

# Ohio Lottery Commission



Video Lottery  
Minimum Internal Control Standards

## Cage and Credit



OHIO LOTTERY COMMISSION  
MINIMUM INTERNAL CONTROL STANDARDS

**CAGE AND CREDIT**

***Terms and Definitions***

1. **Racino** - A horse racing facility in the state of Ohio authorized to conduct video lottery gaming. The Ohio Lottery is responsible for licensing these facilities, which are also known as video lottery sales agents (VLSA).
2. **Signature** - A “signature” on a document provides evidence of the person’s involvement and/or authorization of the intentions reflected in the document. A signature is either handwritten or electronic.
  - A **handwritten signature** is typically in the form of a stylized script associated with a person and may be applied manually or electronically. The stylized script “signature” must include, at a minimum, the first letter of the person’s first name along with the person’s full last name. The “initials” of the person would not meet the requirement of a “signature”. The Ohio Lottery requires the use of the employee’s OLC license number whenever an employee handwritten signature is required.
  - An **electronic signature** means an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record. The “electronic signature” is to be linked with an electronic document which uniquely identifies the individual (e.g., employee or patron) entering the “signature.” Additionally, the use of an “electronic signature” must comply with the applicable IT MICS. The Ohio Lottery may require the racino to provide upon request an employee’s OLC license number that is associated with an electronic signature.
3. **TITO System** – Ticket In / Ticket Out System. A method of wagering and accounting in which the validity and value of a wagering instrument is determined. This term is used in place of Cashless Wagering System (CWS) in the OLC VLT MICS since all racinos use a TITO system.
4. **VLT** – Video Lottery Terminal. An electronic gaming device which is very similar to a slot machine. A VLT is connected to a CMS.
5. **VLT Free Play** – Promotional gaming credits. “VLT free play” is used throughout the OLC VLT MICS instead of the phrase “deducted from gross gaming revenue”. The phrase “cannot be used as VLT free play” is used instead of “is not deducted from gross gaming revenue”.
6. **Wagering Account** - An electronic ledger operated and maintained by a racino for a cashless wagering system patron deposit account wherein only the following types of transactions are recorded:
  - Deposits and withdrawals of cash or cash equivalents at a designated area of accountability;
  - Deposits initiated with a debit instrument;
  - Wagering account transfers to and from VLTs;
  - Wagering account adjustments; and
  - Other transactions approved by the OLC.
7. **Wagering Instrument** – A representative of value approved for use, including printed document dispensed from a VLT (or other device) via a TITO system (also known as a “TITO ticket” or “voucher”).
8. **WAT** – Wagering Account Transfer. “WAT in” means patron fund transfers to a VLT. “WAT out” means patron fund transfers from a VLT.



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Note 1: For any OLC-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the OLC will be acceptable.

Note2: The accounting treatment and documentation requirements applicable to marker transactions are also applicable to front money transactions including customer deposit withdrawal (CDW) transactions.

***Establishing Credit Account***

Note: The specific types of credit documentation utilized (i.e., manual or computerized), the type of signature utilized (i.e., handwritten or electronic), the manner of storage (e.g., printed and maintained or electronically stored), or any combination thereof, must be delineated within the cage and credit section of the Standard Operating Procedures (SOP). If the option to establish a credit account is not offered or available to customers same should also be stated in the SOP.

1. At least the following information is recorded and maintained for patrons who have established credit limits or are issued credit of any amount (credit issuances include the issuance of markers and the use of counter checks, but excludes personal checks, payroll checks, cashier's checks, and traveler's checks):

Note: A counter check is a form (similar to a marker form) provided by the racino that is completed as is necessary for the instrument to be presented to the patron's bank for payment.

1. Patron's name, current address, and signature
- b. Type of identification credential, credential number, expiration date of credential, and date credential was examined.

Note: A patron's valid driver's license is the preferred method for verifying the patron's identity. A valid 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.

