

**FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA**

**ORDINANCE #06/99, AMENDED**

**MINIMUM INTERNAL CONTROL STANDARDS  
FOR GAMING OPERATIONS**

Adopted by the Fond du Lac Reservation Business Committee pursuant to Resolution #1262/99 on July 22, 1999.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #04/02 adopted by Resolution #1361/02 on December 10, 2002.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #02/03 adopted by Resolution #1060/03 on March 25, 2003.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #01/04 adopted by Resolution #1063/04 on March 4, 2004.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #04/05 adopted by Resolution #1190/05 on June 30, 2005.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #08/05 adopted by Resolution #1366/05 on December 15, 2005.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #05/07 adopted by Resolution #1508/07 on November 6, 2007.

Amended by the Fond du Lac Reservation Business Committee pursuant to Ordinance #03/13 adopted by Resolution #1314/13 on September 11, 2013.

Amended by Resolution #1219/14 the Fond du Lac Reservation Business Committee on June 18, 2014.

Amended by Resolution #1042/19 of the Fond du Lac Reservation Business Committee on February 12, 2019.

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CHAPTER 1

AUTHORITY, PURPOSE, AND SCOPE

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**Section 101**            **Authority**

This Ordinance is enacted pursuant to the inherent sovereign authority of the Fond du Lac Reservation Business Committee, as the governing body of the Fond du Lac Band of Lake Superior Chippewa, as recognized under Section 16 of the Indian Reorganization Act of 1934, 25 U.S.C. § 476, Section 201(2) of the Indian Civil Rights Act of 1968, 25 U.S.C. § 1301(2), Article VI of the Revised Constitution of the Minnesota Chippewa Tribe, the Indian Gaming Regulatory Act, 25 U.S.C. § 2701 et seq., and under the common law of the United States of America.

**Section 102**            **Findings, Purpose and Scope**

The Reservation Business Committee finds that it is necessary and in the best interests of the Fond du Lac Band to establish minimum standards for the internal controls of all gaming operations which are owned or licensed by the Band in order to protect the integrity and insure adequate oversight of those operations.

**Section 103**            **Reservation of Rights**

Nothing in this Ordinance, nor any action hereunder, shall operate as a waiver of the sovereign immunity of the Fond du Lac Band or as a consent to jurisdiction by any court or agency for any matter arising under law or equity with respect to the subject matter herein.

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## CHAPTER 2

### DEFINITIONS AND GENERAL PROVISIONS

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#### Section 201      Definitions and Interpretation

- a. Definitions. The following definitions shall apply in the interpretation of this Ordinance unless otherwise provided:
1. Account access card means an instrument used to access customer accounts for wagering at a gaming machine. Account access cards are used in connection with a computerized account database. Account access cards are not “smart cards”.
  2. Accountability means all financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time.
  3. Actual hold percentage means the percentage calculated by dividing the win by the drop or coin-in, and can be calculated for individual tables or slot machines, type of table games or slot gaming machines on a per day or cumulative basis.
  4. AICPA means the American Institute of Certified Public Accountants.
  5. Ante means a players initial wager or predetermined contribution to the pot before the dealing of the first hand.
  6. Agent means a person authorized by the gaming operation, as approved by the Reservation Business Committee, to make decisions or perform assigned tasks or actions on behalf of the gaming operation.
  7. Automated payout means payment issued by machine.
  8. Bank or bankroll means the inventory of currency, coins, chips, checks, tokens, and customer deposits in the cage, pit area, gaming booths, and on the playing tables and cash in bank which

is used to make change, pay winnings, bets, and pay gaming machine jackpots.

9. Bank number means a unique number assigned to identify a network of player terminals.
10. Bill acceptor means a device that accepts and reads cash by denomination in order to accurately register customer credits at a gaming machine.
11. Bill acceptor canister means the box attached to the bill acceptor used to contain cash received by bill acceptors.
12. Bill acceptor canister content key means the key used to open the bill acceptor canisters.
13. Bill acceptor canister release key means the key used to release the bill acceptor canister from the bill acceptor device.
14. Bill acceptor canister storage rack key means the key used to access the storage rack where bill acceptor canisters are secured.
15. Bill acceptor drop means cash contained in bill acceptor canisters.
16. Bill-in meter means a meter included on a gaming machine accepting cash that tracks the number of bills put in the machine.
17. Cage means a secure work area within the gaming operation for cashiers, which may include a storage area for the gaming operation bankroll.
18. Cage accountability form means an itemized list of the components that make up the cage accountability.
19. Card game means a game in which the gaming operation is not party to wagers and from which the gaming operation receives compensation in the form of a rake, a time buy-in, or other fee or payment from a player for the privilege of playing.

20. Card room bank means the operating fund assigned to the card room or main card room bank.
21. Cash equivalent means documents, financial instruments other than cash, or anything else of representative value to which the gaming operation has assigned a monetary value. A cash equivalent includes, but is not limited to, tokens, chips, coupons, vouchers, payout slips and tickets, and other items to which a gaming operation has assigned an exchange value.
22. Cashless system means a system that performs cashless transactions and maintains records of those cashless transactions.
23. Cashless transaction means a movement of funds electronically from one component to another, such as to or from a patron deposit account.
24. Cash-out ticket means an instrument of value generated by a gaming machine representing a monetary amount owed to a customer at a specific gaming machine. This instrument may be wagered at other machines by depositing the cash-out ticket in the machine bill acceptor.
25. Chips mean cash substitutes, in various denominations, issued by a gaming operation and used for wagering.
26. Class II gaming system means all components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games, including accounting functions mandated by Reservation Business Committee regulations.
27. Coin-in meter means the meter that displays the total amount wagered in a gaming machine which includes coins-in and credits played.
28. Coin room means an area where coins and tokens are stored.
29. Commission means the National Indian Gaming Commission.

30. Complimentary services or items or comps means services and items provided to a patron at the discretion of an agent on behalf of the gaming operation or by a third party on behalf of the gaming operation. Services and items may include, but are not limited to, travel, lodging, food, beverages, or entertainment expenses.
31. Count means the act of counting and recording the drop and/or other funds. Also, the total funds counted for a particular game, player interface, shift, or other period.
32. Count room means a secured room where the count is performed in which the cash and cash equivalents are counted.
33. Count team means agents that perform either the count of the gaming machine drop and/or the table game drop.
34. Coupon means a financial instrument of fixed wagering value that can only be used to acquire non-cashable credits through interaction with a voucher system. This does not include instruments such as printed advertising material that cannot be validated directly by a voucher system.
35. Credit slip means a form used to record the return of chips from a gaming table to the cage.
- 35a. Currency Cassette means a compartment that contains a specified denomination of currency. Currency cassettes are inserted into kiosks, allowing them to dispense currency.
36. Customer deposits means the amounts placed with a cage cashier by customers for the customers use at a future time.
37. Deal means a specific pull tab game that has a specific serial number associated with each game.
38. Dealer means an employee who operates a game, individually or as a part of a crew, administering house rules and making payoffs.
39. Dedicated camera means a video camera that continuously records a specific activity.

40. Document acceptor is the device integrated into each gaming machine that reads bar codes on coupons and cash-out tickets.
41. Drop:
- (A) for gaming machines means the total amount of cash, cash-out tickets, coupons, coins and tokens removed from the drop buckets or bill acceptor canisters.
  - (B) for table games means the total amount of cash, chips, and tokens removed from drop box.
42. Drop box means a locked container affixed to the gaming table into which drop is placed. The game type, table number, and shift are indicated on the box.
43. Drop box contents keys means the key used to open drop boxes.
44. Drop box release keys means the key used to release drop boxes from tables.
45. Drop bucket means a container located in the drop cabinet (or in a secured portion of the gaming machine in coinless/cashless configurations) for the purpose of collecting coins, tokens, cash-out tickets, and coupons from the gaming machine.
46. Drop cabinet means the wooden or metal base of the gaming machine which contains the gaming machine drop bucket.
47. Drop period means the period of time that occurs between sequential drops.
48. Drop proceeds means the total amount of financial instruments removed from drop boxes and bill acceptor canisters.
49. EPROM means erasable programmable read-only memory or other equivalent game software media.
50. Exception report means a listing of occurrences, transactions or items that fall outside a predetermined range of acceptability.

