

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

Note 1: 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 2: These MICS apply to any Board approved inter-casino linked system. The operator of the inter-casino linked system and the licensee may share responsibility for compliance, with some procedures performed by the licensee and others performed by the operator. All required procedures must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090, including the specific procedures performed by the operator.

Note 3: These MICS apply to contests/tournaments, promotional bingo, and free bingo operations (i.e., no cost to purchase bingo cards). The procedures for such contests/tournaments, promotional bingo, and free bingo operations must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.

Note 4: 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. 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.”
- An “electronic signature” is defined in NRS 719. 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 type of signatures used (i.e., handwritten or electronic) must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.

Note 5: For an “electronic signature,” procedures must be implemented to provide at least the same level of control as described by these MICS.

Note 6: As used in these MICS, the term “WAT” means wagering account transfer. “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 7: If the bingo department utilizes wagering accounts, compliance with Cage and Credit MICS for wagering accounts is required. Such procedures, including the area(s) of accountability, must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.

Note 8: For WAT and/or wagering instrument transactions between gaming areas and/or affiliated properties, the bingo section of the written system of internal control pursuant to Regulation 6.090 must delineate procedures describing how such transactions are accounted for and recorded.

Note 9: For gaming devices which offer wagers attributable to multiple gaming areas (e.g., slot play and live bingo play), procedures are established and will include at a minimum how revenue is accounted for, reconciled, and recorded. The use of these gaming devices and the established procedures must be delineated within the specific sections of the written system of internal control pursuant to Regulation 6.090.

Note 10: The term “kiosk” as used in these MICS refers to a self-activated machine that patrons use to place wagers, cash tickets/vouchers, open accounts, make account deposits, and/or withdrawals and is considered a writer/cashier station. MICS applicable to writers/cashiers (or writer/cashier stations) are also applicable to a kiosk unless otherwise stated within the MICS.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

Game Play Standards

1. Employees who sell cards or packs on the floor will not verify payouts while possessing cards or packs. Employees who sell cards or packs from a bingo counter are allowed to verify payouts.

Note 1: The above MICS is not applicable for those locations with an annual bingo write of \$1 million or less in the previous 12-month period ended June 30.

Note 2: A “pack” is a predetermined, orderly combination of two or more bingo cards (paper or electronic) played in one or more bingo games.

Note 3: If the sales of the employee selling cards/packs on the floor are recorded on a real time basis in a Board-authorized bingo system, this standard does not apply.

2. Bingo cards/packs (electronic and paper) are sold consecutively, through the assigning of a transaction number, beginning with the lowest unassigned transaction number.

Note: The above standard is not applicable, if the cards/packs (electronic and paper) available for sale are individually inventoried by a Board-authorized bingo system.

3. When an electronic bingo card/pack is sold, a unique number of the bingo card/pack sold to the patron for play during the upcoming bingo session is immediately recorded in an unalterable manner and maintained.

Note 1: The unique number is associated with the face numbers on the bingo card/pack and is used to evidence that the bingo card/pack was purchased for the session during which it is played.

Note 2: MICS #2 and #3 allow for bingo cards/packs to be sold after the start of a session (i.e., after the first number of the first game has been called).

4. For sales of bingo cards/packs using wagering accounts, WAT in must be processed through the wagering account system and requires the following prior to the sale of cards/packs:

- a. Verify the patron’s identity via a secured personal identification;
- b. Verify the availability of funds; and
- c. Confirm receipt of WAT in.

5. The bingo computer system, including computerized point-of-sale systems used for recording paper card/pack sales, will record the card/pack sale (electronic and paper) on a restricted transaction log or computer storage media.

Note 1: This standard only applies to paper bingo card sales in those cases when the licensee uses a computerized point-of-sale system. If a licensee does have a computerized point-of-sale system, the paper bingo cards sold must be entered into the system.

Note 2: If a licensee does not use a computerized point-of-sale system to record card/pack sales no restricted transaction log or computer storage media is required.

