

§ 543.15 *What are the minimum internal control standards for credit?*

(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) *Credit standards.* The following standards shall apply if the gaming operation authorizes and extends credit to patrons:

(1) At least the following information shall be recorded for patrons that have credit limits or are issued credit (including the issuance of markers but excluding personal checks, payroll checks, cashier's checks, counter checks and traveler's checks):

(i) Patron's name, current address, and signature;

(ii) Identification verifications including type of identification credential, credential number, expiration date of credential, and date credential was examined. A driver's license is the preferred method for verifying the patron's identity. A passport, non-resident alien identification card, other government issued identification credential or another picture identification credential normally acceptable as a means of identification when cashing checks, may also be used.

(iii) Authorized credit limit;

(iv) Signature of approval by a person authorized by management to approve credit limits (for computerized systems, a credit limit approval controlled through system passwords is adequate);

(v) Date, time and amount of credit issuances and payments; and

(vi) Amount of available credit

(2) Prior to the issuance of gaming credit the individual preparing to issue the credit shall:

(i) Determine whether the credit limit is properly authorized;

(ii) Determine the amount of available credit and whether remaining credit is sufficient to cover the credit issuance; and

(iii) Verify the identity of the patron by examining the patron's identity credential or other reasonable method to ensure the patron's identity.

(3) Credit extensions over specified dollar amounts shall be approved by personnel designated by management.

(4) Proper approval of credit extensions over ten percent (10%) of the previously established limit, including a temporary increase, shall be documented.

(5) The job functions of credit approval (i.e., establishing the patron's credit worthiness) and credit extension (i.e., advancing patron's credit) shall be segregated for credit extensions to a single patron of \$10,000 or more per day (applies whether the credit is extended in the pit or the cage).

(6) If cage credit is extended to a single patron in an amount exceeding the threshold established by management (threshold not to exceed \$10,000), appropriate gaming personnel shall be notified on a timely basis (e.g., via computer and provided the gaming department can access computer record of gaming activity) of the patrons playing on cage credit, the applicable amount of credit issued, and the available balance.

(i) The threshold amount that the cage is authorized to extend credit without required notification to appropriate gaming personnel shall be approved by the Tribal gaming regulatory authority.

(ii) [Reserved]

(7) Cage marker forms shall be at least two parts (the original marker and a payment slip), prenumbered by the printer or concurrently numbered by the computerized system, and utilized in numerical sequence.

(8) The completed original cage marker shall contain at least the following information:

(i) Marker number;

(ii) Player's name and signature;

(iii) Amount of credit issued (both alpha and numeric); and

(iv) Signature of the cashier.

(9) The completed payment slip shall include the same marker number as the original, date and time of payment, amount of payment, nature of settlement (cash, chips, etc.), and signature of cashier receiving the payment.

(c) *Payment standards.* (1) All payments received on outstanding credit instruments shall be recorded in ink or other permanent form of recordation in the gaming operation's records.

(2) When partial payments are made on credit instruments, they shall be evidenced by a multi-part sequentially-numbered receipt (or another equivalent document) that contains:

(i) The same preprinted receipt number on all copies;

(ii) Patron's name;

(iii) Date of payment;

(iv) Dollar amount of payment (or remaining balance if a new marker is issued), and nature of settlement (cash, chips, etc.);

(v) Signature of individual receiving payment; and

(vi) Marker number of credit instrument on which partial payment is being made.

(3) Unless credit account balances are routinely confirmed on a random basis by the accounting or internal audit departments, or statements are mailed by a person independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash, then the following standards shall apply:

(i) The routing procedures for credit instrument payments by mail require that they be received by a department independent of credit instrument custody and collection;

(ii) Credit instrument payments received by mail shall be documented on a listing indicating the patron's name (and the name of the individual making the payment if different than the patron), amount of payment, nature of payment (if other than a check), and date payment received and

(iii) The total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability form by the accounting department on a random basis (for at least three (3) days per month).

(d) *Access to credit documentation.* (1) Access to credit documentation shall be restricted as follows:

(i) The credit information shall be restricted to those positions that require access and are so authorized by management;

(ii) Outstanding credit instruments shall be restricted to persons authorized by management; and

(iii) Written-off credit instruments shall be further restricted to persons authorized by management.

(2) [Reserved]

(e) Maintenance of credit documentation.(1) All extensions of cage credit, pit credit transferred to the cage, and subsequent payments received shall be documented by cage personnel on a credit instrument control form.

(2) Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

(f) Write-off and settlement standards. (1) Written-off or settled credit instruments shall be authorized in writing.

(2) Such authorizations shall be made by at least two management officials at least one of whom is independent of the initial credit limit approval process and the issuance and collection of credit relative to the patron's account. The individuals approving the write-off or settlement must sign a document indicating their authorization.

(3) Completed written-off and settled credit instrument documentation shall be submitted to the accounting department within 72 hours of completion.

(g) Collection agency standards. (1) If credit instruments are transferred to collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until the original credit instrument is returned or payment is received.

(2) A person independent of credit transactions and collections shall periodically review the documents in paragraph (g) (1) of this section to ensure all required documents are present.

543.15 (h) Accounting/auditing standards have been moved to proposed Revenue Audit section 543.50 (e).

~~(h) Accounting/auditing standards. (1) A person independent of the cage, credit, and collection functions shall perform all of the following at least three (3) times per year:~~

~~(i) Select a random sample of credit accounts;~~

~~(ii) Ascertain compliance with credit limits and other established credit issuance procedures;~~

~~(iii) Reconcile outstanding balances of both active and inactive (includes write-offs and settlements) accounts on the accounts receivable listing to individual credit records and physical instruments. This procedure need only be performed once per year for inactive accounts; and.~~

~~(iv) Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.~~

~~(2) For a minimum of five (5) days per month, a person independent of the cage, credit, and collection functions shall subsequently reconcile partial payment receipts to the total payments recorded by the cage for the day and account for the receipts sequentially.~~