards for player interface count. (1) A weigh scale calibration module shall be secured so as to prevent unauthorized access (e.g., prenumbered seal, lock and key, etc.).

(2) A person independent of the cage, vault, player interface, and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained.

(3) If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access (passwords, keys, etc.).

(4) If the weigh scale has a zero adjustment mechanism, it shall be physically limited to minor adjustments (e.g., weight of a bucket) or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.

543.41 (x) (5) has been moved to proposed 543.50 Revenue Audit.

~~(5) Unannounced weigh scale and weigh scale interface (if applicable) tests shall be performed by a person or persons independent of the cage, vault, and player~~

~~interface departments and count team at least quarterly with the test results being documented and maintained. This test may be performed by internal audit or the Tribal gaming regulatory authority. The result of these tests shall be documented and signed by the person or persons performing the test.~~

(5) Immediately prior to the player interface count, at least two individuals shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated (varying weights/coin from drop to drop is acceptable).

(6) If a mechanical coin counter is used (instead of a weigh scale), the Tribal gaming regulatory authority, or the gaming operation as approved by the Tribal gaming regulatory authority, shall establish and the gaming operation shall comply with procedures that are equivalent to those described in paragraphs 543.43 (x) (4), 543.43 (x) (5), and 543.50 (g) (2).

(7) If a coin meter count machine is used, the count team member shall record the machine number, denomination and number of coins in ink on a source document, unless the meter machine automatically records such information.

(i) A count team member shall test the coin meter count machine before the actual count to ascertain if the metering device is functioning properly with a predetermined number of coins for each denomination.

(ii) [Reserved]