

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

CAGE AND CREDIT

- Note 1: Category A licensee is a licensee whose “Collections in Areas Other than the Pit” on the NGC tax returns for the 12 months ended June 30 exceeds \$10 million. All of these MICS apply to Category A licensees.
- Category B licensee is a licensee whose “Collections in Areas Other than the Pit” on the NGC tax returns for the 12 months ended June 30 are less than or equal to \$10 million. MICS #4, #24 - #25 and #70 do not apply to Category B licensees.
- Note 2: If a licensee has no pit credit and makes no adjustments for returned checks or cage credit on the licensee’s NGC tax returns, only MICS #16 - #17, #34 - #64, #78 - #82, and #87 - #92 are applicable.
- Note 3: The Cage and Credit MICS represent minimum acceptable credit procedures applicable to the race and sports, slots, keno, bingo and the cage departments (see Table Games MICS for credit procedures applicable to the pit). The requirements of Regulation 6.120 must also be met if credit issuances are to be excluded from gross gaming revenue.
- Note 4: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the Audit Division will be acceptable, and a MICS variation pursuant to Regulation 6.090 will be unnecessary.
- Note 5: The accounting treatment and documentation requirements applicable to marker transactions are also applicable to front money transactions including customer deposit withdrawal (CDW) transactions.
- Note 6: Cage and Credit MICS #18 - #23, #30 - #31, #50 - #52, and #93 - #97 also apply to activity occurring in branch offices.
- Note 7: A “signature” on a document provides evidence of the person’s involvement and/or authorization of the intentions reflected in this document. It is typically in the form of a stylized script associated with a person. The stylized script “signature” may include 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”.
- Note 8: As used in these MICS, the term “WAT” means wagering account transfers. “WAT in” means amounts wagered by the patron and/or transfers to a game/gaming device pursuant to Regulation 5.225(12) and “WAT out” means amounts won by the patron and/or transfers from a game/gaming device pursuant to Regulation 5.225(11).
- Note 9: Wagering accounts must be established pursuant to the provisions of Regulation 5.225. A licensee must delineate in the cage and credit written system of internal control pursuant to Regulation 6.090 which gaming area(s) will utilize wagering accounts and the one designated area of accountability.
- Note 10: Before allowing wagering accounts to be used with any other gaming establishment of the licensee or with any affiliate of the licensee, Chairman’s approval must be obtained pursuant to Regulation 5.225(3).

Establishing Credit Account

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 licensee that is completed as is necessary for the instrument to be presented to the patron’s bank for payment.

- a. Patron’s name, current address, and signature.

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b. Type of identification credential, 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.

c. Documentation of credit worthiness using a method permissible under Regulation 6.120(2)(a).

d. Authorized credit limit.

e. Signature of the individual(s) designated by management to approve credit limits. For computerized systems, a credit limit approval controlled through system passwords is adequate.

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 Board personnel), is delineated in the cage and credit section of the written system of internal control pursuant to Regulation 6.090.
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 pit or cage credit issuances to a single patron of \$10,000 or more per day are transacted.

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 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.

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- 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 is delineated within the cage and credit section of the written system of internal control pursuant to Regulation 6.090), 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), prenumbered 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 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 of the cashier, unless this information is included on another document.
- 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 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 of the cashier and cage department supervisor authorizing the void is required.
- 12. The voiding process for cage markers is completed no later than thirty 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.
- 14. All parts of voided cage markers are submitted to accounting for retention and accountability.
- 15. Pit markers cannot be voided by cage personnel.

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Cashing Checks and Guaranteed Drafts

16. If personal checks, cashier's checks, or payroll checks are cashed, for each check cashing transaction the cage cashier:
- a. Verifies the patron's identity by examining the patron's 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 pursuant to Regulation 6.120(2)(a) 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. Makes a reasonable effort to verify business authenticity (for payroll checks).
 - 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 #16 does not apply.
17. When traveler's checks/guaranteed drafts are presented, all required issuance and acceptance procedures are adhered to by the drawee and cage personnel.