6. Bingo personnel are precluded from having unrestricted access to the restricted transaction log or computer storage media.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

7. When it is necessary to void a card/pack sale:
 - a. For a bingo computer system, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided card/pack sale. A supervisor authorizes the voiding of the card/pack sale through the bingo computer system. For electronic bingo devices, the voiding process includes deactivating the bingo card(s)/pack(s) in the original electronic bingo device if new bingo cards/packs are issued in a replacement electronic bingo device.
 - 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.
8. Controls exist to prevent the voiding of card/pack sales after the end of the first game of a session for which the bingo card/pack was sold. If a card/pack requires voiding after the start of the calling of the game, the reason for the void must be documented. The employee selling the bingo card/pack and supervisor must sign the documentation authorizing the void. The documentation must be forwarded to accounting for review.
9. The controls in effect for bingo card/pack sales in outstations are identical to those in effect for the primary bingo game.
10. All sales of bingo cards/packs are documented on a session bingo sales report by recording at least the following:
 - a. Date and time the summary report is completed.

Note: This standard does not apply to the date and time of each sale.
 - b. Session identifier.
 - c. The beginning and ending assigned transaction numbers of cards/packs sold (by type), if applicable.

Note: The above MICS is not applicable, if the cards/packs (electronic and paper) available for sale are individually inventoried by a bingo system.
 - d. Number of cards/packs sold (by type).
 - e. Dollar amount of cards/packs sold (by type).
 - f. Total dollar amount of cards/packs sold.
 - g. Signature or other identifier of seller(s).
11. An individual independent of the seller performs the following for each seller at the end of each session:
 - a. For each card/pack type, reconcile the documented total dollar amount of cards/packs sold to the documented number of cards/packs sold.
 - b. For each card/pack type, reconcile the number of cards/packs sold by comparing the documented beginning and ending assigned transaction number to the documented number of cards/packs sold.
 - c. For paper cards sold, compare the documented ending assigned transaction number to the beginning transaction number of the paper card inventory to determine that the paper cards are used in a consecutive number order.
 - d. Any noted variance is investigated with the results of the follow-up documented.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

- e. The verifier signs the session bingo sales report indicating that sales have been verified. This verifier may also sell bingo cards/packs as long as the sales are made out of a separate window/bank.

Note: The above MICS is not applicable for those locations with an annual bingo write of \$1 million or less in the previous 12-month period ended June 30.

- 12. Procedures are utilized to ensure the correct calling of numbers selected in the bingo game.
- 13. Each ball is shown to a television camera immediately before or after it is called so that it is individually displayed to all patrons. Alternatively, if a Board-authorized Smart Ball Blower system is used, a digital image of the ball number drawn may be displayed to patrons with the following conditions:
 - a. An employee of the bingo department must monitor the system (the drawn ball in the blower and the digital image) to ensure that the correct digital number is displayed to patrons;
 - b. Patrons must be allowed to visually observe the drawn balls in the blower immediately upon request; and
 - c. The procedures utilized in meeting the requirements of the aforementioned conditions must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.
- 14. Controls are present to ensure that the numbered balls are placed back into the selection device prior to calling the next game.
- 15. The authenticity of each payout (including the payout amount and type of winning card) is verified by at least two persons.

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.
- 16. 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.
- 17. Payouts in excess of \$1,200 require written approval by supervisory personnel independent of the transaction, indicating that the card has been examined and verified to the master card inventory to ensure that the card has not been altered or inappropriately played during the session.

Note: Compliance with standards #16 and #17 is met if the Board-authorized bingo system, that includes an approved computerized card verifying system, individually inventories the cards/packs (electronic and paper) available for sale, and ensures the winning card is within the established inventory.
- 18. Payouts are recorded by game and in total for the session on a payout report. The payout report is signed by two persons that witnessed and verified the dollar amount of the recorded payouts.
- 19. Payouts issued to a wagering account as WAT out require the following:
 - a. Verify the patron's identity via a secured personal identification;
 - b. Confirm receipt of WAT out; and
 - c. Documentation is created evidencing that the payout was made as a WAT out to the wagering account.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