- c. Documentation of credit worthiness using a method delineated in the cage and credit section of the Standard Operating Procedures (SOP).
  - d. Authorized credit limit.
  - e. Signature and OLC license number of the individual(s) designated by management to approve credit limits.
2. Credit limits over specified dollar amount(s) are approved by personnel designated by management. The dollar amount thresholds and job titles of personnel so designated are documented. Such documentation, or alternatively the job title of the employee responsible for the documentation (available upon request by authorized internal and external auditors and by Ohio Lottery Commission personnel), must be delineated within the cage and credit section of the SOP.
  3. Proper approval for the increase of credit limits of over 10 percent of the previously established credit limit or \$1,000, whichever is greater, including a temporary increase, is documented.
  4. The job functions of credit approval (i.e., establishing the patron's credit worthiness) and credit issuance are segregated if cage credit issuances to a single patron of \$10,000 or more per day are transacted.



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***Credit Issuances and Voiding Markers***

5. Prior to the issuance of gaming credit to a patron, the employee issuing the credit:
  - a. Determines whether the credit limit has been established.
  - b. Determines the amount of available credit and whether the available credit is sufficient to cover the issuance.
  - c. Verifies the patron's identity by examining the patron's valid identification credential or other reasonable method to ensure the patron's identity (e.g., review of scan of driver's license on file).

Note 1: A patron's 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.

Note 2: It is recommended, but not mandatory, that in order to mitigate identity theft the identification credential presented when issuing credit and the patron's signature on the marker be compared to the copy (or computer scan) of the patron's picture identification (if copy or scan was retained) and signature that were obtained when the patron's credit account was established.

6. For patrons that have an established credit limit pursuant to MICS #1, a record of credit activity (i.e., patron's credit account records) is created and maintained that details the following:
  - a. Date, time and amount of each credit issuance.
  - b. The marker number, if applicable.
  - c. The name or other identifier of the individual(s) issuing the credit.
  - d. The legible name of the individual receiving the credit.
  - e. The current amount of available credit.
7. If cage markers and/or counter checks are issued to a single patron in an amount exceeding the amount established by management (the amount at which notification is required must not exceed \$10,000 and must be delineated within the cage and credit section of the SOP), applicable gaming personnel are notified on a timely basis (e.g., via computer and gaming department can access computer record of gaming activity) of the patron's playing on cage credit, the applicable amount of credit issued, and the available balance.
8. Cage marker forms are at least two parts (the original marker and a payment slip), pre-numbered by the printer or concurrently numbered by the computerized system and utilized in numerical sequence.
9. The original cage marker contains at least the following information: marker number, patron's name and signature, amount of credit issued (both alpha and numeric), and the signature and OLC license number of the cashier, unless this cashier information is included on another document.
10. When counter checks are issued, the following is included on the check:
  - a. The patron's name and signature.
  - b. The dollar amount of credit issued (both alpha and numeric).
  - c. Signature and OLC license number of the cashier, unless this information is included on another document.



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11. Voided cage markers contain the following:

- a. "Void" written across all parts of the marker.
- b. The reason a marker is voided is documented on one part of the marker or other document (e.g., a log) sufficiently identifying the marker.
- c. Date and time of void on at least one part of the marker.
- d. Signatures and OLC license numbers on at least one part of the marker (adjacent to the void indication) of the cashier and cage department supervisor performing the void.

Note: In the event a cage marker is voided by accounting/audit personnel, the signature and OLC license number of the cashier and cage department supervisor authorizing the void is required.

12. The voiding process for cage markers is completed no later than 30 minutes after the issuance of the marker unless the reason for exceeding this time period is documented on one part of the marker or other document (e.g., a log) sufficiently identifying the marker.

13. The patron's credit account records are updated to reflect the voided cage marker transaction if the marker issuance was posted in the patron's credit account.

Note: The reason for exceeding the 30 minute time period is to be documented in addition to the reason the marker is voided.

14. All parts of voided cage markers are submitted to accounting for retention and accountability.

15. Deleted (pit markers).

16. When electronically signed credit documentation is utilized, procedures implemented must provide at least the same level of control as those described in these MICS. Procedures must include at a minimum that the proper number of signatures are obtained (e.g., separate login required for each signatory requirement), a copy of the form is restricted to authorized personnel, and the completed form is unalterable.