Transferring Credit Instruments

18. If outstanding original gaming credit instruments are transferred to branch offices, 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.
19. 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.
20. A detailed listing is maintained to document all outstanding credit instruments that have been transferred to other offices as indicated above. Branch offices maintain a detailed listing of outstanding original credit instruments in custody of the branch office.
21. The above listing is prepared or reviewed and signed by an individual independent of credit transactions and collections thereon.

Payment Standards

22. All payments received on outstanding credit instruments (other than payments made in the pit addressed by the Table Games MICS) are permanently recorded in the licensee's records, including the patron's credit account records, and at the branch office (if applicable) as follows:
- a. The date, time and amount of payment.
 - b. The nature of payment (e.g., cash, chips, etc.).

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- 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. Alternatively, for branch office payments, the marker number may be recorded in the licensee's records rather than at the branch office.
23. When partial payments are made on credit instruments (i.e., markers, personal checks, payroll 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.
 - b. Patron's name.
 - c. Date of payment.
 - d. Dollar amount of payment and nature of settlement (cash, chips, etc.).
 - e. Signature of individual receiving payment.
 - f. Marker number or other identifying characteristic of the credit instrument on which payment is being made. Alternatively, for branch office payments, the marker number may be recorded in the licensee's records rather than at the branch office.

Note: MICS #24 and #25 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.

24. The routing procedures for payments by mail require that the mail payments are received by a department independent of credit instrument custody and collection.
25. 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

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

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Note: For MICS #27 – #28, 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 Board personnel), is delineated in the cage and credit section of the written system of internal control pursuant to Regulation 6.090.

Documentation

29. All issuances of cage credit, pit credit transferred to the cage and subsequent payments are documented on a credit instrument control document by cage personnel.
30. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments are maintained.
31. Documentation is created and maintained of collection efforts for outstanding credit instruments, and patron payment agreements entered into pursuant to Regulation 6.120(3)(a).

Write-Off and Settlement/Discount Standards

32. Written-off or settled/discounted credit instrument approvals are made by at least two management officials, other than branch office personnel, 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 are delineated within the cage and credit section of the written system of internal control pursuant to Regulations 6.090 and 6.120(6)(b).

33. 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

34. Wagering accounts must be established, maintained, and accounted for at one designated area (e.g., main casino cage). Further, all subsequent deposits/withdrawals and account adjustment transactions must be accounted for through the same designated area.
35. To establish a wagering account, an employee shall record, verify, and maintain the following on a registration application:
 - a. The identity of the patron;
 - b. The patron's date of birth;
 - c. The patron's physical address;
 - d. The patron's social security number, if a United States resident;

Note: A licensee shall establish procedures to verify the information provided by the patron pursuant to the requirements of Regulation 5.225. Such procedures, including the method of verification, are delineated within the written system of internal control pursuant to Regulation 6.090.

- e. The patron's account number; and

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- f. The patron's signature attesting to the following:
- 1) That the information provided by the patron to the licensee to open the wagering account is accurate;
 - 2) That the patron has reviewed and acknowledged the rules and procedures established by the licensee 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
 - 4) That the patron consents to the monitoring and recording by the licensee and the Board of the use of the wagering account.
36. For each 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.
37. Prior to allowing any wager from the patron, the licensee shall require the patron to personally appear before an employee of the licensee at its licensed gaming establishment or affiliated gaming establishment. The employee shall perform the following:
- a. Examine, in the patron's presence, the patron's valid government issued picture identification credential confirming the patron's identity.
 - b. Document the following on the registration application:
 - 1) Type of identification credential, 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 established pursuant to NRS 463.151 and Regulation 28.
 - 3) 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.
38. A licensee shall establish procedures to prevent wagering prior to performing the identification verification required by MICS #37(a). Such procedures are delineated within the written system of internal control pursuant to Regulation 6.090.
39. For suspended wagering accounts, accounts will only be reactivated after re-verifying information required in MICS #35 and #37. Re-verification procedures require supervisory approval and must be documented and maintained.
40. Procedures are in place to provide a secure method for each patron to access funds in a wagering account.
41. A record of each deposit/withdrawal/adjustment 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).
 - b. Date and time of deposit/withdrawal or account adjustment.

