

§ 543.17 *What are the minimum internal control standards for complimentary services or items?*

(a) *Complimentary services and items procedures.* (1) Each Tribal gaming regulatory authority or gaming operation shall establish and the gaming operation shall comply with procedures for the authorization, issuance, and tracking of complimentary services and items as defined in §543.2, including cash and non-cash gifts.

(2) The procedures shall be approved by the Tribal gaming regulatory authority and shall include, but not be limited to, the procedures by which the gaming operation delegates to its personnel the authority to approve the issuance of complimentary services and items, and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified (including limits based on relationships between the authorizer and recipient), and shall further include effective provisions for audit purposes.

(3) Each gaming operation shall maintain a written record of limits or conditions which may be placed on the authority of its employees to approve or issue complimentary services or items, and the specific job titles to which they apply.

(b) Complimentary services and items shall include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses provided directly to the patrons and their guests by the gaming operation or indirectly to patrons and their guests on behalf of the gaming operation by a third party. Complimentary cash gifts shall include, but are not limited to:

(1) Public relations payments made for the purpose of resolving complaints by or disputes with casino patrons (appeasement payments);

(2) Travel or “walk money” payments made for the purpose of enabling a patron to return home.

(c) At least monthly, accounting, information technology, or audit personnel that cannot grant or receive complimentary privileges shall prepare reports that include the following information for all complimentary items and services:

(1) Name of patron who received the complimentary service or item;

(2) Name(s) of authorized issuer of the complimentary service or item;

(3) The actual cash value of the complimentary service or item;

(i) A complimentary service or item provided directly to a patron in the normal course of a gaming operation’s business shall be recorded at the full retail price normally charged for such service or item by the gaming operation.

(ii) A complimentary service or item not offered for sale to patrons in the normal course of a gaming operation’s business, but provided directly by the gaming operation, shall be recorded at the actual cost to the gaming operation of providing such service or item.

(iii) A complimentary service or item provided directly or indirectly to a patron on behalf of a gaming operation by a third party not affiliated with the gaming operation shall be recorded at the actual cost to the gaming operation of having the third party provide such service or item.

(iv) A complimentary service or item provided directly or indirectly to a patron on behalf of a gaming operation by a third party who is affiliated with the gaming operation shall be recorded as if the affiliated third party were the gaming operation.

(4) The type of complimentary service or item (i.e., food, beverage, etc.); and

(5) Date the complimentary service or item was issued.

(d) Complimentary services or items exempt from paragraph (c) reporting requirements:

(1) A non-cash complimentary service or item which has a value no greater than \$150 (as calculated in accordance with (c) (3) above), or a lesser amount established by the Tribal gaming regulatory authority.

(2) A complimentary cash gift of \$100.00 or less, or an amount established by the Tribal gaming regulatory authority, which shall not be greater than \$100.

543.17 (e) has been moved to proposed Revenue Audit 543.50 (f).

~~(e) The internal audit or accounting departments shall review the reports required in paragraph (c) of this section at least monthly. These reports shall be made available to the Tribe, Tribal gaming regulatory authority, audit committee, other entity designated by the Tribe, and the Commission upon request.~~