***Cashing Checks and Guaranteed Drafts***

17. If personal checks or cashier's checks are cashed, for each check cashing transaction the cage cashier:

- a. Verifies the patron's identity by examining the patron's valid identification credential (e.g., driver's license) or other method to ensure the patron's identity. The identification credential information is documented on the check unless the information is maintained elsewhere. In such cases, "ID on file" or the patron's account number is recorded on the check as the verification source and results.
- b. Verifies the patron's credit worthiness and records the verification source and results on the check (for personal checks).

Note: For patrons that have an active established credit limit pursuant to MICS #1, verification of the patron's credit worthiness is not required. "Account on file" or the patron's account number is recorded as the verification source and results.

- c. Deleted (payroll checks).



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d. Makes a reasonable effort to verify the authenticity of cashier's checks for amounts over \$1,000.

Note: If a check guarantee service is used to guarantee payment of an instrument and the procedures required by the check guarantee service are followed, MICS #17 does not apply.

18. When traveler's checks/guaranteed drafts are presented, all required issuance and acceptance procedures are adhered to by the drawee and cage personnel.

19. Check cashing at a kiosk is prohibited, unless the transaction is completed at a kiosk which includes OLC approved check cashing functionality.

Note: Patrons must have an established credit limit and/or credit worthiness documented prior to cashing a check. Additionally, a check guarantee service is required to be used to guarantee payment of an instrument and the procedures required by the check guarantee service are followed. The procedures must be delineated within the cage and credit section of the SOP.

***Transferring Credit Instruments***

20. If outstanding original gaming credit instruments are transferred to collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative are obtained and maintained until such time as the credit instrument is returned or payment is received.

21. If outstanding original gaming credit instruments are transferred to a law enforcement agency (e.g., district attorney's office), a copy of the credit instrument and documentation from the law enforcement agency is maintained stating that the original credit instrument is in law enforcement agency's possession.

22. A detailed listing is maintained to document all outstanding credit instruments that have been transferred to other offices as indicated above.

23. The above listing is prepared or reviewed and signed (with OLC license number) by an OLC Key Gaming licensee.

***Payment Standards***

24. All payments received on outstanding credit instruments are permanently recorded in the racino's records, including the patron's credit account records, as follows:

a. The date, time and amount of payment.

b. The nature of payment (e.g., cash, check, etc.).

c. The name or other identifier of the individual receiving payment.

d. The patron's name.

e. The marker number or other identifying characteristic of the credit instrument on which payment is being made.

25. When partial payments are made on credit instruments (i.e., markers, personal checks, cashier's checks, etc.), and the original instruments are not replaced with a marker for the remaining balance, the payments are evidenced by a multi-part, sequentially-numbered receipt (or another equivalent document) which contains:

a. The same receipt number on all copies.



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- b. Patron's name.
- c. Date of payment.
- d. Dollar amount of payment and nature of payment (cash, check, etc.).
- e. Signature of individual receiving payment.
- f. Marker number or other identifying characteristic of the credit instrument on which payment is being made.

Note: MICS #26 and #27 do not apply if account balances are annually confirmed on a random basis by the accounting or internal audit departments, if statements are mailed by someone independent of the credit transactions and collections thereon, and the department receiving payments cannot access cash.

- 26. The routing procedures for payments by mail require that the mail payments are received by a department independent of credit instrument custody and collection.
- 27. Credit instrument payments received via mail are documented on a listing indicating the following:
  - a. Patron's name on account to which the payment is being applied and the name of individual making the payment, if different than the patron.
  - b. Amount of payment.
  - c. Nature of payment (if other than a check).
  - d. Date payment was received.

***Access to Credit Documentation***

- 28. Access to credit information is restricted to those positions which require access and are so authorized by management.
- 29. Access to outstanding credit instruments is restricted to persons authorized by management.
- 30. Access to written-off credit instruments is further restricted to individuals authorized by management.

Note: For MICS #29 and #30, the job titles of authorized personnel are documented. Such documentation, or alternatively the job title of the employee responsible for the documentation (available upon request by authorized internal and external auditors and by Ohio Lottery Commission personnel), must be delineated within the cage and credit section of the SOP.