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- 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.
42. Procedures are implemented to ensure that funds withdrawn by a patron from a wagering account are not transferred to any other account, unless the other account is verified to be controlled by the patron pursuant to Regulation 5.225(10). Such procedures are delineated within the written system of internal control pursuant to Regulation 6.090.
43. Adjustments to 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 written system of internal control pursuant to Regulation 6.090.
44. For promotional credits or bonus credits, determine how such credits are identified within the wagering account and delineate this information in the written system of internal control pursuant to Regulation 6.090.
45. A detail wagering report for each 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, withdrawal, etc.);
- Note: Credit as defined by Regulation 5.225(11) and debit as defined by Regulation 5.225(12).
- 4) Gaming area, if applicable; and
 - 5) Patron(s)/employee(s) who initiated and authorized the transaction.
- e. Totaled by credits and by debits; and
 - f. Ending balance.
46. A wagering account balance summary report, by wagering account number and in total, is created on demand at least daily, which includes:

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- a. Beginning balance;
- b. Dollar amounts of credits and of debits; and

Note: Credit as defined by Regulation 5.225(11) and debit as defined by Regulation 5.225(12).

- c. Ending balance.

Note: All wagering accounts, regardless of account balance, must be included on the wagering account balance summary report.

Wagering Account Transfers (“WAT”) Reports

- 47. 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 slot machine #, socket ID, table game number, keno/bingo game if more than one, counter game, etc.):
 - 1) Date and time;
 - 2) Account number;
 - 3) Transaction type (e.g., transfer to/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.
- 48. A WAT By Gaming Area report for each gaming area utilizing wagering accounts 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.
- 49. 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.

Customer Deposits

Note: MICS #50 - #52 regarding customer deposits apply when a patron places funds on deposit for safekeeping and/or front money purposes, other than wagering accounts.

- 50. 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 (or branch office).

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51. 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. For foreign currency transactions in a branch office, the name of the foreign country, the amount of the foreign currency by denomination and its U.S. dollar equivalent is also documented.
 - e. Nature of deposit/withdrawal (e.g., cash, check, chips).
 - f. For a branch office deposit/withdrawal, branch office location where the deposit/withdrawal was transacted.
 - g. Employee's name and signature who conducted the transaction.
52. 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 (or branch office) inventory or accountability.
 - c. Reconcile this current balance with the deposits and withdrawals at least daily.

Safe Deposit Boxes

Note: It is recommended, but not mandatory, that the following procedures for maintaining accurate records on the issuance and closure of safe deposit boxes also be adhered to in non-gaming areas of the licensee's establishment (e.g., hotel front desk).

53. The issuance and closure of a patron's safe deposit box in the casino cage or in other gaming areas of the licensee's establishment is evidenced by a document that includes the following information:
- a. Safe deposit box number.
 - b. Date of issuance and closure.
 - c. Patron's name and signature.
 - d. Type of identification credential, credential number, expiration date of credential, and date credential was examined.
- 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: For patrons that have an active established credit limit pursuant to MICS #1, examining the patron's identification credential is not required if another method is used to ensure the patron's identity. In such a case, "Account on file" is recorded as the type of identification credential examined.
- e. Employee's name and signature that issued or closed safe deposit box.

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54. Procedures are established to maintain a detailed record of all casino safe deposit boxes and the current status of each box (e.g., issued, not issued).

Cage/Vault Accountability

55. All transactions that flow through the casino cage are summarized on a cage accountability form for each of the cage's shifts.
56. 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.
57. 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.
58. The cage and vault inventories (including coin rooms/vaults) are counted by at least two persons, attested to by signature, and recorded in ink or other permanent form at the end of each shift during which activity took place (at least once daily). Such documentation is to include the date and shift for which the count was performed.
59. All net changes in outstanding casino accounts receivables, including all returned checks, are summarized on a cage accountability form or similar document on a per shift basis.
60. Such information is summarized and posted to the accounting records on at least a monthly basis.