20. Prior to making payment on a wagering instrument, an employee must verify the validity of the wagering instrument through the CWS. Prior to such payments, supervisory personnel approve payment of the wagering instrument in excess of an amount determined by management (not to exceed \$1,200) by signing, dating, and writing/stamping with a paid designation on the wagering instrument. The dollar amount threshold determined by management must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.
21. When a wagering instrument in excess of \$100 cannot be validated (scanned) for payment through the CWS other than because of a system failure (i.e., lost, stolen, mutilated, or expired wagering instruments), supervisory personnel approve payment by signing, dating, and writing/stamping with a paid designation on the wagering instrument. The amount of the payment is also recorded on the wagering instrument if the pre-printed amount is not legible. If a wagering instrument is not available, a document is prepared evidencing the approval and the above required information along with the wagering instrument's validation number, if available. Prior to such payments, supervisory personnel review the applicable transaction history or other CWS records to verify the validity of the wagering instrument. The payment of the wagering instrument is entered into the CWS by cage/bingo/accounting employees immediately, as applicable.
22. In the event of system failure, supervisory personnel approve payment of wagering instruments in excess of an amount determined by management (not to exceed \$250) by signing, dating, and writing/stamping with a paid designation on the wagering instrument. Prior to such payments, supervisory personnel review the transaction history or any other similar method to verify the validity of the wagering instrument. The payment of the wagering instrument is entered into the CWS by cage/bingo/accounting employees when the system resumes operation. The dollar amount threshold determined by management must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.
23. During a system failure, wagering instruments not requiring supervisory approval for payment when paid are written/stamped with a paid designation, signed by the cashier, and noted with the date paid. The payment of the wagering instrument is entered into the CWS by cage/bingo/accounting personnel when the system resumes operation.
24. Unredeemed wagering instruments can only be voided in the CWS when the wagering instrument is available and when voided by employees independent of the bingo department. The employee completing the void enters the void into CWS and clearly marks "void" across the face of the wagering instrument, dates, and signs the face of the wagering instrument. The accounting department maintains the voided wagering instrument.
25. The use of digitally represented wagering instruments is acceptable when using a Board approved system, which includes approved functionality for the use of such wagering instruments. The procedures for such wagering instruments must provide at least the same level of control described by these MICS and must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.
26. Wagering instruments found by employees are held in a secure location until claimed by a patron or until such time as the wagering instruments expire or are paid.

Promotional Payouts, Drawings, and Giveaway Programs

27. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.
28. 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, time, and session.
 - b. Dollar amount of payout or description of personal property (e.g., car).

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

- 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;

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

- 29. If the promotional cash (or cash equivalent) payout 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 or bingo accountability document (e.g., "43 \$10 bingo cash giveaway coupons = \$430").

Checkout Standards

- 30. The computer system indicates the amount of net cash that should be in each seller station. A supervisor is required to access this information. A supervisor simultaneously acting as a seller, may not have access to their own net cash information.

- 31. All funds used to operate the bingo department are recorded on an accountability form.

- 32. The above funds are counted by at least two persons and reconciled to the recorded amounts at the end of each session, and the session bingo sales and payout report are signed as evidence of the count and reconciliation.

Note 1: The above MICS is also to be performed whenever there is a change of seller during a session. In such a case when the cash is transferred from one seller to the next seller, the session bingo card/pack sales and payout report is to reflect, for each seller and for the session, the amount of cash turn in and any variances between the cash turn-in and the amount of net cash that should be turned in for each seller.

Note 2: Alternatively, the above MICS may be performed at the end of each shift rather than at the end of each session.

Note 3: MICS #31 does not apply to kiosks.

- 33. For each kiosk:

- a. At least weekly, a minimum of two employees remove all contents (excluding coin) from the kiosk.
- b. At least weekly, a minimum of two employees count the cash removed from the kiosk and document the count.
- c. At least quarterly, a minimum of two employees remove the coin from the kiosk, count the coin, and document the count.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

- d. Whenever employees remove contents (e.g., winning tickets, wagering instruments, or cash) from a kiosk, or cash/coin is inserted into a kiosk, reports are generated from the kiosk regarding kiosk transactions and accountability.
- e. At least weekly, an employee reconciles kiosk transactions. The cash remaining in each kiosk (including cash accepted by the kiosk) is compared to the cash initially loaded into the kiosk (i.e., imprest amount) plus/minus cash transactions (e.g., winning tickets, jackpot payouts, sales, ATM transactions, check cashing, wagering account transactions, wagering instruments, or bill breaking). The kiosk reports are compared to the transactions recorded by the other systems (e.g., jackpot payouts or CWS). Variances are documented and investigated.
- f. Winning tickets and/or wagering instruments are ultimately delivered to the accounting/finance department or stored in a secure area under the control of the accounting/finance department.