***Documentation***

- 31. All issuances of cage credit and subsequent payments are documented on a credit instrument control document by cage personnel.
- 32. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments are maintained.
- 33. Documentation is created and maintained of collection efforts for outstanding credit instruments, and patron payment agreements entered into.



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***Write-Off and Settlement/Discount Standards***

34. Written-off or settled/discounted credit instrument approvals are 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 credit account. The individuals approving the write-off or settlement/discount must sign a document indicating authorization.

Note: The job titles of management personnel required to review and grant such approvals must be delineated within the cage and credit section of the SOP.

35. Completed written-off and settled/discounted credit instrument documentation is submitted to the accounting department within 72 hours of when the patron's credit account records are updated.

***Wagering Accounts***

Note: If an OLC approved third party is used to operate and maintain wagering accounts on behalf of a racino, the racino's SOP is to identify the third party and is to delineate the procedures performed by the third party to comply with wagering account MICS. The racino remains ultimately responsible to ensure the proper design and implementation of the procedures required to meet all applicable wagering account MICS, regardless of who is performing the procedures.

36. Wagering accounts operated and maintained by a racino must be established, maintained, and accounted for, including subsequent deposits/withdrawals and account adjustment transactions, in the designated area(s) only.
37. To establish a racino wagering account, the following information is to be recorded on a registration application, verified by the racino, and maintained:
- a. The identity of the patron, including any fictitious name(s);
  - b. The patron's date of birth;
  - c. The patron's physical address;
  - d. The last four digits of the patron's social security number, if a United States resident;

Note: A racino shall establish procedures to verify the information provided by the patron. Such procedures, including the method of verification, must be delineated within the SOPs.

- e. The patron's account number; and
- f. The patron's signature attesting to the following:
  - 1) That the information provided by the patron to the racino to open the wagering account is accurate;
  - 2) That the patron has reviewed and acknowledged the rules and procedures established by the racino for use of the wagering account;
  - 3) That the patron has been informed of and acknowledged that they are prohibited from allowing any other person not assigned to the wagering account access to or use of their wagering account; and



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- 4) That the patron consents to the monitoring and recording by the racino and the OLC of the use of the wagering account.

Note: As an alternative to an employee of the racino recording, verifying, and maintaining the required information, a patron may establish a wagering account through an OLC approved electronic ID verification service. The service provider and/or the racino must meet the requirements of MICS 37.

38. For each racino wagering account, a list is maintained of each person assigned to the account and must include the date each person is added or removed from the account..

39. Prior to allowing any wager from the patron, the racino shall perform the following:

- a. Confirm the patron's identity by:

- 1) Requiring the patron to personally appear before an employee of the racino at its licensed gaming establishment or affiliated gaming establishment and examining the patron's valid government issued picture identification credential; or
- 2) Requiring the patron to remotely provide a valid government issued picture identification credential and performing an identity verification that enables the racino to form a reasonable belief that it knows the true identity of the patron.

Note: Deleted (reference to sports book wagering accounts)

- b. Document the following on the registration application:

- 1) Type of identification credential, last four digits of the credential number, expiration date of credential, and date credential was examined.

Note: A patron's 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.

- 2) That the patron is not on the list of excluded persons.
- 3) That the wagering account has not been created using an anonymous or fictitious name.
- 4) The date and time the patron's wagering account is opened

Note: As an alternative to personally appearing before an employee of the racino, a patron's identity may be verified through an OLC approved electronic ID verification service. The service provider and/or the racino must meet the requirements of MICS 39 (b).

40. A racino shall establish procedures to prevent wagering from the patron's racino wagering account prior to performing the identification verification required by MICS #39(a). Such procedures must be delineated within the SOPs.
41. Procedures are implemented to ensure that all racino wagering accounts, which have not had any wagering activity for a consecutive 16-month period have been suspended. These accounts will only be reactivated after re-verifying information required in MICS #37 and #39. Re-verification procedures require supervisory approval and must be documented and maintained. Such procedures must be delineated within the SOPs.
42. Procedures are in place to provide a secure method for each patron to access funds in a wagering account.