Promotional Payouts, Drawings and Giveaway Programs

Note: MICS #61 - #63 apply to any payout (including the disbursement of non-negotiable chips) resulting from a promotional payout, drawing, or giveaway program (e.g., paycheck 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 applicable to these MICS are associated with gaming activity or a promotional scheme to encourage the patron to participate in gaming activity.

61. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.
62. Promotional payouts, including those as a result of drawings and giveaway programs, that are either deducted from gross gaming revenue, or are greater than or equal to \$500 and not deducted from gross gaming revenue, 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) 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 are deducted from gross gaming revenue;

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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 are deducted from gross gaming revenue; or
- 3) One employee signature for payouts of \$500 or more that are not deducted from gross gaming revenue.

e. Patron's name (for drawings only).

Note: MICS #62 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.

63. If the promotional cash (or cash equivalent) payout, including those as a result of drawings and giveaway programs, is less than \$500 and is not deducted from gross gaming revenue, 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 "casino 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 on the NGC tax returns.

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

65. A listing of all casino 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.)

66. Reclassification of an unpaid balance between the various casino accounts receivable listings (e.g., changing an account from active to write-off status) must not be reflected as a credit adjustment on the NGC tax returns.

67. The listing of all casino accounts receivable is reconciled to the general ledger each month.

68. All casino accounts receivable listings (the listings prepared pursuant to MICS #65) are reconciled to the NGC tax returns each month.

Note 1: Refer to the document entitled "Cage and Credit Accounts Receivable Listings Monthly Reconciliation" on the Board's website "<http://gaming.nv.gov>" for guidance and a reconciliation example.

Note 2: Any special procedures or documents (including document and report names) required to perform the reconciliation are delineated within the cage and credit section of the written system of internal control pursuant to Regulation 6.090.

69. Prior to submission of the NGC tax returns for the month, the reconciliations required by MICS #67 and #68 are completed, and any follow-up performed is documented and maintained. Any variances noted are resolved prior to submission of the tax returns.

70. On a monthly basis, calculate the collection percentage, looking for unusual trends, as follows:

a. The total of collections in areas other than the pit.

b. Divided by the sum of:

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- 1) Pit marker credits, and
- 2) 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.

71. Upon receipt, accounting/audit personnel review completed settlement/discount forms to ensure that all of the required information pursuant to Regulation 6.120 has been properly documented on the settlement/discount form.
72. 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.
73. 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 pursuant to MICS #1 and Regulation 6.120(2).
 - b. From the casino 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 in accordance with Regulation 6.120(3) 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, all partial payment receipts are subsequently reconciled to the payments recorded by the cage for the day and are numerically accounted for.
 - e. At least 3 days per month during each review, on a random basis, reconcile the total amount of the listing of credit payments received via mail (MICS #25), if required to be prepared, with the total mail receipts recorded on the appropriate accountability.

Note: If the above procedures detailed in MICS #73 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.

74. Daily, for all 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.
75. For 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 wagering accounts created during the month and ascertain compliance with registration procedures established in MICS #34 - #39 and Regulation 5.225 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 wagering report.