51. Financial Accounting Standards Board (FASB) means the generally accepted accounting principles used by private and for-profit corporations that are not considered governmental entities.
52. Fill means a transaction whereby a supply of chips, coins, or tokens is transferred from a bankroll to a table game or gaming machine.
53. Fill slip means a document evidencing a fill.
54. Financial instrument means any tangible item of value tendered in game play, including, but not limited to bills, coins, vouchers, and coupons.
55. Financial instrument storage component means any component that stores financial instruments, such as a bill acceptor canister or a drop box, but typically used in connection with player interfaces.
56. Flare means the information sheet provided by the manufacturer that sets forth the rules of a particular pulltab game and that is associated with a specific deal of pulltabs. The flare must contain the following information:
- (A) Name of the game;
  - (B) Manufacturer name or manufacturers logo;
  - (C) Ticket count; and
  - (D) Prize structure, which must include the number of winning pulltabs by denomination, with their respective winning symbols, numbers or both.
57. Game server means an electronic selection device, utilizing a random number generator.
58. Gaming machine means an electronic or electromechanical machine that allows a player to play games of chance, some of which may be affected by skill, which contains a microprocessor with random number generator capability for outcome selection

or computer terminal that accesses an outcome that is subsequently and randomly selected in drawings that are electronically conducted by central computer or other such methods of change selection, whether mechanical or electronic. The machine is activated by the insertion of cash or cash equivalents and which awards cash, cash equivalents, merchandise, or a written statement of the players accumulated credits, which written statements may be redeemable for cash.

59. *Gaming machine analysis report* means a report prepared that compares theoretical to actual hold by a gaming machine on a monthly or other periodic basis.
60. *Gaming machine booths and change banks* means a booth or small cage in the gaming machine area used to provide change to players, store change aprons and extra coin, and account for jackpot and other payouts.
61. *Gaming promotion* means any promotional activity or award that requires game play as a condition of eligibility.
62. *Generally Accepted Accounting Practices (GAAP)* means a widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board (FASB), including, but not limited to, the standards for casino accounting published by the American Institute of Certified Public Accountants (AICPA).
63. *Generally Accepted Auditing Standards (GAAS)* means a widely accepted set of standards that provide a measure of audit quality and the objectives to be achieved in an audit, as established by the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA).
64. *Governmental Accounting Standards Board (GASB)* means generally accepted accounting principles used by state and local governments.
65. *Gross gaming revenue* means annual total amount of cash wagered on Class II and Class III games and admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded.

66. Hold means the relationship of win to coin-in for gaming machines and win to drop for table games.
67. Independent means the separation of functions to ensure that the agent or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the agents or process performing the controlled activity, function, or transaction.
68. Internal audit means persons who perform an audit function of a gaming operation that are independent of the department subject to audit. Independence is obtained through the organizational reporting relationship as the internal audit department must not report to management of the gaming operation. Internal audit activities should be conducted in a manner that permits objective evaluation of areas examined. Results of audits are generally communicated to management. Audit exceptions generally require follow-up. Internal audit agents may provide audit coverage to more than one operation within a tribe's gaming operation holdings.
69. Jackpot payout means the portion of a jackpot paid by gaming machine agents. The amount is usually determined as the difference between the total posted jackpot amount and the amount paid out by the machine. May also be the total amount of the jackpot.
70. Kiosk means a device capable of redeeming vouchers and/or wagering credits or initiating electronic transfers of money to or from a patron deposit account.
71. Lammer button means a type of chip used to evidence transfers between table banks and card room banks.
72. Linked electronic game means any game linked to two (2) or more gaming operations that are physically separate and not regulated by the same tribal gaming regulatory authority.
73. Main card room bank means a fund of cash, coin, and chips used primarily for poker and pan card game areas. Used to make even

cash transfers between various games as needed. May be used similarly in other areas of the gaming operation.

74. Manual payout means any non-automated payout.
75. Master game program number means the game program number listed on a gaming machine EPROM.
76. Master game sheet means a form used to record, by shift and day, each table games winnings and losses. This form reflects the opening and closing table inventories, the fills and credits, and the drop and win.
77. Meter means an electronic (soft) or mechanical (hard) apparatus in a gaming machine. May record the number of coins wagered, the number of coins dropped, the number of times the handle was pulled, or the number of coins paid out to winning players.
78. MICS means minimum internal control standards.
79. Motion activated dedicated camera means a video camera that, upon its detection of activity or motion in a specific area, begins to record the activity or area.
80. Multi-game machines means a gaming machine that includes more than one type of game option.
81. Network communication equipment means a device or collection of devices that controls data communication in a system including, but not limited to, cables, switches, hubs, routers, wireless access points, landline telephones and cellular telephones.
82. NIGC Chair means the Chair of the National Indian Gaming Commission.
83. On-line gaming machine monitoring system means a system used by a gaming operation to monitor gaming machine meter readings and/or other activities on an on-line basis.
84. Order for credit means a form that is used to request the transfer of chips or markers from a table to the cage. The order precedes

the actual transfer transaction which is documented on a credit slip.

85. Par percentage means the percentage of each dollar wagered that the house wins (i.e., gaming operation advantage).
86. Par sheet means a specification sheet for a gaming machine that provides machine hold percentage, model number, hit frequency, reel combination, number of reels, number of coins that can be accepted and reel strip listing.
87. Patron means a person who is a customer or guest of the gaming operation and may interact with a game. Also may be referred to as a "player."
88. Payout means a transaction associated with a winning event.
89. PIN means personal identification number used to access players account.
90. Pit podium means stand located in the middle of the tables used by gaming operation supervisory agents as a work space and record storage area.
91. Pit supervisor means the employee who supervises all games in a pit.
92. Player interface means any component(s) of a gaming system, including an electronic or technologic aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly enables player interaction in a game.
93. Player tracking system means a system typically used in gaming machine departments that can record the gaming machine play of individual customers.
94. Primary and secondary pools means promotional pools offered at certain card games that can be won in addition to the primary pot.
95. Prize payout means payment to a player associated with a winning or qualifying event.

96. Progressive gaming machine means a gaming machine, with a payoff indicator, in which the payoff increases as it is played (i.e., deferred payout). The payoff amount is accumulated, displayed on a machine and will remain until a player lines up the jackpot symbols that result in the progressive amount being paid.
97. Progressive jackpot means deferred payout from a progressive gaming machine.
98. Progressive table game means table games that offer progressive jackpots.
99. Promotional payout means merchandise or awards given to players by the gaming operation based on a wagering activity.
100. Promotional progressive pots/pools means funds contributed to a game by and for the benefit of players that are distributed to players based on a predetermined event.
101. Rake means a commission charged by the house for maintaining or dealing a game such as poker.
102. Rake circle means the area of a table where rake is placed.
103. Random number generator means a device that generates numbers in the absence of a pattern. May be used to determine numbers selected in various games such as keno and bingo. Also commonly used in gaming machines to generate game outcome.
104. Reel symbols means symbols listed on reel strips of gaming machines.
105. Reservation Business Committee means the duly-elected governing body of the Fond du Lac Band of Lake Superior Chippewa and is the Tribal Gaming Regulatory Authority, the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act.
106. Runner means a gaming employee who transports chips/cash to or from a gaming table and a cashier.