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43. A record of each deposit/withdrawal/adjustment to a patron's racino wagering account is created and maintained that details the following information:
- a. Patron's name, wagering account number, and signature or verification of secure patron identification (except adjustments to the wagering account do not require the patron's signature or verification of secure patron identification).
  2. Date and time of deposit/withdrawal or account adjustment.
  - c. Dollar amount of deposit/withdrawal or account adjustment.
  - d. Nature of deposit/withdrawal.
  - e. Reason for adjustment to wagering account, if applicable.
  - f. The information for deposits/withdrawals above should be included on a receipt as follows:
    - 1) A manual deposit/withdrawal is evidenced by at least a two-part document, with one part remaining in the cashier's area and the other part given to the patron. In addition, the document must include the same document number on all copies and the signature of the employee handling the transaction; or
    - 2) A computerized deposit/withdrawal is evidenced through an electronic receipt which is to be provided to the patron.
44. Procedures are implemented to ensure that funds deposited or withdrawn by a patron from a racino wagering account are not transferred to any other account, unless the other account is verified to be controlled by the patron. Such procedures must be delineated within the SOPs.
45. Adjustments to racino wagering accounts must be documented and are authorized by management with such personnel's job titles delineated within the cage and credit section of the SOPs.
46. For promotional credits or bonus credits, determine how such credits are identified within the wagering account and delineate this information in the SOPs.
47. A detail wagering report for each racino wagering account is created on demand and is made available to the patron upon request, which includes:
- a. Account number;
  - b. Name of all patron(s) registered to the account;
  - c. Beginning balance;
  - d. List of all transactions which includes the following:
    - 1) Date and time;
    - 2) Amount of transaction;
    - 3) Transaction type (e.g., deposit or withdrawal);
    - 4) Gaming area, if applicable; and
    - 5) Patron(s)/employee(s) who initiated and authorized the transaction.



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- e. Totaled by credits and by debits; and
  - f. Ending balance.
48. A racino wagering account balance summary report, by wagering account number and in total, is created on demand at least daily, which includes:
- a. Beginning balance;
  - b. Dollar amounts of credits and of debits; and
  - c. Ending balance.
- Note: All racino wagering accounts, regardless of account balance, must be included on the wagering account balance summary report.

***Wagering Account Transfers (“WAT”) Reports***

49. A WAT Detail report by gaming area is created and maintained by day, which includes:
- a. For each game/gaming device all transactions which includes (e.g., by VLT machine #.):
    - 1) Date and time;
    - 2) Account number;
    - 3) Transaction type (e.g., transfer to or transfer from);
    - 4) WAT in amount;
    - 5) WAT out amount; and
    - 6) For in person counter game transactions, writer/cashier station.
  - b. Subtotal of WAT in and WAT out by game/gaming device.
  - c. By gaming area and in total, WAT in and WAT out.
50. A WAT By Gaming Area report for each gaming area utilizing racino wagering accounts or other forms of cashless wagering is created daily which includes:
- a. WAT in by game/gaming device;
  - b. WAT out by game/gaming device; and
  - c. Total WAT in and total WAT out.
51. A WAT Summary report, by gaming area and in total, is created daily summarizing the daily, month-to-date, and year-to-date WAT in and WAT out.



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***Customer Deposits***

Note: MICS #52 - #54 regarding customer deposits apply when a patron places funds on deposit for safekeeping and/or front money purposes, other than racino wagering accounts or other forms of cashless wagering.

52. The receipt or withdrawal of a customer deposit is evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage.
53. Each of the two parts of the sequentially-numbered receipt contains the following information:
- a. Same receipt number on all copies.
  - b. Customer's name and signature.
  - c. Date of deposit/withdrawal.
  - d. Dollar amount of deposit/withdrawal.
  - e. Nature of deposit/withdrawal (e.g., cash or check,).
  - f. Deleted (branch office)
  - g. Employee's signature and OLC license number who conducted the transaction.
54. Procedures are established to:
- a. Maintain a detailed record by patron name and date of all funds on deposit.
  - b. Maintain a current balance of all customer deposits which are in the cage/vault inventory or accountability.
  - c. Reconcile this current balance with the deposits and withdrawals at least daily.