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- c. Accounting/audit personnel shall select a sample of withdrawal receipts and trace the amounts and transaction type to the detail wagering report.
 - d. For the wagering account(s) selected in MICS #75b and #75c, foot the credit and debit transactions to ensure that the totals for the wagering account(s) are accurate, and trace the beginning balance, credit total, debit total, and ending balance from the detail wagering account report to the wagering account balance summary report.
76. For 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.
77. Annually, review all 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.
78. For one day each month, accounting/audit personnel trace the amount of cage deposits to the amounts indicated in the bank statements.
79. 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, wagering instrument redemption machines and change machines). All chips and tokens are counted by denomination and type. Individual straps, bags, racks, 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. The count does not include table inventories or slot hopper funds.
- 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 pursuant to the Board's Internal Audit Compliance Checklists; however, internal audit may complete all three counts.
80. For each calendar quarter, select a sample of invoices for chips and tokens purchased during the calendar quarter being reviewed. Trace the dollar amount of chips or tokens indicated on the purchase invoice to the accountability document indicating the increase to the chips or tokens inventory to ensure the proper dollar amount of chips or tokens has been recorded on an accountability form.
81. 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 increases/decreases to the liability account including any adjustments for chip/token float.

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82. For one day each month, accounting/audit personnel reconcile the dollar amount of active wagering instruments created that are reflected in the cage accountability documents. The reconciliation includes using documents and cashless wagering system reports supporting all additions and reductions of active wagering instruments to the appropriate accountability area.

Note: Active wagering instruments are wagering instruments (paper or electronic) created through the cashless wagering system (not a gaming device) for purposes of wagering at a gaming device. The active wagering instruments are issued to an accountability area for subsequent distribution to patrons.

83. For one day each year for each branch office, trace the credit instrument collections as recorded by the branch office to patrons' credit accounts. Additionally, trace the branch office bank deposits, consisting of patron credit collections, to the appropriate bank statement and then to the patrons' credit accounts looking for any unrecorded payments.

84. The following procedures are performed for cage marker issuances/payments by accounting/audit personnel:

- a. 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.
- b. 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: If using a Board-authorized computer system issue report and payment report, footing once a year is acceptable.

- c. For each day, examine a sample of cage markers issued (originals or issue slips) and marker payments (receipts and payment slips) for proper completion.

85. The following procedures are performed for voided cage markers by accounting/audit personnel for each day:

- a. Examine all voided markers for proper authorization and "void" designation.
- b. For computer marker systems, trace the voided cage markers to the computer system report(s) reflecting void activity.
- 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.

86. 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.

87. Accounting/audit employees review system exception reports for all computerized cage systems (e.g., fill/credit systems, marker systems, wagering account systems) at least monthly for propriety of transactions and unusual occurrences. The

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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.

88. Monthly, accounting /audit personnel review all promotional payouts, drawings, and giveaway programs to determine proper accounting and proper win/loss computation.
89. 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, fliers).
 - b. Effective dates.
 - c. Accounting treatment, including general ledger accounts, if applicable.
90. Monthly, accounting/audit personnel perform procedures to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with conditions provided to the patrons. The procedures must include a review of documents along with employee interviews and/or observations.
91. 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.
92. 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, the exceptions noted and follow-up of all cage and credit audit exceptions.

Branch Offices and Independent Agents

Note 1: For purposes of the Cage and Credit MICS, the term “branch office” includes physical offices that can take possession of currency and/or monetary equivalents from a patron for account deposits and/or payment on credit instruments. The branch office is responsible for the funds received and is required to record the transactions on a branch office accountability form. A branch office can be within another business, a residence, or any other physical space. A branch office can be operated by a licensee’s employee, marketing representative or an independent agent. A single branch office may be used by multiple licensees.

Note 2: For purposes of the Cage and Credit MICS, an “independent agent” means an individual meeting such definition at NRS 463.0164.

93. At least monthly an employee independent of branch office operations and the cage department reconciles the listing prepared pursuant to MICS #20 to the credit issuances and payments recorded by the cage.
94. A current branch office list (“Branch Office Report”) is maintained by the licensee and is updated quarterly which includes the following for each branch office:
 - a. Location of the branch office.
 - b. The date the branch was opened and closed, if applicable.