Access to Sensitive Areas

- 34. Access to controlled bingo equipment (e.g., blower, balls in play, and back-up balls) is restricted to authorized persons.
- 35. 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 individuals and is documented. The document includes the date and time of inspection, 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.
- 36. Bingo equipment is maintained and checked for accuracy on a periodic basis.
- 37. The bingo card/pack inventory (including electronic cards/packs) is controlled so as to ensure the integrity of the cards/packs being used.

Accounting and Statistical Records

- 38. A bingo revenue summary is maintained which includes write (card/pack sales), payouts, win, and a win-to-write hold percentage for:
 - a. Each session (session win-to-write hold percentage is not required).
 - b. Each day.
 - c. Month-to-date.
 - d. Year-to-date.
- 39. The month-end bingo revenue summary statistical information (prepared prior to the submission of the NGC tax returns for the month in which the activity occurred) is presented to and reviewed by management independent of the bingo department at least on a monthly basis and such management investigates any large or unusual statistical fluctuations. The investigation is to be completed no later than 30 days after the generation of the month end bingo revenue summary. The results of such investigations are documented and maintained.

Note 1: At a minimum, investigations are performed for statistical percentage fluctuations from the base level for a month in excess of +/- 5%.

Note 2: The base level is defined as either the win-to-write hold percentage for the most recent calendar or fiscal year, or a rolling average win-to-write hold percentage for the immediately preceding 12 months. If the licensee has been operating for less than 12 full months, base levels for partial years should be used.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

Random Number Generator

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

40. The numbers selected by the random number generator are directly relayed to, and automatically recorded in, the bingo computer system.

Contests/Tournaments

41. All contest/tournament entry fees, rebuys, and payouts (including mail transactions) are summarized on a cash accountability document on a daily basis.

42. When contest/tournament entry fees, rebuys, and payouts are transacted, the transactions are recorded on a document which contains:

- a. Patron's name.
- b. Date of entry/rebuy/payout.
- c. Dollar amount of entry fee/rebuy/payout (both alpha and numeric or unalterable numeric) and/or nature and dollar value of any noncash payout.
- d. Signature of individual completing the transaction attesting to the receipt or disbursement of the entry fee/rebuy/payout with the patron.

Note: When online registration is utilized, entry fees may be collected through a computerized system, provided the system creates a record which includes at a minimum: a timestamp of the transaction, a unique transaction code, and the patron's name. The system must also provide the patron with a receipt (e.g., e-mailed electronic receipt).

- e. Name of contest/tournament.
43. A monthly log is maintained which lists all contests/tournaments (including free contests/tournaments) held during the month, summarizing total entry fees/rebuys and total payouts (cash and non-cash prizes) to participants by individual contest/tournament.
44. The contest/tournament entry fees, rebuys, and payouts are summarized and posted to the accounting records on at least a monthly basis.
45. 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.
 - d. The name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee if applicable.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

46. 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/rebuys, 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.

Note: For free tournaments (i.e., patron does not pay an entry fee/rebuy), the information required by the above MICS must be recorded except for the number of entries, dollar amount of entry fees/rebuys, and total prize pool.

47. The aforementioned contest/tournament records are maintained for each event.

Computerized Player Tracking Systems

Note 1: Compliance with MICS #48 - #55 is required for all computerized bingo player tracking systems.

Note 2: As used in these Bingo MICS, the term “point” or “points” is a generic term and refers to a representative of value awarded to a patron based upon specific criterion established by the licensee. Commonly, points are earned by patrons placing wagers or purchasing room, food, beverage, or entertainment admissions. Patron accounts in a player tracking system are used to track points earned/awarded to patrons.

48. The addition/deletion of points to player tracking accounts other than through an automated process related to actual play must be sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, or bingo departments. The addition/deletion of points to player tracking accounts authorized by supervisory personnel is documented and is randomly verified by accounting/audit personnel on a quarterly basis.

Note: The above MICS does not apply to the deletion of points related to inactive or closed accounts through an automated process.

