

§ 543.14 What are the minimum internal control standards for the cage?

(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 in writing by the Tribal gaming regulatory authority, will be acceptable.

(b) *Personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks.* (1) If personal checks, cashier's checks, traveler's checks, payroll checks or counter checks are cashed at the cage, the gaming operation shall establish and comply with appropriate controls that, at a minimum, provide for security and integrity. For each check cashing transaction, the minimum controls shall include the following:

(i) Verify the patron's identity by examining an identification credential (e.g. driver's license) or other method to ensure the patron's identity. The identification credential information shall be documented on the check unless the information is maintained elsewhere. In such cases, record "Account on file" on the check as the verification source and results.

(ii) Examine the check to ensure it includes the patron's name, current address, and signature;

(iii) For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy.

(iv) If a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then the above requirements do not apply.

(2) When counter checks are issued, the following shall be included on the check:

(i) The patron's name and signature;

(ii) The dollar amount of the counter check (both alpha and numeric);

(iii) Patron's bank name and bank routing and account numbers;

(iv) Date of issuance; and

(v) Signature of the person approving the counter check transaction.

(3) Personal checks, payroll checks, and counter checks that are not deposited in the normal course of business as established by management (held checks) are subject to §543.15 Credit standards.

(4) When traveler's checks or other guaranteed drafts such as cashier's checks are presented, the cashier shall comply with the examination and documentation procedures as required by the issuer.

(c) *Patron deposited funds.* If a gaming operation permits a patron to deposit funds for safekeeping and/or front money purposes with the gaming operation at the cage, the following standards shall apply. These standards also apply when transfers are made from such deposit accounts to a wagering account resulting in the funds being transferred to a gaming area for wagering purposes.

(1) The receipt or withdrawal of a patron deposit shall be evidenced by at least a completed two-part document with one copy given to the patron and one copy remaining in the cage.

(2) Each of the two parts of the sequentially-numbered receipt shall contain the following information:

(i) Same receipt number on each copy;

(ii) Patron's name and signature;

(iii) Date of receipt and withdrawal;

(iv) Dollar amount of deposit/withdrawal (for foreign currency transactions include the US dollar equivalent, the name of the foreign country, and the amount of the foreign currency by denomination);

(v) Nature of deposit/withdrawal (cash, check, chips); and

(vi) Name and signature of individual who conducted the transaction.

(3) The following procedures shall be established and complied with for front money deposits:

(i) Maintain a detailed record by patron name and date of all funds on deposit;

(ii) Maintain a current balance of all patron deposits that are in the cage/vault inventory or accountability; and

(iii) Reconcile this current balance with the deposits and withdrawals at least daily.

(d) *Safe Deposit Boxes.* (1) The issuance and closure of a patron's safe deposit box in the gaming area shall be evidenced by a document that includes the following information:

(i) Safe deposit box number;

(ii) Date of issuance and closure;

(iii) Patron's name and signature;

(iv) Verify the patron's identity by examining an identification credential (e.g. driver's license) or other method to ensure the patron's identity. The identification credential information shall be documented unless the information is maintained elsewhere. In such cases, record "Account on file" as the verification source and results; and

(v) Name and signature of cashier who issued or closed the safe deposit box.

(2) Procedures shall be established to maintain a detailed record of all cage/vault safe deposit boxes and the current status of each box (e.g. issued, not issued).

(3) It is recommended that the preceding procedures for maintaining accurate records on the issuance and closure of safe deposit boxes also be adhered to in non-gaming areas.

(e) *Cage and vault accountability standards.* (1) All transactions that flow through the cage shall be summarized on a cage accountability form for each work shift of the cage and shall be supported by documentation.

(2) Increases and decreases to the total cage inventory shall be supported by documentation. For any individual increase/decrease which exceeds \$100, documentation shall include the date and shift, the purpose of the increase/decrease, the person(s) completing the transaction, and the person or department receiving the cage funds (for decreases only).

(3) The cage and vault (including coin room) inventories shall be counted by at least two individuals at the end of each work shift. These persons shall make individual counts for comparison for accuracy and maintenance of individual accountability. Such counts shall be recorded at the end of each shift during which activity took place. All discrepancies shall be noted and investigated.

(4) The gaming operation shall establish and comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's patrons as they are incurred. A suggested bankroll formula will be provided by the Commission upon request.