107. Shift means a time period, unless otherwise approved by the Reservation Business Committee, not to exceed twenty-four (24) hours.
108. Shill means an agent financed by the gaming operation and acting as a player.
109. Smart card means a card with embedded integrated circuits that possesses the means to electronically store or retrieve account data.
110. Soft count means the count of the contents in a drop box or bill acceptor canister.
111. Statistical drop means the total amount of money, chips and tokens contained in the drop boxes, plus pit credit issued, minus pit credit payments in cash in the pit.
112. Statistical win means the closing bankroll, plus credit slips for cash, chips or tokens returned to the cage, plus drop, minus opening bankroll, minus fills to the table, plus marker credits.
113. Storage rack keys means the key used to access the storage rack where drop boxes and bill acceptors are secured.
114. Sufficient clarity means the capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.
115. Surveillance room or surveillance operation room means the secured area(s) where surveillance takes place and/or where active surveillance equipment is located.
116. Surveillance system means a system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance.
117. SICS or System of Internal Control Standards means an overall operational framework for a gaming operation that incorporates principles of independence and segregation of function, and is

comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designated to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud.

118. Table games means games that are banked by the house or a pool whereby the house or the pool pays all winning bets and collects from all losing bets.
119. Table inventory means the total coins and chips at a table.
120. Table inventory form means the form used by gaming operation supervisory agents to document the inventory of chips, coins and tokens on a table at the beginning and ending of a shift.
121. Table tray means the container located on gaming tables where chips, coins, or cash are stored that are used in the game.
122. Take means the same as earned and unearned take.
123. Terminal number means a unique number assigned to identify a single player terminal in the gaming operation.
124. Theoretical hold means the intended hold percentage or win of an individual gaming machine as computed by reference to its payout schedule and reel strip settings or EPROM.
125. Theoretical hold worksheet means a worksheet provided by the manufacturer for all gaming machines which indicate the theoretical percentages that the gaming machine should hold based on adequate levels of coin-in. The worksheet also indicates the reel strip settings, number of credits that may be played, the payout schedule, the number of reels and other information descriptive of the particular type of gaming machine
126. Tokens means a coin-like cash substitute, in various denominations, used for gambling transactions.
127. Vault means a secure area where cash and cash equivalents are stored.

128. Voucher means a financial instrument of fixed wagering value, usually paper, that can be used only to acquire an equivalent value of cashable credits or cash through interaction with a voucher system.
  129. Voucher system means a system that securely maintains records of vouchers and coupons; validates payment of vouchers; records successful or failed payments of vouchers and coupons; and controls the purging of expired vouchers and coupons.
  130. Wide area progressive gaming machine means a progressive gaming machine that is linked to machines in other operations and play on the machines affect the progressive amount. As wagers are placed, the progressive meters on all of the linked machines increase.
  131. Win means the net win resulting from all gaming activities, which is the difference between gaming wins and losses before deducting costs and expenses.
  132. Win-to-write hold percentage means win divided by write to determine hold percentage.
  133. Wrap means the method of storing coins after the count process has been completed, including, but not limited to, wrapping, racking, or bagging. It may also refer to the total amount or value of the counted and stored coins.
  134. Write means the total amount wagered in bingo and pulltabs
  135. Writer means an employee who sells bingo or pull tabs.
- b. Interpretation. The provisions of this Ordinance shall, to the greatest extent possible, be interpreted and implemented in a manner which is consistent with other applicable laws, regulations and procedures of the Fond du Lac Band as established by the Reservation Business Committee.

## Section 202

### Compliance

- a. Minimum standards. These are minimum standards and the Reservation Business Committee may establish and implement additional controls that do not conflict with those set out in this part.
- b. Compliance date. Each gaming operation conducted under license from the Fond du Lac Band, and which has commenced operations before September 18, 2013, must come into compliance with the latest amendments to this Ordinance by July 1, 2014. In the interim, such gaming operations must continue to comply with the previous version of this Ordinance. Each gaming operation conducted under license from the Fond du Lac Band, and which commences operations after September 18, 2013, must be in compliance with this Ordinance at the time its operations commence.
- c. SICS. Each gaming operation conducted under license from the Fond du Lac Band must develop a SICS, as approved by the Reservation Business Committee, to implement this Ordinance.
- d. Variances. Where required under this Ordinance, the gaming operation must set a reasonable threshold, approved by the Reservation Business Committee, for when a variance must be reviewed to determine the cause, and the results of the review must be documented and maintained.
- e. Computer Applications. For any computer applications utilized, alternate documentation and/or procedures that provide at least the level of control established by the standards of this part, as approved in writing by the Reservation Business Committee, will be acceptable.

## Section 203

### Small and Charitable Gaming Operations

- a. Small Gaming Operations. This part does not apply to small gaming operations provided that:
  1. The Reservation Business Committee permits the operation to be exempt from this part;
  2. The annual gross gaming revenue of the operation does not exceed \$3 million; and

3. The operation complies with alternate procedures approved by the Reservation Business Committee that:
  - (A) Protect the integrity of games offered;
  - (B) Safeguard the assets used in connection with the operation; and
  - (C) Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles.
  
- b. Charitable gaming operations. This part does not apply to charitable gaming operations provided that:
  1. All proceeds are for the benefit of a charitable organization;
  2. The Reservation Business Committee permits the charitable organization to be exempt from this part;
  3. The charitable gaming operation is operated wholly by the charitable organization's agents;
  4. The annual gross gaming revenue of the charitable operation does not exceed \$3 million; and
  5. The charitable gaming operation complies with alternate procedures approved by the Reservation Business Committee that:
    - (A) Protect the integrity of the games offered;
    - (B) Safeguard the assets used in connection with the gaming operation; and
    - (C) Create, prepare and maintain records in accordance with Generally Accepted Accounting Principles.
  
- c. Independent operators. Nothing in this section exempts gaming operations conducted by independent operators for the benefit of a charitable organization.

Section 204

Alternate Minimum Standards

a. Reservation Business Committee Approval.

1. The Reservation Business Committee may approve an alternate standard from those required by this part if it has determined that the alternate standard will achieve a level of security and integrity sufficient to accomplish the purpose of the standard it is to replace. A gaming operation may implement an alternate standard upon Reservation Business Committee approval subject to the NIGC Chair's decision, if applicable, pursuant to paragraph b. of this section.
2. For each enumerated standard for which the Reservation Business Committee approves an alternate standard affecting Class II gaming, it must submit to the NIGC Chair within 30 days a detailed report, which must include the following:
  - (A) An explanation of how the alternate standard achieves a level of security and integrity sufficient to accomplish the purpose of the standard it is to replace; and
  - (B) The alternate standard as approved and the record on which it is based.
3. In the event that the Reservation Business Committee chooses to submit an alternate standard request directly to the NIGC Chair for joint government to government review, the Reservation Business Committee may do so without the approval requirement set forth in paragraph a.2. of this section.

b. NIGC Chair Review.

1. The NIGC Chair may approve or object to an alternate standard affecting Class II Gaming approved by a Reservation Business Committee.
2. If the NIGC Chair approves the alternate standard, the alternative standard may continue to be used, as authorized by the Reservation Business Committee.

3. If the NIGC Chair objects, a gaming operation may no longer use the alternate standard and must follow the relevant MICS set forth in this Ordinance.
  4. Any objection by the NIGC Chair must be in writing and provide reasons that the alternate standard, as approved by the Reservation Business Committee, does not provide a level of security or integrity sufficient to accomplish the purpose of the standard it is to replace.
  5. If the NIGC Chair fails to approve or object in writing within 60 days after the date of receipt of a complete submission, the alternate standard is considered approved by the NIGC Chair. The NIGC Chair may, upon notification to the Reservation Business Committee, extend this deadline an additional 60 days.
- c. Appeal of NIGC Chair Decision. The Reservation Business Committee may appeal the NIGC Chair's decision pursuant to the Commission's regulations.

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## CHAPTER 3

### MINIMUM INTERNAL CONTROL STANDARDS FOR BINGO

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#### Section 301      Supervision

Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

#### Section 302      Bingo Cards

- a. Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:
  1. The bingo card inventory can be accounted for at all times; and
  2. Bingo cards have not been marked, altered, or otherwise manipulated.
- b. Receipt from Supplier.
  1. When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.
  2. Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.
- c. Storage.
  1. Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.

d. Issuance and returns of inventory.

1. Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:
  - (A) Issuance of inventory from storage to a staging area;
  - (B) Issuance of inventory from a staging area to the cage or sellers;
  - (C) Return of inventory from a staging area to storage; and
  - (D) Return of inventory from cage or seller to staging area or storage.

e. Cancellation and removal.

1. Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.
2. Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.

f. Logs.

1. The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.
2. The bingo card inventory record(s) must include:
  - (A) Date;
  - (B) Shift or session;
  - (C) Time;
  - (D) Location;

- (E) Inventory received, issued, removed, and returned;
- (F) Signature of agent performing transaction;
- (G) Signature of agent performing the reconciliation;
- (H) Any variance;
- (I) Beginning and ending inventory; and
- (J) Description of inventory transaction being performed.

**Section 303      Bingo Card Sales**

- a. Agents who sell bingo cards must not be the sole verifier of bingo cards for prize payouts.
- b. Manual bingo card sales. In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented:
  - 1. Date;
  - 2. Shift or session;
  - 3. Number of bingo cards issued, sold, and returned;
  - 4. Dollar amount of bingo card sales;
  - 5. Signature, initials, or identification number of the agent preparing the record; and
  - 6. Signature, initials, or identification number of an independent agent who verified the bingo cards returned to inventory and dollar amount of bingo card sales.
- c. Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:
  - 1. Patron refunds;

2. Adjustments to bingo card sales to reflect voids;
  3. Adjustment to bingo card inventory;
  4. Documentation of the reason for the void; and
  5. Authorization for all voids.
- d. Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but system limitation(s) must be noted):
1. Date;
  2. Time;
  3. Number of bingo cards sold;
  4. Dollar amount of bingo card sales; and
  5. Amount in, amount out and other associated meter information.

**Section 304**      **Draw**

- a. Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.
- b. Where the selection is made through an electronic aid, certification in accordance with applicable technical standards is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph d.1. of this section.
- c. Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.

- d. Verification and display of draw. Controls must be established and procedures implemented to ensure that:
  1. The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.
  2. For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.

**Section 305**      **Prize Payout**

- a. Controls must be established and procedures implemented for cash or cash equivalents that address the following:
  1. Identification of the agent authorized (by position) to make a payout;
  2. Predetermined payout authorization levels (by position); and
  3. Documentation procedures ensuring separate control of the cash accountability functions.
- b. Verification of validity.
  1. Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:
    - (A) Winning card(s);
    - (B) Objects drawn; and
    - (C) The previously designated arrangement of numbers or designations on such cards.
  2. At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.

3. Where an automated verification method is available, verification by such method is acceptable.

c. Validation.

1. For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.
2. For automated payouts, the system may serve as the sole validator of the claim.

d. Verification.

1. For manual payouts, at least two agents must verify that the winning pattern has been achieved on the winning card prior to the payment of a prize. The system may serve as one of the verifiers.
2. For automated payouts, the system may serve as the sole verifier that the pattern has been achieved on the winning card.

e. Authorization and signatures.

1. At least two agents must authorize, sign, and witness all manual prize payouts above \$1,200, or a lower threshold as authorized by management and approved by the Reservation Business Committee.
2. Manual prize payouts above \$20,000 (or a lower threshold, as authorized by management and approved by the Reservation Business Committee) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System bingo.
3. The predetermined thresholds, whether set at the levels designated in paragraphs 1. and 2. or at a lower level, must be authorized by management, approved by the Reservation Business Committee, documented, and maintained.
4. A Class II gaming system may substitute for one authorization/signature verifying, validating or authorizing a

winning card, but may not substitute for a supervisory or management authorization/signature.

- f. Payout records, including manual payout records, must include the following information:
  - 1. Date and time;
  - 2. Amount of the payout (alpha & numeric for player interface payouts); and
  - 3. Bingo card identifier or player interface identifier.
  - 4. Manual payout records must also include the following:
    - (A) Game name or number;
    - (B) Description of pattern covered, such as cover-all or four corners;
    - (C) Signature of all, but not less than two, agents involved in the transaction;
    - (D) For override transactions, verification by a supervisory or management agent independent of the transaction; and
    - (E) Any other information necessary to substantiate the payout.

**Section 306      Cash and cash equivalent controls**

- a. Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.
- b. Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift, session, or other relevant time period of the following:

1. Inventory, including any increases or decreases;
  2. Transfers;
  3. Exchanges, including acknowledging signatures or initials; and
  4. Resulting variances.
- c. Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.

**Section 307            Technological Aids to the Play of Bingo**

Controls must be established and procedures implemented to safeguard the integrity of technologic aids to the play of bingo during installations, operations, modifications, removal and retirements. Such procedures must include the following:

- a. Shipping and receiving.
  1. A communication procedure must be established between the supplier, the gaming operation, and the Reservation Business Committee to properly control the shipping and receiving of all software and hardware components. Such procedures must include:
    - (A) Notification of pending shipments must be provided to the Reservation Business Committee by the gaming operation;
    - (B) Certification in accordance with applicable technical standards;
    - (C) Notification from the supplier to the Reservation Business Committee, or the gaming operation as approved by the Reservation Business Committee, of the shipping date and expected date of delivery. The shipping notification must include:
      - (1) Name and address of the supplier;
      - (2) Description of shipment;

- (3) For player interfaces: a serial number;
    - (4) For software: software version and description of software;
    - (5) Method of shipment; and
    - (6) Expected date of delivery.
  2. Procedures must be implemented for the exchange of gaming system components for maintenance and replacement.
  3. Gaming system components must be shipped in a secure manner to deter unauthorized access.
  4. The Reservation Business Committee, or its designee, must receive all gaming system components and game play software packages, and verify the contents against the shipping notification.
- b. Access credential control methods.
1. Controls must be established to restrict access to the gaming system components, as set forth in Chapter 13 of this Ordinance.
- c. Recordkeeping and audit processes.
1. The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:
    - (A) Date placed into service;
    - (B) Date made available for play;
    - (C) Supplier;
    - (D) Software version;
    - (E) Serial number;

- (F) Game title;
- (G) Asset and/or location number;
- (H) Seal number; and
- (I) Initial meter reading.

2. Procedures must be implemented for auditing such records in accordance with Chapter 15 of this Ordinance.

d. System software signature verification.

- 1. Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs to the signatures provided in the independent test laboratory letter for that software version.
- 2. An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.
- 3. Procedures must be implemented for investigating and resolving any software verification variances.
- 4. Internal audits must be conducted as set forth in Chapter 15 of this Ordinance. Such audits must be documented.

e. Installation testing.

- 1. Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:
  - (A) Communication with the gaming system;
  - (B) Communication with the accounting system;
  - (C) Communication with the player tracking system;
  - (D) Currency and vouchers to bill acceptor;

- (E) Voucher printing;
  - (F) Meter incrementation;
  - (G) Pay table, for verification;
  - (H) Player interface denomination, for verification;
  - (I) All buttons, to ensure that all are operational and programmed appropriately;
  - (J) System components, to ensure that they are safely installed at location; and
  - (K) Locks, to ensure that they are secure and functioning.
- f. Display of rules and necessary disclaimers. The Reservation Business Committee or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request;
  - g. Reservation Business Committee approval of all technologic aids before they are offered for play.
  - h. All Class II gaming equipment must comply with applicable technical standards; and
  - i. Dispute resolution.

**Section 308            Operations**

- a. Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:
  - 1. Determination of the event causing the malfunction;
  - 2. Review of relevant records, game recall, reports, logs, surveillance records;
  - 3. Repair or replacement of the gaming component; and

4. Verification of the integrity of the gaming component before restoring it to operation.
- b. Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a gaming system from operation. Procedures must include the following:
1. For player interfaces and components that accept cash or cash equivalents:
    - (A) Coordinate with the drop team to perform a final drop;
    - (B) Collect final accounting information such as meter readings, drop and payouts;
    - (C) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and
    - (D) Document removal, retirement, and/or destruction.
  2. For removal of software components:
    - (A) Purge and/or return the software to the license holder; and
    - (B) Document the removal.
  3. For other related equipment such as blowers, cards, interface cards:
    - (A) Remove and/or secure equipment; and
    - (B) Document the removal or securing of equipment.
  4. For all components:
    - (A) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and

- (B) Coordinate with the accounting department to properly retire the component in the system records.
5. Where the Reservation Business Committee authorizes destruction of any gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:
- (A) Methods of destruction;
  - (B) Witness or surveillance of destruction;
  - (C) Documentation of all components destroyed; and
  - (D) Signatures of agent(s) destroying components attesting to destruction.