***Safe Deposit Boxes***

Note: Deleted (safe deposit boxes)

55. Deleted (safe deposit boxes)
56. Deleted (safe deposit boxes)

***Cage/Vault Accountability***

Note: The specific types of accountability documentation utilized (i.e., manual or computerized), the type of signature utilized (i.e., handwritten or electronic), the manner of storage (e.g., printed and maintained or electronically stored), or any combination thereof, must be delineated within the cage and credit section of the SOPs.

57. All transactions that flow through the racino cage are summarized on a cage accountability form for each of the cage's shifts.



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58. Increases and decreases to the total cage inventory are supported by documentation. For any individual increase/decrease which exceeds \$100, the documentation indicates the date and shift, the purpose of the increase/decrease, the person(s) completing the transaction, and for decreases indicate the person or department receiving the cage funds.
59. For owner/licensed key employee personal funds stored in the cage/vault (including funds stored in a restricted manner, e.g., locked safe), detailed documentation is maintained accounting for such funds regardless of whether the funds are included in the cage's accountability.
60. The cage and vault inventories are counted by at least two persons, attested to by signature and OLC license number, and recorded in ink or other permanent form at the end of each shift during which activity took place or at least once daily. Such documentation is to include the date and shift for which the count was performed.
61. All net changes in outstanding racino accounts receivables, including all returned checks, are summarized on a cage accountability form or similar document on a per shift basis.
62. Such information is summarized and posted to the accounting records on at least a monthly basis.

***Promotional Payouts, Drawings and Giveaway Programs***

Note: MICS #63 - #65 apply to any payout resulting from a promotional payout, drawing, or giveaway program (e.g., cash wheels) disbursed by the cage department or any other department, inclusive of programs that involve more than one department but exclusive of programs that have been addressed in the MICS for other departments. The promotional payout, drawing or giveaway programs subject to these MICS are associated with gaming activity or a promotional scheme to encourage the patron to participate in gaming activity.

63. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.
64. Promotional payouts, including those as a result of drawings and giveaway programs, that can either be used as VLT free play, or are greater than or equal to \$500 and cannot be used as VLT free play, are documented at the time of the payout to include the following:
  - a. Date and time.
  - b. Dollar amount of payout or description of personal property (e.g., car).
  - c. Reason for payout (e.g., promotion name).
  - d. Signature(s) and OLC license number(s) of the following number of employees verifying, authorizing, and completing the promotional payout with the patron:
    - 1) Two employee signatures for all payouts of \$100 or more that can be used as VLT free play;

Note: For approved computerized systems that validate and print the dollar amount of the payout on a computer-generated form, only one employee signature is required on the payout form.

- 2) One employee signature for payouts of less than \$100 that can be used as VLT free play; or
- 3) One employee signature for payouts of \$500 or more that cannot be used as VLT free play.
- e. Patron's name (for drawings only).



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Note: MICS #64 documentation may be prepared by an individual who is not a cage department employee as long as the required signatures are those of the employees completing the payout with the patron.

65. If the promotional cash (or cash equivalent) payout, including those as a result of drawings and giveaway programs, is less than \$500 and cannot be used as VLT free play, documentation is created to support bank accountability.

Note: Required documentation may consist of a line item on a cage accountability document (e.g., “43 \$10 cash giveaway coupons = \$430”).

***Accounting/Audit Standards***

Note: The term “racino accounts receivable”, as used in these Cage and Credit MICS, includes any item (including returned checks) for which an adjustment to gross gaming revenue is made.

66. The cage and credit audit is conducted by someone independent of cage and credit operation.

67. The cage accountability is reconciled to the general ledger at least monthly.

68. A listing of all racino accounts receivable, including the name of patron and current balance, is prepared at least monthly for active, inactive, settled/discounted or written-off accounts. (A listing of written-off items, i.e., worthless items at the time of write-off, and another listing of payments on items previously written-off are acceptable.)