(f) *Chip and token standards.* The gaming operation shall establish and comply with procedures for the receipt, inventory, storage, and destruction of gaming chips and tokens.

(g) *Promotional Payments, Drawings, and Giveaway Programs.* At a minimum, the following procedures shall apply to any payment resulting from a promotional payment, drawing, or giveaway program (e.g. paycheck wheels) disbursed by the cage department or any other department. Such payments are associated with gaming activity or a promotional program to encourage patron participation in gaming activities. However, this section does not apply to programs that are addressed elsewhere in this Part.

(1) The conditions for participating in promotional payments, including drawings and giveaway programs, shall be prominently displayed or available for patron review at the gaming operation.

(2) Payments of \$100 or more shall be documented at the time of the payment. Documentation shall include the following:

(i) Date and time.

(ii) Dollar amount of payment or description of personal property (e.g. car).

(iii) Reason for payment (e.g. name of promotion).

(iv) Patron's name (drawings only).

(v) Signature(s) of the following number of persons verifying, authorizing, and completing the promotional payment with the patron:

(A) Two signatures for all payments of \$100 or more; or

(B) For computerized systems that validate and print the dollar amount of the payment on a computer-generated form, only one signature is required on the payment form.

(vi) The required documentation may be prepared by an individual who does not work in the cage department as long as the required signatures are those of the individuals completing the payment with the patron.

(3) For payments that are less than \$100, documentation shall be produced to support the cage accountability. Such documentation may consist of a line item on a cage accountability document (e.g. "25 \$10 cash giveaway coupons = \$250).

Proposed 543.14 (h) Accounting/auditing standards have been moved to proposed 543.50 Revenue Audit.

~~(h) Accounting/auditing standards. (1) The cage accountability shall be reconciled to the general ledger at least monthly.~~

~~(2) For one day each month, accounting/audit personnel shall trace the amount of cage deposits to the amounts indicated in the bank statements.~~

~~(3) For two days each year, a count shall be performed of all funds in all gaming areas (i.e. cages, vaults and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Do not include player interface hopper funds. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample basis. Trace all amounts counted to the amounts recorded on the corresponding accountability forms to ensure the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count shall be completed within the same gaming day for all areas.~~

~~(i) Counts shall be observed by an individual independent of the department being counted. It is permissible for the individual responsible for the funds to perform the actual count while being observed.~~

~~(ii) Internal audit may perform and/or observe the two counts.~~

~~(4) At least annually, select a sample of invoices for chips and tokens purchased and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure the proper dollar amount has been recorded.~~

~~(5) For each business year end, create and maintain documentation evidencing the amount of the chip/token liability, the change in the liability from the previous year, and explanations for adjustments to the liability account including any adjustments for chip/token float.~~

~~(6) For one day each month, accounting/audit personnel shall review a sample of returned checks to determine that the required information was recorded by cage personnel when the check was cashed.~~

~~(7) Accounting/audit personnel shall review exception reports for all computerized cage systems (e.g., fill/credit systems) at least monthly for propriety of transactions and unusual occurrences. The review shall include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified shall be investigated with the results documented.~~

~~(8) Monthly, accounting/audit personnel shall review all promotional payments, drawings, and giveaway programs to verify proper accounting treatment and proper win/loss computation.~~

~~(9) For all promotional payments, drawings, and giveaway programs the following documentation shall be maintained:~~

~~(i) Copies of the information provided to the patrons describing the promotional payments, drawings, and giveaway programs (e.g., brochures, flyers);~~

~~(ii) Effective dates; and~~

~~(iii) Accounting treatment, including general ledger accounts, if applicable.~~

~~(10) Monthly, accounting/audit personnel shall perform procedures to ensure that promotional payments, drawings, and giveaway programs are conducted in accordance with information provided to the patrons.~~

~~(11) Daily, accounting/audit personnel shall reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.~~

~~(12) All cage auditing procedures and any follow-up performed shall be documented, maintained for inspection, and provided to the Tribal gaming regulatory authority upon request.~~

(h) ~~(i)~~ *Extraneous items.* The gaming operation shall establish and comply with procedures to address the transporting of extraneous items, which may include but is not limited to, coats, purses, and/or boxes, into and out of the cage, coin room, count room, vault, or other secure area.