**Section 309      Vouchers**

- a. Controls must be established and procedures implemented to:
  - 1. Verify the authenticity of each voucher redeemed.
  - 2. If the voucher is valid, verify that the patron is paid the appropriate amount.
  - 3. Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.
  - 4. Retain payment documentation for reconciliation purposes.
  - 5. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- b. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid" by the cashier.
- c. Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.

- d. Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
- e. Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

**Section 310**            **Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance, including deviations from the mathematical expectations, will be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 4

### MINIMUM INTERNAL CONTROL STANDARDS FOR PULL-TABS

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#### Section 401      Supervision

Supervision must be provided as needed for pull tab operations and over pull tab storage areas by an agent(s) with authority equal to or greater than those being supervised.

#### Section 402      Pull Tab Inventory

Controls must be established and procedures implemented to ensure that:

- a. Access to pull tabs is restricted to authorized agents;
- b. The pull tab inventory is controlled by agents independent of pull tab sales;
- c. Pull tabs exchanged between agents are secured and independently controlled;
- d. Increases or decreases to pull tab inventory are recorded, tracked, and reconciled; and
- e. Pull tabs are maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the area.

#### Section 403      Pull Tab Sales

- a. Controls must be established and procedures implemented to record, track, and reconcile all pull tab sales and voids.
- b. When pull tab sales are recorded manually, total sales must be verified by an agent independent of the pull tab sales being verified.
- c. No person may have unrestricted access to pull tab sales records.

**Section 404**            **Winning Pull Tabs**

- a. Controls must be established and procedures implemented to record, track, and reconcile all redeemed pull tabs and pull tab payouts.
- b. The redeemed pull tabs must be defaced so that they cannot be redeemed for payment again.
- c. Pull tabs that are uniquely identifiable with a machine readable code (including, but not limited to a barcode) may be redeemed, reconciled, and stored by kiosks without the need for defacing, so long as the redeemed pull tabs are secured and destroyed after removal from the kiosk in accordance with the procedures approved by the Reservation Business Committee.
- d. At least two agents must document and verify all prize payouts above \$600, or lower threshold as authorized by management and approved by the Reservation Business Committee.
  - 1. An automated method may substitute for one verification.
  - 2. The predetermined threshold must be authorized by management, approved by the Reservation Business Committee, documented, and maintained.
- e. Total payout must be calculated and recorded by shift.

**Section 405**            **Pull Tab Operating Funds**

- a. All funds used to operate the pull tab game must be accounted for and recorded and all transfers of cash and/or cash equivalents must be verified.
- b. All funds used to operate the pull tab game must be independently counted and verified by at least two agents and reconciled to the recorded amounts at the end of each shift or session.

**Section 406**            **Statistical Records**

- a. Statistical records must be maintained, including (for games sold in their entirety or removed from play) a win-to-write hold percentage as compared to the expected hold percentage derived from the flare.
- b. A manager independent of the pull tab operations must review statistical information when the pull tab deal has ended or has been removed from the floor and must investigate any unusual statistical fluctuations. These investigations must be documented, maintained for inspection, and provided to the Reservation Business Committee upon request.

**Section 407**            **Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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CHAPTER 5  
MINIMUM INTERNAL CONTROL STANDARDS  
FOR CARD GAMES

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**Section 501**            **Supervision**

Supervision must be provided as needed during the card room operations by an agent(s) with authority equal to or greater than those being supervised.

- a. A supervisor may function as a dealer without any other supervision if disputes are resolved by supervisory agents independent of the transaction or independent of the card games department; or
- b. A dealer may function as a supervisor if not dealing the game.

**Section 502**            **Exchanges or Transfers**

- a. Exchanges between table banks and the main card room bank (or cage, if a main card room bank is not used) must be authorized by a supervisor. All exchanges must be evidenced by the use of a lammer unless the exchange of chips, tokens, and/or cash takes place at the table. If table banks are maintained at an imprest level and runners are used for the exchanges at the table, no supervisory authorization is required.
- b. Exchanges from the main card room bank (or cage, if a main card room bank is not used) to the table banks must be verified by the card room dealer and the runner.
- c. Transfers between the main card room bank and the cage must be properly authorized and documented. Documentation must be retained for at least 24 hours.

**Section 503**            **Playing Cards**

- a. New and used playing cards must be maintained in a secure location, with appropriate surveillance coverage, and accessible only to authorized agents.

- b. Used playing cards that are not to be re-used must be properly cancelled and removed from service to prevent re-use. The removal and cancellation procedure requires Reservation Business Committee review and approval.
- c. Playing cards associated with an investigation must be retained intact and outside of the established removal and cancellation procedure.

**Section 504            Shills**

The gaming operation must not use shills or shill funds.

**Section 505            Standards for Reconciliation of Card Room Bank**

Two agents—one of whom must be a supervisory agent—must independently count the table inventory at the opening and closing of the table and record the following information:

- a. Date;
- b. Shift;
- c. Table number;
- d. Amount by denomination;
- e. Amount in total; and
- f. Signatures of both agents.

**Section 506            Posted Rules**

The rules must be displayed or available for patron review at the gaming operation, including rules governing contests, prize payouts, fees, the rake collected, and the placing of antes.

**Section 507            Promotional Progressive Pots and Pools**

- a. All funds contributed by players into the pools must be returned when won in accordance with posted rules, and no commission or administrative fee may be withheld.

1. The payout may be in the form of personal property, such as a car.
  2. A combination of a promotion and progressive pool may be offered.
- b. The conditions for participating in current card game promotional progressive pots and/or pools must be prominently displayed or available for patron review at the gaming operation.
- c. Individual payouts for card game promotional progressive pots and/or pools that are \$600 or more must be documented at the time of the payout to include the following:
1. Patron's name;
  2. Date of payout;
  3. Dollar amount of payout and/or nature and dollar value of any non-cash payout;
  4. The signature of the agent completing the transaction attesting to the disbursement of the payout; and
  5. Name of contest/tournament.
- d. If the cash (or cash equivalent) payout for the card game promotional progressive pot and/or pool is less than \$600, documentation must be created to support accountability of the bank from which the payout was made.
- e. Rules governing current promotional pools must be conspicuously posted in the card room and/or available in writing for patron review. The rules must designate:
1. The amount of funds to be contributed from each pot;
  2. What type of hand it takes to win the pool;
  3. How the promotional funds will be paid out;
  4. How/when the contributed funds are added to the pools; and

5. Amount/percentage of funds allocated to primary and secondary pools, if applicable.
- f. Promotional pool contributions must not be placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
- g. The amount of the pools must be conspicuously displayed in the card room.
- h. At least once each day that the game is offered, the posted pool amount must be updated to reflect the current pool amount.
- i. At least once each day that the game is offered, agents independent of the card room must reconcile the increases to the posted pool amount to the cash previously counted or received by the cage.
- j. All decreases to the pool must be properly documented, including a reason for the decrease.
- k. Promotional funds removed from the card game must be placed in a locked container.
  1. Agents authorized to transport the locked container are precluded from having access to the contents keys.
  2. The contents key must be maintained by a department independent of the card room.
  3. At least once a day, the locked container must be removed by two agents, one of whom is independent of the card games department, and transported directly to the cage or other secure room to be counted, recorded, and verified, prior to accepting the funds into cage accountability.

**Section 508      Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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**CHAPTER 6**

**MINIMUM INTERNAL CONTROL STANDARDS  
FOR TABLE GAMES**

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**Section 601            Supervision**

Supervision must be provided as needed for table games operations by an agent(s) with authority equal to or greater than those being supervised.