49. The issuance of wagering credits, both through and other than through actual bingo play, must be sufficiently documented and authorized by management personnel independent of the bingo department. Alternatively, bingo supervisory personnel may authorize the issuance of the wagering credits if sufficient documentation is generated and personnel independent of the bingo department on a quarterly basis randomly verify the issuance. The player tracking system creates and maintains documentation indicating the wagering credits issued.
50. Patron computerized player tracking accounts (active, inactive, and closed) are controlled in a manner that precludes any one individual from misappropriating the points. Such procedures must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.

Note: Procedures may include, but are not limited to, controls around the creation of player’s club cards, resetting of the password/PIN, and/or establishment of user provisioning for proper segregation of duties.

51. The licensee shall establish procedures for reactivating inactive or closed patron computerized player tracking accounts which requires the involvement of at least two employees. Documentation evidencing the involvement of two employees is created and maintained for each account reactivated. Such procedures must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090.
52. Patron identification is required when redeeming points without a player tracking card.
53. Changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory personnel independent of the bingo department. Alternatively, changes to player tracking system parameters may be performed by bingo supervisory personnel if sufficient documentation is generated and the propriety of the changes are randomly verified by personnel independent of the bingo department on a quarterly basis.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

54. All other changes to the player tracking system must be appropriately documented.
55. Rules and policies for player tracking accounts including the awarding, redeeming, and expiration of points are prominently displayed or available for patron review at the licensed location.

In-house Progressives

Note: MICS #56 and #57 also apply to an inter-casino linked system with a progressive, for affiliates.

56. At least daily, each bingo progressive payoff schedule is manually read and recorded. Progressive readings are forwarded to accounting daily.
57. On a daily basis for each progressive, audit/accounting personnel use the progressive meter readings required by MICS #56 to create and maintain progressive logs, which include at a minimum:
- a. Date the progressive was placed on the floor.
 - b. Base amount of progressive payoff schedule when first exposed for play.
 - c. Current amount of each progressive payoff schedule.
 - d. Explanation of each payout supporting a decrease to the payoff schedule:
 - 1) Date;
 - 2) Amount; and
 - 3) Payoff form number.
 - e. Investigate any variances noted and document and maintain the results of the investigation.

Accounting/Audit Standards

58. The bingo audit is conducted by someone independent of the bingo operation.
59. At least quarterly, for each kiosk, foot the winning tickets and/or wagering instruments redeemed for a week (or one drop period if dropped more frequently) and trace the totals to the totals recorded in the system(s) and the related accountability document. This procedure may be performed for different kiosks throughout the quarter as long as each kiosk is examined once per quarter. Document the test and the results of investigations into all variances, by kiosk.
- Note: This procedure may be performed by non-accounting personnel as long as the individual has not performed the reconciliation required by MICS #33.
60. Quarterly, procedures are performed to verify the integrity of the CWS (e.g., ensure that wagering instruments are only being created by active terminals on the casino floor). The nature of the review must be delineated within the bingo section of the written system of internal control pursuant to Regulation 6.090. Review the sequential wagering instrument exception report, if available, for breaks in the sequence or other unusual activity. Investigate improper transactions or unusual occurrences and document the results.
61. Monthly, accounting/audit personnel review all contest, tournament, promotional payout, drawing, and giveaway program documentation to determine proper accounting treatment and proper bingo gross revenue computation.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

62. For all contests, tournaments, promotional payouts (including payouts from computerized player tracking activity), 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 (e.g., brochures or flyers).
 - b. Effective dates.
 - c. Accounting treatment, including general ledger accounts, if applicable.
 - d. For tournaments and contests, the name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee, if any. The extent of responsibilities (including MICS compliance responsibilities) each organization and the licensee had in the contest/tournament (e.g., ABC nonprofit is to receive 100% of the entry fees and provide noncash prizes for the winners with the licensee collecting entry fees, operating the tournament, and distributing prizes to winners) will also be documented.
63. Monthly, accounting/audit personnel perform procedures to ensure that contests, tournaments, 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 licensed establishment. The results of the review, interviews, and observations must be documented and maintained.
- Note: Interviews and observations are still required to be performed even if no such promotions are generally offered as to ensure all promotions are captured, properly accounted for, and conducted in accordance with the conditions provided to patrons.
64. Daily, accounting/audit personnel reconcile all contest/tournament entry, rebuy, and payout forms to the dollar amounts recorded in the appropriate accountability document.
65. When payment is made to the winners of a contest/tournament, accounting/audit personnel will reconcile the contest/tournament entry fees/rebuys collected to the actual contest/tournament payouts made. This reconciliation is to determine whether, based on the entry fees/rebuys collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.
66. Bingo accounting/audit personnel perform the following:
- a. Daily, review the session bingo sales reports for proper completion and to determine that the dollar amount of cards/packs 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 as required by MICS #18.
 - c. Daily, reconcile the dollar amount of WAT in and WAT out per the WAT By Gaming Area report to the bingo revenue summary. Investigate and document any variances noted.
 - d. Daily, review all payouts in excess of \$1,200 for proper supervisor payout authorization.
 - e. 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).
 - f. Daily, for one cashier, foot the wagering instruments redeemed and trace the total to the total recorded in the system and to the amount recorded in the applicable cashier's accountability document.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

