

STATE OF NEVADA
GAMING CONTROL BOARD
INTERNAL CONTROL PROCEDURES

BINGO

Note 1: For any Board-authorized computer applications pursuant to Regulation 14, alternate documentation and/or controls which provide at least the level of control described by these procedures will be acceptable.

Note 2: A shift is any time period, designated by management, up to 12 hours.

Access to Sensitive Areas

1. Access to controlled bingo equipment (i.e., blower and balls) is restricted to authorized employees.
2. Bingo balls are inspected prior to being placed into play each day to ensure that each ball has an equal chance of being selected during the games of the bingo session. The inspection is performed by a minimum of two employees and is documented. The document includes the date and time of inspection, procedures performed, the inspection results, the investigation of noted exceptions, and the signatures of the individuals completing the inspection. Prior to each session, a verification is performed to ensure that all numbered balls are accounted for and in play.
3. Bingo equipment is maintained and checked for accuracy on a periodic basis.
4. The bingo card inventory (including electronic cards) is controlled so as to ensure the integrity of the cards being used.

Game Play Procedures

5. Bingo cards (electronic and paper) are sold consecutively, through the assigning of a transaction number, beginning with the lowest unassigned transaction number.
6. When an electronic bingo card is sold, a unique number of the bingo card sold to the patron for play during the upcoming bingo session is immediately recorded in an unalterable manner and maintained.

Note: The unique number is associated with the face numbers on the bingo card and is used to evidence that the bingo card was purchased for the session it is being played.

7. The computerized bingo system will record the card sale (electronic and paper) on a restricted transaction log or computer storage media.
8. Bingo personnel are precluded from having unrestricted access to the restricted transaction log or computer storage media.
9. When it is necessary to void a card sale:
 - a. For a computerized bingo system, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided card sale. A supervisor authorizes the voiding of the card sale through the computerized bingo system.

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- b. For a manual bingo operation, the bingo card is marked void and signed by a supervisor authorizing the voiding of the card sale. The voided bingo card is sent to accounting.
10. Controls exist to prevent the voiding of card sales after the start of the calling of the game for which the bingo card was sold.
 11. The controls in effect for bingo card sales in outstations (if applicable) are identical to those in effect for the primary bingo game.
 12. All sales of bingo cards are documented on a session bingo card sales report by recording at least the following:
 - a. Date and time.
 - b. Session.
 - c. The beginning and ending assigned transaction numbers of cards sold (by type).
 - d. Number of cards sold (by type).
 - e. Dollar amount of cards sold (by type).
 - f. Total dollar amount of cards sold.
 - g. Signatures, initials or other identifier of seller(s).
 13. An individual independent of the seller performs the following for each seller at the end of each day:
 - a. For each card type, reconcile the documented total dollar amount of cards sold to the documented number of cards sold.
 - b. For each card type, reconcile the number of cards sold by reviewing the documented beginning and ending assigned transaction number to the documented number of cards sold.
 - c. For paper cards sold, compare the documented ending assigned transaction number to the beginning transaction number of the paper card inventory to ensure the paper cards are used in a consecutive number order.
 - d. Any noted variance is investigated with the results of the follow-up documented.
 14. Procedures are utilized to ensure the correct calling of numbers selected in the bingo game.
 15. Each ball is shown to a television camera immediately after it is called so that it is individually displayed to all patrons.
 16. As balls are called, the numbers are immediately recorded by the caller.

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Payout Procedures

17. The authenticity of each payout (including the payout amount and type of winning card) is verified by at least two persons, one of whom may be a patron.

Note: A computerized card verifying system may function as the second person verifying the payout if the card with the winning numbers and its type are determined by the verifying system and are displayed to patrons in the bingo room.

18. Prior to payment of a winning paper and/or electronic bingo card, procedures are performed to ensure that the winning bingo card was sold for the session and the game during which it was played, and was not voided.
19. Payouts of a predetermined amount (not to exceed \$1,200) require verification and written approval of a supervisor independent of the transaction.
20. Payouts are recorded by game and in total for the session on a payout report. The payout report is signed or initialed by two persons that witnessed and verified the dollar amount of the recorded payouts.