**Section 602            Fill and Credit Standards**

- a.    Fill slips and credit slips must be in at least triplicate form, and in a continuous prenumbered series. Such slips shall be concurrently numbered in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.
- b.    Unissued and issued fill/credit slips must be safeguarded and adequate procedures must be employed in the distribution, use and control of same. Agents from the cashier or pit departments must have no access to the secured (control) copies of the fill/credit slips.
- c.    When a fill/credit slip is voided, the cashier must clearly mark "void" across the face of the original and first copy, the cashier and one other person independent of the transactions must sign both the original and first copy, and must submit them to the accounting department for retention and accountability.
- d.    Fill transactions must be authorized by pit supervisory agents prior to the issuance of fill slips and transfer of chips, tokens, or cash equivalents. The fill request must be communicated to the cage where the fill slip is prepared.
- e.    At least three parts of each fill slip must be utilized as follows:
  1.    One part must be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in table game drop box;

2. One part must be retained in the cage for reconciliation of cashier bank; and
  3. For computer systems, one part must be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part must be retained in a secure manner in a continuous unbroken form.
- f. The table number, shift, and amount of fill by denomination and in total must be noted on all copies of the fill slip. The correct date and time must be indicated on at least two copies.
  - g. All fills must be carried from the cashiers cage by an individual who is independent of the cage or pit.
  - h. The fill slip must be signed by at least the following individuals (as an indication that each has counted the amount of the fill and the amount agrees with the fill slip):
    1. Cashier who prepared the fill slip and issued the chips, tokens, or cash equivalent.
    2. Runner who carried the chips, tokens, or cash equivalents from the cage to the pit.
    3. Dealer who received the chips, tokens, or cash equivalents at the gaming table.
    4. The pit supervisory agent who supervised the fill transaction.
  - i. Fills must be broken down and verified by the dealer in public view before the dealer places the fill in the table tray.
  - j. A copy of the fill slip must then be deposited into the drop box on the table by the dealer, where it must appear in the soft count room with the cash receipts for the shift.
  - k. Table credit transactions must be authorized by a pit supervisor before the issuance of credit slips and transfer of chips, tokens, or other cash equivalents. The credit request must be communicated to the cage where the credit slip is prepared.

1. At least three parts of each credit slip must be utilized as follows:
  1. Two parts of the credit slip must be transported by the runner to the pit. After signatures of the runner, dealer, and pit supervisor are obtained, one copy must be deposited in the table game drop box and the original must accompany transport of the chips, tokens, or cash equivalents from the pit to the cage for verification and signature of the cashier.
  2. For computer systems, one part must be retained in a secure manner to insure that only authorized persons may gain access to it. For manual systems, one part must be retained in a secure manner in a continuous unbroken form.
- m. The table number, shift, and the amount of credit by denomination and in total must be noted on all copies of the credit slip. The correct date and time must be indicated on at least two copies.
- n. Chips, tokens and/or cash equivalents must be removed from the table tray by the dealer and must be broken down and verified by the dealer in public view prior to placing them in racks for transfer to the cage.
- o. All chips, tokens, and cash equivalents removed from the tables must be carried to the cashiers cage by an individual who is independent of the cage or pit.
- p. The credit slip must be signed by at least the following agents (as an indication that each has counted the items transferred):
  1. Cashier who received the items transferred from the pit and prepared the credit slip.
  2. Runner who carried the items transferred from the pit to the cage.
  3. Dealer who had custody of the items prior to transfer to the cage.
  4. The pit supervisory agent who supervised the credit transaction.
- q. The credit slip must be inserted in the drop box by the dealer.

- r. Chips, tokens, or other cash equivalents must be deposited on or removed from gaming tables only when accompanied by the appropriate fill/credit slip.
- s. Cross fills (the transfer of chips between table games) and even cash exchanges are prohibited in the pit.

**Section 603            Table Inventory Forms**

- a. At the close of each shift, for those table banks that were opened during that shift:
  - 1. The table's chip, token, and coin inventory must be counted and recorded on a table inventory form; or
  - 2. If the table banks are maintained on an imprest basis, a final fill or credit must be made to bring the bank back to par.
- b. If final fills are not made, beginning and ending inventories must be recorded on the master game sheet for shift win calculation purposes.
- c. The accuracy of inventory forms prepared at shift end must be verified by the outgoing pit supervisor and the dealer. Alternatively, if the dealer is not available, such verification may be provided by another pit supervisor or another supervisor from another gaming department. Verifications must be evidenced by signature on the inventory form.
- d. If inventory forms are placed in the drop box, such action must be performed by a person other than a pit supervisor.

**Section 604            Table Games Computer Generated Documentation Standards**

- a. The computer system must be capable of generating adequate documentation of all information recorded on the source documents and transaction detail (e.g., fill/credit slips).
- b. This documentation must be restricted to authorized agents.
- c. The documentation must include, at a minimum:
  - 1. System exception information (e.g., appropriate system parameter information, corrections, voids, etc.); and

2. Agent access listing which includes, at a minimum:
  - (A) Agent name; or
  - (B) Agents identification number; and
  - (C) Listing of functions agents can perform or equivalent means of identifying the same.

**Section 605**            **Standards for Playing Cards**

- a. Playing cards must be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.
- b. Used cards must be maintained in a secure location until marked, scored or destroyed, in a manner as approved by the Reservation Business Committee, to prevent unauthorized access and reduce the possibility of tampering.
- c. The Reservation Business Committee, or the gaming operation as approved by the Reservation Business Committee, must establish and the gaming operation must comply with a reasonable time period, which must not exceed seven (7) days, within which to mark, cancel, or destroy playing cards. However, this standard shall not apply where playing cards are retained for an investigation.
- d. A card control log must be maintained that documents when cards are received on site, distributed to and returned from tables and removed from play by the gaming operation.
- e. Notwithstanding subsections a. to d. of this Section, if a gaming operation uses plastic cards (not plastic-coated cards), the cards may be used for up to three (3) months if the plastic cards are routinely inspected, and washed or cleaned in a manner and time frame approved by the Reservation Business Committee.

**Section 606**            **Analysis of Table Game Performance Standards**

- a. Records must be maintained by day and shift indicating any single-deck blackjack games which were dealt for an entire shift.

- b. Records reflecting hold percentage by table and type of game must be maintained by shift, by day, cumulative month-to-date, and cumulative year-to-date.
- c. This information must be presented to and reviewed by management independent of the pit department on at least a monthly basis.
- d. The management in subsection c. above must investigate any unusual fluctuations in hold percentage with pit supervisory agents.
- e. The results of such investigations must be documented in writing, maintained for inspection, and provided to the Reservation Business Committee upon request.

**Section 607            Foreign Currency**

The following standards must apply if foreign currency is accepted in the pit:

- a. Foreign currency transactions must be authorized by a pit supervisor who completes a foreign currency exchange form before the exchange for chips or tokens;
- b. Foreign currency exchange forms include the country of origin, total face value, amount of chips/token extended (*i.e.*, conversion amount), signature of supervisor, and the dealer completing the transaction;
- c. Foreign currency exchange forms and the foreign currency must be inserted in the drop box by the dealer; and
- d. Alternate procedures specific to the use of foreign valued gaming chips may be developed by the Reservation Business Committee or the gaming operation as approved by the Reservation Business Committee.

**Section 608            Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 7

### MINIMUM INTERNAL CONTROL STANDARDS FOR GAMING MACHINES

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#### Section 701        Supervision

Supervision must be provided as needed for gaming machine operations by an agent(s) with authority equal to or greater than those being supervised.

#### Section 702        Definitions

The following definitions shall apply to the provisions of this Chapter:

- a.    Credit or customer credit means a unit of value equivalent to cash or cash equivalents deposited, wagered, won, lost or redeemed by a customer.
- b.    Coins shall include tokens.

#### Section 703        Agent Access Listing

For all computerized gaming machine systems, an agent access listing must be maintained which includes at a minimum:

- a.    Agent name or agent identification number (or equivalent); and
- b.    Listing of functions agents can perform or equivalent means of identifying same.