- g. Daily, reconcile issued, voided, and redeemed wagering instruments to the unpaid and expired wagering instruments dollar amount using the reports generated by the system. Investigate and document any variances noted. Examine paid expired wagering instruments for proper authorization and documentation pursuant to MICS #21 and #22.
- h. Daily, review all voids of bingo card/pack sales for proper completion and supervisory approval. For bingo computer systems, a review of the system report of voided bingo sales is also performed in determining appropriate supervisor authorization of voided card/pack sales.
- i. If a random number generator is used, at least weekly the numerical frequency distribution is reviewed for potential patterns during the previous four-week period.
- j. If a manual ball drawing device is used and a bingo computer system (or auditing software) generates a drawn number frequency report, at least weekly the numerical frequency distribution is reviewed for potential patterns and missing numbers during the previous four-week period.
- k. For a bingo computer system, review system exception reports on a daily basis for propriety of transactions and unusual occurrences. The review should include, but is not limited to, electronic bingo device malfunctions. 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 system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, etc.

- 67. Each month accounting personnel review system documentation that supports the dollar amount of expired wagering instruments. This dollar amount less any manually paid expired wagering instruments is verified to be included in revenue on the NGC tax returns. The system's unpaid wagering instruments documentation, including wagering instrument numbers, is restricted to authorized personnel.
- 68. For one day each month, accounting/audit personnel reconcile the dollar amount of active wagering instruments created, other than through bingo play, to the wagering instruments reflected in the bingo 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.
- 69. If bingo card sales are reported on a modified accrual basis (i.e., card/pack sales for future games/sessions are reported in the month of the session rather than the month the sale occurred), the following documentation is maintained and audit procedures are performed:
 - a. Futures reconciliation report which lists the amount of, by date of game/session for today and future game/session dates: card/pack sales written on previous days (previous write), card/pack sales today on future games/sessions (write today or future write), card/pack sales on previous days refunded today (previous canceled today), card/pack sales written on previous days for today's game/session (futures back-in), and total remaining card/pack sales for games/sessions in the future (net write).
 - b. Futures reports:
 - 1) Futures back-in card/pack sales detail report which lists the card/pack sales written on previous days for games/sessions occurring today, by game/session, including: the sales number, game/session description, and date of game/session. The report lists the total amount of card/pack sales written on previous days for today's games/sessions.
 - 2) Future card/pack sales detail report which lists the card/pack sales written on previous days and today for games/sessions in the future, by date of game/session and by game/session, including: the sales number, game/session description, and date of game/session. The future card/pack sales detail report lists totals of the amount of card/pack sales by date of game/session, by game/session, and for all card/pack sales.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

- c. Bingo accrual basis recap report lists the amount of bingo card/pack sales today for today's games/sessions (current write), card/pack sales today on future games/sessions (future write), card/pack sales on previous days for today's games/sessions, which includes unredeemed sales (futures back-in), accrual write, payouts from card/pack sales today and paid today (current payouts), and taxable revenue. The bingo accrual basis recap report is a daily and month-to-date report. Daily and month-to-date amounts may be reflected in separate reports rather than one report.

Note 1: As used in these MICS "unredeemed sales" refers to card/pack sales purchased in advance, which were not redeemed for the session purchased.

Note 2: As used in the above accrual basis recap report:

- Accrual write is equal to: current write (+) futures back-in.
- For cash basis, taxable revenue on NGC tax returns is equal to: current write (+) future write (-) current payouts.
- For modified accrual basis, taxable revenue on NGC tax returns is equal to: accrual write (-) current payouts.