69. Deleted (NGC tax return requirement)

70. The listings of all racino accounts receivable are reconciled to the general ledger each month.

71. Deleted (NGC tax return requirement)

72. Deleted (NGC tax return requirement)

73. On a monthly basis calculate the collection percentage, looking for unusual trends, as follows: the total of collections divided by the sum of cage credit issues.

Note: The percentage for the month should be reviewed and compared to previous monthly percentages. If available, year-to-date, life-to-date, and rolling 12 month-to-date percentages may be used for additional analysis.

74. Upon receipt, accounting/audit personnel review completed settlement/discount forms to ensure that all of the required information has been properly documented on the settlement/discount form.

75. When a completed settlement/discount form is missing any of the required information, accounting/audit personnel should attempt to obtain and document the missing information to ensure the form is complete. When a patron’s signature is not included on the form, accounting/audit personnel will forward a request to the appropriate department to attempt to obtain the patron’s signature. A record is maintained with the settlement/discount form indicating the attempts to obtain the missing information.

76. An individual independent of the cage, credit, and collection functions performs the following review procedures at least three times per year:

- a. Select a sample of credit accounts and ascertain compliance with credit limits and other established credit issuance procedures.



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- b. From the racino accounts receivable listings, randomly reconcile outstanding balances of a sample of active and inactive (includes write-offs and settlements/discounts) accounts on the applicable listing to individual credit records and physical instruments. This procedure need only be performed once per year for inactive accounts.
- c. Select a sample of credit accounts and examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded or patron payment agreements are documented and followed.
- d. For a minimum of five days during each review period, all partial payment receipts are subsequently reconciled to the payments recorded by the cage for the day and are numerically accounted for.
- e. For a minimum of three days per month during each review period, on a random basis, reconcile the total amount of the listing of credit payments received via mail (MICS #27), if required to be prepared, with the total mail receipts recorded on the appropriate accountability.

Note: If the above procedures detailed in MICS #76 are performed by the internal auditor, the individuals performing the above procedures must be different from the individuals performing similar procedures for internal audit purposes.

- 77. Daily, for all racino wagering account adjustments, accounting/audit personnel shall examine documentation to ensure the adjustments were properly authorized by management and the reasons for adjustments are stated.
- 78. For racino wagering accounts, accounting/audit personnel shall perform the following procedures at least monthly and investigate and document any variances noted:
  - a. Select a sample of racino wagering accounts created during the month and ascertain compliance with registration procedures established in MICS #36 - #41 to ensure that no wagers were allowed prior to the verification of the patron's identification.
  - b. Accounting/audit personnel shall select a sample of deposit receipts and trace the amounts and transaction type to the detail racino wagering account report.
  - c. Accounting/audit personnel shall select a sample of withdrawal receipts and trace the amounts and transaction type to the detail racino wagering account report.
  - d. For the racino wagering account(s) selected in MICS #78b and #78c, foot the credit and debit transactions to ensure that the totals for the racino wagering account(s) are accurate, and trace the beginning balance, credit total, debit total, and ending balance from the detail racino wagering account report to the racino wagering account balance summary report.
- 79. For racino wagering accounts, accounting/audit personnel shall at least once a quarter, select one day and perform the following procedures and investigate and document any variances noted:
  - a. For each gaming area select a sample of games/gaming devices from the WAT Detail report and foot WAT in. Trace the total to the amount on the WAT By Gaming Area report.
  - b. For each gaming area select a sample of games/gaming devices from the WAT Detail report and foot WAT out. Trace the total to the amount on the WAT By Gaming Area report.
  - c. Foot and cross-foot the WAT By Gaming Area report(s) to ensure the amounts are accurate.
  - d. Trace the WAT in and WAT out totals for each gaming area from the WAT By Gaming Area report(s) to the WAT Summary report.
  - e. Foot and cross-foot the WAT Summary report to ensure the amounts are accurate.