#### Section 704        Jackpot Prize Payouts and Fills

Controls must be established and procedures implemented for jackpot prize payout and fills that address the following:

- a.    Identification of the agent authorized (by position) to make a payout;
- b.    Predetermined payout authorization levels (by position);

- c. Computerized jackpot/fill systems must be restricted so as to prevent unauthorized access and fraudulent payouts by one person.
- d. Payout forms must be controlled and routed in a manner that precludes any one person from producing a fraudulent payout by forging signatures or by altering the amount paid out after the payout and misappropriating the funds; and
- e. Documentation procedures ensuring separate control of the cash accountability functions. Documentation at minimum must include the following information:
  - 1. Date and time;
  - 2. Machine number;
  - 3. Dollar amount of cash payout or gaming machine fill (both alpha and numeric) or description of personal property awarded, including fair market value. (Alpha is optional if another unalterable method is used for evidencing the amount of the payout);
  - 4. Game outcome (including reel symbols, card values, suits, etc.) for jackpot payouts. Game outcome is not required if a computerized jackpot/fill system is used; and
  - 5. Preprinted or concurrently printed sequential number.
- f. Verification.
  - 1. For payouts, at least two agents must verify that the winning pattern has been achieved prior to the payment of a prize. The system may serve as one of the verifiers.
  - 2. For automated payouts, the system may serve as the sole verifier that a winning pattern has been achieved.
- g. Authorization and signatures.
  - 1. At least two agents must authorize, sign, and witness all manual prize payouts above \$1,200, or a lower threshold as authorized by

management and approved by the Reservation Business Committee.

2. Manual jackpot prize payouts above \$20,000 (or a lower threshold, as authorized by management and approved by the Reservation Business Committee) must require one of the two signatures and verifications to be a supervisory or management agent independent of gaming machine operations.
  3. The predetermined thresholds, whether set at the MICS level or lower, must be authorized by management, approved by the Reservation Business Committee, documented, and maintained.
  4. A gaming system may substitute for one authorization/signature verifying or authorizing a win, but may not substitute for a supervisory or management authorization/signature.
- h. Payout records, including manual payout records, must include the following information:
1. Date and time;
  2. Amount of the payout (alpha & numeric for gaming machine payouts);
  3. Machine identifier;
  4. Signature of all, but not less than two, agents involved in the transaction;
  5. For override transactions, verification by a supervisory or management agent independent of the transaction; and
  6. Any other information necessary to substantiate the payout.

**Section 705**

**Cash and Cash Equivalent Controls for Gaming Machines Booths and Change Banks**

- a. Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained

variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.

- b. Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift or other relevant time period of the following:
  - 1. Transfers;
  - 2. Exchanges, including acknowledging signatures or initials; and
  - 3. Resulting variances.
- c. Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.
- d. The gaming machine booths and change banks that are active during the shift must be counted down and reconciled each shift by two agents utilizing appropriate accountability documentation.
- e. The wrapping of loose gaming machine booth and cage cashier coin must be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.
- f. A record must be maintained evidencing the transfers of wrapped and unwrapped coins and retained for seven (7) days.

**Section 706            Gaming Machines and Components**

Controls must be established and procedures implemented to safeguard the integrity of gaming machines and components during installations, operations, modifications, removal and retirements. Such procedures must include the following:

- a. Shipping and receiving.
  - 1. A communication procedure must be established between the supplier, the gaming operation, and the Reservation Business Committee to properly control the shipping and receiving of all software and hardware components. Such procedures must include:

- (A) Notification of pending shipments must be provided to the Reservation Business Committee by the gaming operation;
  - (B) Certification by an independent test lab (if technical standards apply through tribal law or compact);
  - (C) Notification from the supplier to the Reservation Business Committee, or the gaming operation as approved by the Reservation Business Committee, of the shipping date and expected date of delivery. The shipping notification must include:
    - (i) Name and address of the supplier;
    - (ii) Description of shipment;
    - (iii) Gaming machine serial number;
    - (iv) For software: software version and description of software;
    - (v) Method of shipment; and
    - (vi) Expected date of delivery.
2. Procedures must be implemented for the gaming machine system components for maintenance and replacement.
  3. Gaming machine components must be shipped in a secure manner to deter unauthorized access.
  4. The Reservation Business Committee, or its designee, must receive all gaming machine system components and game play software packages, and verify the contents against the shipping notification.
- b. Access credential control methods.
1. Controls must be established to restrict access to gaming machine system components.

- c. Recordkeeping and audit processes.
  - 1. The gaming operation must maintain the following records, as applicable, related to installed gaming machine system components:
    - (A) Date placed into service;
    - (B) Date made available for play;
    - (C) Supplier;
    - (D) Software version;
    - (E) Serial number;
    - (F) Game title or other similar identifying information;
    - (G) Asset and/or location number;
    - (H) Seal number; and
    - (I) Initial meter reading.
  - 2. Procedures must be implemented for auditing such records in accordance with Chapter 15, Minimum Internal Control Standards for Audit and Accounting.
- d. System software signature verification.
  - 1. Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs to the signatures provided in the independent test laboratory letter for that software version.
  - 2. An agent independent of the gaming machine operation must perform system software signature verification(s) to verify that only approved software is installed.
  - 3. Procedures must be implemented for investigating and resolving any software verification variances.

4. Internal audits must be conducted as set forth in Chapter 15, Minimum Internal Control Standards for Audit and Accounting. Such audits must be documented.
- e. Game program or other equivalent game software media control standards.
1. At least annually, procedures must be performed to ensure the integrity of a sample of gaming machine game program or other equivalent game software media, by agents independent of the gaming machine department or the machines being tested.
  2. The Reservation Business Committee, or the gaming operation subject to the approval of the Reservation Business Committee, must develop and implement procedures for the following:
    - (A) Removal of game program or other equivalent game software media, from devices, the verification of the existence of errors as applicable, and the correction via duplication from the master game program or other equivalent game software media;
    - (B) Copying one gaming device program to another approved program;
    - (C) Verification of duplicated game program or other equivalent game software media before being offered for play;
    - (D) Receipt and destruction of game program or other equivalent game software media; and
    - (E) Securing game program or other equivalent game software media and duplicator from unrestricted access.
  3. The master game program number, par percentage, and the pay table must be verified to the par sheet when initially received from the manufacturer.
  4. Gaming machines must have the game software circuit boards locked or physically sealed. The lock or seal must necessitate the

presence of a person independent of the gaming machine department to access the device game program or other equivalent game software media. If a seal is used to secure the board to the frame of the gaming device, it must be pre-numbered.

f. Installation testing.

1. Testing must be completed during the installation process to verify that the gaming machine component has been properly installed. This must include testing of the following, as applicable:

- (A) Communication with the gaming system;
- (B) Communication with the accounting system;
- (C) Communication with the player tracking system;
- (D) Currency and vouchers to bill acceptor;
- (E) Voucher printing;
- (F) Meter increments;
- (G) Pay table, for verification;
- (H) Gaming machine denomination, for verification;
- (I) All buttons, to ensure that all are operational and programmed appropriately;
- (J) System components, to ensure that they are safely installed at location; and
- (K) Locks, to ensure that they are secure and functioning.

g. Display of rules and necessary disclaimers.

The Reservation Business Committee or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request.

- h. Reservation Business Committee approval of all gaming machines before they are offered for play; and
- i. Dispute resolution.

