



STEVE SISOLAK  
Governor

## NEVADA GAMING CONTROL BOARD

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TERRY JOHNSON, *Member*  
PHIL KATSAROS, *Member*

### NOTICE TO LICENSEES

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Notice # 2020-13

Issuing Division: Audit

**DATE:** April 3, 2020

**TO:** All Group I Nonrestricted Licensees, Group I Licensees' CPA Firms and Interested Persons

**FROM:** Terry Johnson, Esq., Board Member

**SUBJECT:** Computerized Contest and Tournament Systems

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Due to the recent amendment of NRS 463.0161, the definition of gross revenue has changed. Effective July 1, 2019, for contests and tournaments, the total cash received as entry fees less the cash and cost of any noncash prizes paid out, not to exceed the total compensation received for the right to participate, needs to be included in revenue. Consequently, computerized systems used in association with contests and tournaments are now considered associated equipment pursuant to the NRS 463.0136 and are subject to Board approval pursuant to Regulation 14.260(1). However, the Board has elected, pursuant to Regulation 14.260(2), to waive the approval requirement for any such computerized system, provided that the system meets one of the following criteria:

- An unapproved computerized system is strictly used to track and record entry fees and prize payouts for contests and tournament, and the computerized system does not determine the winner of a contest or tournament; or
- The computerized system is a component of a Board approved computerized system, such as a Bingo or Sports Pool system, used to track and record entry fees and prize payouts for contests and tournaments, and does not determine the winner of the contest or tournament.

In both cases, licensees using one of these systems are still responsible for ensuring that the system complies with applicable standards set forth in Version 8 (and any subsequent versions) of the Information Technology and the applicable revenue section's Minimum Internal Control Standards. In the event that noncompliance occurs, this waiver may be revoked for good cause.

If a computerized system used in conjunction with contests and tournaments does not meet either of the cases noted above, Board approval pursuant to Regulation 14.260(1) is required.

Please call Special Agent Lana Balasky or (702) 486-2060 if you have any questions.