Promotional Payouts, Drawings and Giveaway Programs

21. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.
22. Promotional payouts that are either deducted from gross gaming revenue, or are greater than or equal to \$100 and not deducted from gross gaming revenue, are documented to include the following:
- a. Date, time and session.
 - b. Dollar amount of payout or description of personal property (e.g., car).
 - c. Reason for payout (i.e., promotion name).
 - d. Signature(s) of the following number of employees verifying, authorizing, and completing the promotional payout:
 - 1) Two employee signatures for all payouts of more than \$10 that are deducted from gross gaming revenue; or
 - 2) One employee signature for payouts of \$10 or less that are deducted from gross gaming revenue; or
 - 3) One employee signature for payouts of \$100 or more that are not deducted from gross gaming revenue.

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Control of Funds

23. All funds to operate the bingo department are recorded on an accountability form.
24. All funds involved in the operation are counted by at least two employees and reconciled to the recorded amounts at the end of each session. All employees involved in this count sign the accountability form.

Random Number Generator (If Applicable)

Note: A bingo game with a random number generator that determines win or loss must have received Board and Commission approval as a gaming device.

25. The random number generator is linked to the computer system and directly relays the numbers selected into the computer without manual input.
26. Bingo personnel are precluded access to the random number generator.
27. If a random number generator is used, then at least weekly the numerical frequency distribution is reviewed for potential patterns during the previous four-week period.

Statistics

28. A bingo revenue summary is maintained which includes write (card sales), payouts, win and a win-to-write hold percentage for:
 - a. Each session.
 - b. Each day.
 - c. Month-to-date.
 - d. Year-to-date.
29. Management reviews the bingo revenue summary statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.
30. Such investigations are documented and maintained for Board inspection.

Contests/Tournaments

31. All contest/tournament entry fees and prize payouts (including mail transactions) are summarized on an accountability document on a daily basis.
32. When contest/tournament entry fees and payouts are transacted, they are recorded on a document which contains:

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- a. Patron's name.
 - b. Date of entry/payout.
 - c. Dollar amount of entry fee/payout (both alpha and numeric).
 - d. Signature or initials of individual completing transaction.
 - e. Name of contest/tournament.
33. The contest/tournament entry fees and payouts are summarized and posted to the accounting records on at least a monthly basis.
34. Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review at the licensed location. The rules must include at a minimum:
- a. All conditions patrons must meet to qualify for entry into, and advancement through, the contest/tournament.
 - b. Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool.
 - c. The distribution of funds based on specific outcomes.
35. Results of each contest/tournament are recorded and available for participants to review. The recording includes the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.
36. The aforementioned contest/tournament records are maintained for each event.

Accounting/Audit Procedures

37. The bingo audit is conducted by an employee independent of the bingo department.
38. Bingo audit shall perform the following:
- a. Daily, review the session bingo card sales reports for proper completion and to determine that the dollar amount of cards sold is properly calculated.
 - b. Daily, review the payout report to determine that the dollar amount of payouts is properly calculated and for the proper signatures or initials as required by ICP #20.
 - c. Daily, review all payouts in excess of the predetermined amount as required by ICP #19 for proper supervisor payout authorization.

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- d. Daily, compare net cash proceeds to the audited bingo win/loss by session and investigate any large cash overages or shortages (i.e., in excess of \$25).
 - e. Review all voids of bingo card sales for proper completion and supervisory approval.
 - f. If a manual ball drawing device is used and a computerized bingo system generates a drawn number frequency report, then at least weekly the numerical frequency distribution is reviewed for potential patterns and missing numbers during the previous four-week period.
 - g. For computerized bingo systems, review system exception information on daily basis for propriety of transactions and unusual occurrences.
39. Monthly, accounting personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper win/loss computation.
40. For all contests, tournaments, promotional payouts, drawings, and giveaway programs the following documentation is maintained:
- a. Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs.
 - b. Effective dates.
 - c. Accounting treatment, including general ledger accounts, if applicable.
41. Monthly, accounting/ personnel perform procedures (i.e., interviews, review of payout documentation, etc.) to ensure that promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to the patrons.
42. Daily, accounting personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.
43. When payment is made to the winners of a contest/tournament, accounting personnel will reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.
44. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of bingo audit procedures, the exceptions noted and follow-up of all bingo audit exceptions.