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80. Annually, review a sample of active wagering accounts to identify accounts that have not had any wagering activity for a consecutive 16-month period to ensure that such accounts have been suspended. Document and maintain all follow-up related to this review.
81. For one day each month, accounting/audit personnel trace the amount of cage deposits to the amounts indicated in the bank statements of wagering accounts operated and maintained by a racino.
82. For two days each year, a count is performed of all funds in all gaming areas (i.e., cages, vaults, and booths, including reserve areas, kiosks, and change machines). Individual straps and imprest banks are counted on a sample basis. All amounts counted are traced to the amount recorded on the appropriate accountability form to ensure the proper amount is recorded. Documentation is maintained evidencing the count amounts for each area and the subsequent comparison to the appropriate accountability form. The count is completed within the same gaming day for all areas.

Note 1: The above counts are observed by an individual independent of the department being counted. It is recommended, but not mandatory, that the individual responsible for the funds should perform the actual count while being observed. An independent accountant may be used to perform the counts.

Note 2: These two counts are separate from the count completed for internal audit purposes; however, internal audit may complete all three counts.

83. Deleted (chips and tokens)
84. Deleted (chips and tokens)
85. For one day each month, accounting/audit personnel reconcile the dollar amount of active wagering instruments created, to the wagering instruments reflected in the cage bank accountability documents. The reconciliation includes using documents and system reports supporting all additions and reductions of active wagering instruments to the appropriate accountability area.
86. Deleted (branch office)
87. The following procedures are performed for cage marker issuances/payments by accounting/audit personnel:
- For manual cage marker issuances, at least one day each month, verify that all numerically numbered cage markers are properly accounted for. Investigations are performed for all cage markers that are unaccounted for with the investigation being documented.
  - At least one day each month, foot the cage markers issued (via an issue report or issue slips) and marker payments (via a payment report or receipts and payment slips) and trace the total to the total cage marker issue and payment amounts indicated on the appropriate accountability document.

Note: Deleted (NV regulation)

- For each day, examine a sample of cage markers issued (originals or issue slips) and marker payments (receipts and payment slips) for proper completion.
88. The following procedures are performed for voided cage markers by accounting/audit personnel for each day:
- Examine all voided markers for proper authorization and “void” designation.
  - For computer marker systems, trace the voided cage markers to the computer system report(s) reflecting void activity.



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- c. For computer marker systems, examine the computer system report(s) reflecting void activity for void transactions that are not supported by a voided marker.
  - d. Determine that all parts of the voided marker have been received.
  - e. Examine the voided marker for the proper number of signatures.
  - f. For all voided markers, compare the time of marker issuance to the time of voiding to determine that transactions were voided within 30 minutes after the issuance of the marker. If not voided within 30 minutes, determine whether the documented reason for exceeding this time period is adequate.
89. For one day each month, accounting/audit personnel review a sample of returned checks (exclusive of any markers that were deposited to and returned by a bank) to determine that the required information was recorded by cage personnel when the check was cashed.
90. Accounting/audit employees review system exception reports for all computerized cage systems (e.g. credit systems, marker systems, or wagering account systems) at least monthly for propriety of transactions and unusual occurrences. The review includes, but is not limited to, void authorizations. All noted improper transactions or unusual occurrences are investigated with the results documented.
- Note: An exception report is defined as a report produced by the computerized cage system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, etc.
91. Monthly, accounting /audit personnel review all contest, promotional payout, drawing, and giveaway program documentation to determine proper accounting treatment and proper gross revenue computation.
92. For all promotional payouts, drawings, and giveaway programs the following documentation is maintained:
- a. Copies of the information provided to the patrons describing the promotional payouts, drawings, and giveaway programs (e.g., brochures or flyers).
  - b. Effective dates.
  - c. Accounting treatment, including general ledger accounts, if applicable.
93. Monthly, accounting/audit personnel perform procedures to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with the conditions provided to the patrons. The procedures must include a review of documents, interviews of employees on the property, and on premise observations of the racino. The results of the review, interviews, and observations must be documented and maintained.
94. For each day, accounting/audit personnel reconcile all parts of the form used for increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.
95. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of cage and credit audit procedures, including any reviews, the exceptions noted, and follow-up of all cage and credit audit exceptions.

***Branch Offices and Independent Agents***

Note 1: Deleted (branch offices and independent agents)

Note 2: Deleted (branch offices and independent agents)



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- 96. Deleted (branch offices and independent agents)
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