- d. Monthly, for one day, accounting/audit personnel will perform procedures to ensure that bingo cards sold for future sessions (which includes unredeemed sales) were properly included in reported bingo revenue on the day of the session, using the documents in (a) and (b).

70. Monthly, reconcile the total amount of WAT in and WAT out per the WAT Summary report to the month-end bingo revenue summary. This reconciliation is documented and maintained. All variances are reviewed, documented, and maintained.

71. Monthly, accounting/audit personnel reconcile gross revenue from the general ledger and the bingo revenue summary to the monthly NGC tax returns. This reconciliation is documented and maintained. All variances are reviewed, documented, and maintained. The following adjustments, with supporting documents, may need to be reflected in this reconciliation:

- Wagering instruments.
- Contest/tournament revenue by event.
- Promotions.
- Pro rata share of an inter-casino linked system payout.
- Revenue resulting from a gaming device attributable to multiple gaming areas.
- Other allowable adjustments impacting reported bingo revenue.

72. Prior to submission of the NGC tax returns for the month, the reconciliations required by MICS #70 and #71 are completed, and any follow-up performed is documented and maintained. Any variances noted are resolved prior to submission of the tax returns.

73. For computerized player tracking systems, an accounting/audit employee shall perform the following procedures at least one day per quarter:

- a. Review all point addition/deletion authorization documentation, other than for point additions/deletions made through an automated process, for propriety.
- b. Review exception reports for propriety of transactions and unusual occurrences. The review should include, but is not limited to, transfers between accounts.
- c. Review the documentation related to reactivating inactive and closed accounts created in MICS #51 for the involvement of two employees.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

74. At least annually, the computerized bingo player tracking system (in-house developed and purchased systems) is reviewed by personnel independent of the individuals that set up or make changes to the system parameters. The review is performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the awarding of points based on the dollar amount wagered). The system should also be tested, if possible, to further verify the accuracy of the configuration parameters (e.g., simulate activity to verify the accuracy of the amount of points awarded). The test results are documented and maintained.

75. Quarterly, an inventory of all sensitive bingo keys is performed and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

Note: Sensitive keys include, but are not limited to, keys used to access restricted computer storage media and/or restricted equipment used to conduct the bingo game (e.g., bingo blower, back-up bingo ball inventories, or kiosks).

76. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of bingo audit procedures including any reviews, the exceptions noted, and follow-up of all bingo audit exceptions.

Inter-Casino Linked System for Affiliates

Note: MICS #77 - #79 apply to the operator/hub of the inter-casino linked system.

77. Monthly, accounting/audit personnel:

- a. Foot all invoices/contribution reports prepared by the operator/hub of the inter-casino linked system and trace to each payout.
- b. Foot all NGC tax return deductions by participating licensed affiliates to the total amount calculated by the operator/hub.

78. Quarterly, accounting/audit personnel:

- a. Review changes to the rate of progression pursuant to Regulation 5.112.
- b. Review all limits placed on progressive payoff schedules. Perform observations of the casino floor to ensure proper notices have been placed at or near each game to which the limit applies.

79. For all progressive payoff schedules that have been reduced or eliminated, ensure compliance with Regulation 5.112.

Payout Procedures for Mail-In Wagering Instruments

80. Accounting/audit personnel or personnel independent of the bingo department receive the original wagering instruments.

81. Accounting/audit personnel or personnel independent of the bingo department record the wagering instruments on a log as a mail pay. The log includes the date received, patron's name, wagering instrument number, and dollar amount.

82. The wagering instruments are entered into the computer system by bingo personnel or accounting/audit personnel for validation and cancellation.

83. Accounting/audit personnel compare the "paid" wagering instruments to the mail pay log and the system report for "paid" wagering instruments. Any discrepancies are documented and reviewed with bingo and accounting management personnel.

NEVADA GAMING CONTROL BOARD
MINIMUM INTERNAL CONTROL STANDARDS

BINGO

84. Accounting/audit personnel, independent of the individual(s) who processed the mail pay wagering instruments, review the patron's correspondence submitted, the wagering instruments, the mail pay log, and the system report for "paid" wagering instruments for any discrepancies. Any discrepancies are documented and resolved prior to remitting the proper payment amount to the patron.