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- c. The name of the branch office manager, branch office address, e-mail address, telephone number(s), and the normal hours of operation. If a branch office is operated within a person's residence, this must be specified. If the branch office is operated by an independent agent, this must be specified.
- d. Year-to-date and previous calendar year dollar amounts of the following transactions received/disbursed and controlled by the branch office:
 - 1) Cash deposits, noncash deposits and total deposits;
 - 2) Cash withdrawals, noncash withdrawals and total withdrawals;
 - 3) Cash payments on credit instruments, noncash payments on credit instruments and total payments on credit instruments;

Note: All forms of credit payments and deposits/withdrawals are to be reflected, including, but not limited to payments or deposits/withdrawals made with cash, chips, checks, wire transfers, deposits/withdrawals made by a patron directly to a branch office's bank account, and payments in kind (e.g., payments made with tangible assets such as land, real estate, accounts receivable, etc.).

95. A current independent agent list ("Independent Agent Report") is maintained and is updated quarterly which includes the following for each agent:

Note: This separate list of independent agents is a list of those agents who are not operating branch offices but are authorized by the licensee to receive deposits and/or payments on credit instruments from patrons at any location.

- a. The name of the agent, business address, e-mail address and telephone number(s).
- b. The date(s) the agent was under contract with the licensee.
- c. Year-to-date and previous calendar year dollar amounts of the following transactions received/disbursed and controlled by the agent:
 - 1) Cash deposits, noncash deposits and total deposits;
 - 2) Cash withdrawals, noncash withdrawals and total withdrawals;
 - 3) Cash payments on credit instruments, noncash payments on credit instruments and total payments on credit instruments;

Note 1: Amounts are to include activity related to agents traveling for collection purposes.

Note 2: All forms of credit payments and deposits/withdrawals are to be reflected, including, but not limited to payments or deposits/withdrawals made with cash, chips, checks, wire transfers, deposits/withdrawals made by a patron directly to an agent's bank account, and payments in kind (e.g., payments made with tangible assets such as land, real estate, accounts receivable, etc.).

96. Annually, the "Branch Office Report" and the "Independent Agent Report" are submitted to the Board's Audit Division no later than 30 days after the calendar year end using criteria established by the Board (see the Board's website "<http://gaming.nv.gov>" for filing instructions).

Note: Licensees that do not have branch offices/independent agents are not required to submit the list(s) described above; however, those licensees with annual gross gaming revenue of \$10 million or more must notify the Board's Audit Division in writing that the licensee does not have any branch offices/independent agents. This

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notification is due 30 days after the calendar year end (see the Board's website "<http://gaming.nv.gov>" for filing instructions).

97. Each branch office maintains the following documents:

- a. A separate monthly log, by day, of payments received on credit instruments that includes the patron's name on account to which the payment is being applied, the name of individual making the payment (if different than the patron), date of payment, dollar amount of payment, nature of payment (e.g., cash, check), and the name of the licensee(s) for which the payment is accepted if the office is utilized by more than one licensee. The log, or a summary log, is to include monthly subtotals for each licensee utilizing the branch office, and a monthly grand total.
- b. A separate monthly log, by day, of all funds deposited and withdrawn that includes the patron's name, date of deposit/withdrawal, dollar amount of deposit/withdrawal, nature of deposit (e.g., cash, check), nature of withdrawal (e.g., cash, marker payment), the new ending account balance, and the name of the licensee(s) for which the payment is accepted if the office is utilized by more than one licensee. The log, or a summary log, is to include for deposits and for withdrawals monthly subtotals for each licensee utilizing the branch office, and monthly grand totals.
- c. A monthly record of currency exchange rate gains and losses and money changer fees in conjunction with a patron's payment on credit instruments that includes the patron's name, date of receipt, and dollar amount of payment, and the name of the licensee(s) for which the payment is accepted if the office is utilized by more than one licensee. The log, or a summary log, is to include monthly subtotals for each licensee utilizing the branch office, and a monthly grand total. Alternatively, the accounting/finance department of the licensee rather than the branch office may maintain this information.

Note: The money changer fees paid by the patron is included in the dollar amount of collections reported on the NGC tax returns. Additionally, the dollar amount of collections reported on the NGC tax returns should not be adjusted for the currency exchange rate gain or loss in conjunction with a patron's payment.