Section 707            Operations

- a. Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:
  - 1. Determination of the event causing the malfunction;
  - 2. Review of relevant records, game recall, reports, logs, surveillance records;
  - 3. Repair or replacement of the gaming component; and
  - 4. Verification of the integrity of the gaming component before restoring it to operation.
- b. Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a gaming system from operation. Procedures must include the following:
  - 1. For gaming machines and components that accept cash or cash equivalents:
    - (A) Coordinate with the drop team to perform a final drop;
    - (B) Collect final accounting information such as meter readings, drop and payouts;
    - (C) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and
    - (D) Document removal, retirement, and/or destruction.
  - 2. For removal of software components:

- (A) Uninstall and/or return the software to the license holder; and
  - (B) Document the removal.
3. For all components:
- (A) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and
  - (B) Coordinate with the accounting department to properly retire the component in the system records.
4. Where the Reservation Business Committee authorizes destruction of any gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:
- (A) Methods of destruction;
  - (B) Witness or surveillance of destruction;
  - (C) Documentation of all components destroyed; and
  - (D) Signatures of agent(s) destroying components attesting to destruction.

**Section 708**

**Vouchers**

- a. Controls must be established and procedures implemented to:
- 1. Verify the authenticity of each voucher redeemed.
  - 2. If the voucher is valid, verify that the patron is paid the appropriate amount.
  - 3. Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.

4. Retain payment documentation for reconciliation purposes.
  5. For manual payment of a voucher in an amount established by management and approved by the Reservation Business Committee, require a supervisory agent to verify the validity of the voucher prior to payment.
- b. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid" by the cashier.
  - c. Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.
  - d. Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
  - e. Unredeemed vouchers can only be voided in the voucher system by supervisory agents. The accounting department will maintain the voided voucher, if available.

**Section 709                    Standards for Evaluating Theoretical and Actual Hold Percentages**

- a. Accurate and current theoretical hold worksheets must be maintained for each gaming machine.
- b. For multi-game/multi-denominational machines, an employee or department independent of the gaming machine department must:
  1. Weekly, record the total coin-in meter;
  2. Quarterly, record the coin-in meters for each payable contained in the machine; and
  3. On an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report to a weighted average based upon the ratio of coin-in for each game payable.
- c. For those gaming operations that are unable to perform the weighted average calculation as required by paragraph b. of this Section, the following procedures shall apply:

1. On at least an annual basis, calculate the actual hold percentage for each gaming machine.
  2. On at least an annual basis, adjust the theoretical hold percentage in the gaming machine statistical report for each gaming machine to the previously calculated actual hold percentage; and
  3. The adjusted theoretical hold percentage must be within the spread between the minimum and maximum theoretical payback percentages.
- d. The adjusted theoretical hold percentage for multi-game/multi-denominational machines may be combined for machines with exactly the same game mix throughout the year.
  - e. The theoretical hold percentages used in the gaming machine analysis reports should be within the performance standards set by the manufacturer.
  - f. Records must be maintained for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes.
  - g. Records must be maintained for each machine which indicate the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations.
  - h. All of the gaming machines must contain functioning meters which must record coin-in or credit-in, or on-line gaming machine monitoring system that captures similar data.
  - i. All gaming machines with bill acceptors must contain functioning billing meters which record the dollar amounts or number of bills accepted by denomination.
  - j. Gaming machine in-meter readings must be recorded at least weekly immediately prior to or subsequent to a gaming machine drop. On-line gaming machine monitoring systems can satisfy this requirement. However, the time between readings may extend beyond one week in

order for a reading to coincide with the end of an accounting period only if such extension is for no longer than six (6) days.

- k. The employee who records the in-meter reading must either be independent of the hard count team or must be assigned on a rotating basis, unless the in-meter readings are randomly verified quarterly for all gaming machines and bill acceptors by someone other than the regular in-meter reader.
- l. Upon receipt of the meter reading summary, the accounting department must review all meter readings for reasonableness using pre-established parameters.
- m. Prior to final preparation of statistical reports, meter readings which do not appear reasonable must be reviewed with gaming machine department employees or other appropriate designees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected.
- n. A report must be produced at least monthly showing month-to-date, year-to-date (previous twelve (12) months data preferred), and if practicable, life-to-date actual hold percentage computations for individual machines and a comparison to each machines theoretical hold percentage previously discussed.
- o. Each change to a gaming machines theoretical hold percentage, including progressive percentage contributions, must result in that machine being treated as a new machine in the statistical reports (i.e., not commingling various hold percentages), except for adjustments made in accordance with subsection b. of this Section.
- p. If promotional payouts and awards are included on the gaming machine statistical reports, it must be in a manner which prevents distorting the actual hold percentages of the affected machines.
- q. The statistical reports must be reviewed by both gaming machine department management and management employees independent of the gaming machine department on at least a monthly basis.
- r. For those machines that have experienced at least 100,000 wagering transactions, large variances (three percent (3%) recommended) between theoretical hold and actual hold must be investigated and

resolved by a department independent of the gaming machine department, with the findings documented and provided to the Reservation Business Committee upon request in a timely manner.

- s. Maintenance of the on-line gaming machine monitoring system data files must be performed by a department independent of the gaming machine department. Alternatively, maintenance may be performed by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified on a monthly basis by employees independent of the gaming machine department.
- t. Updates to the on-line gaming machine monitoring system to reflect additions, deletions, or movements of gaming machines must be made at least weekly prior to in-meter readings and the weigh process.

**Section 710            Gaming Machine Contents Standards**

- a. When machines are temporarily removed from the floor, gaming machine drop and contents must be protected to preclude the misappropriation of stored funds.
- b. When machines are permanently removed from the floor, the gaming machine drop and contents must be counted and recorded by at least two employees with appropriate documentation being routed to the accounting department for proper recording and accounting for initial loads.

**Section 711            In-House Progressive Gaming Machine Standards**

- a. A meter that shows the amount of the progressive jackpot must be conspicuously displayed at or near the machines to which the jackpot applies.
- b. At least once each day, each gaming operation must record the amount shown on each progressive jackpot meter at the gaming operation except for those jackpots that can be paid directly from the gaming machine.
- c. Explanations for meter reading decreases must be maintained with the progressive meter reading sheets, and where the payment of a jackpot is the explanation for a decrease, the gaming operation must record the

jackpot payout number on the sheet or have the number reasonably available.

- d. Each gaming operation must record the base amount of each progressive jackpot the gaming operation offers.
- e. The Reservation Business Committee must approve procedures specific to the transfer of progressive amounts in excess of the base amount to other gaming machines. Such procedures may also include other methods of distribution that accrue to the benefit of the gaming public via an award or prize.

**Section 712                      Wide Area Progressive Gaming Machine Standards**

- a. A meter that shows the amount of the progressive jackpot must be conspicuously displayed at or near the machines to which the jackpot applies.
- b. As applicable to the participating gaming operations, the wide area progressive gaming machines system must be adequately restricted to prevent unauthorized access (e.g., changing passwords at least quarterly, restrict access to EPROMs or other equivalent game software media, and restrict physical access to computer hardware, etc.).
- c. The Reservation Business Committee must approve procedures for the wide area progressive system that:
  - 1. Reconcile meters and jackpot payouts;
  - 2. Collect/drop gaming machine funds;
  - 3. Verify jackpot payment and billing to gaming operations on pro-rata basis;
  - 4. System maintenance;
  - 5. System accuracy; and
  - 6. System security.
- d. Reports, where applicable, adequately documenting the procedures required in subsection c. above must be generated and retained.

**Section 713**            **Information Technology**

All relevant controls from Chapter 13, Minimum Internal Control Standards for Information Technology and Information Technology Data, will apply.

**Section 714**            **Revenue Audit**

Standards for revenue audit of gaming machines are contained in Chapter 15, Minimum Internal Control Standard for Auditing Revenue.

**Section 715**            **Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance, including deviations from the mathematical expectations, will be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 8

### MINIMUM INTERNAL CONTROL STANDARDS FOR GAMING PROMOTIONS AND PLAYER TRACKING SYSTEMS

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#### Section 801        Supervision

Supervision must be provided as needed for gaming promotions and player tracking by an agent(s) with authority equal to or greater than those being supervised.

#### Section 802        Gaming Promotions

The rules of the gaming promotion must be displayed or made readily available to patron upon request. Gaming promotions rules require Reservation Business Committee approval and must include the following:

- a.     The rules of play;
- b.     The nature and value of the associated prize(s) or cash award(s);
- c.     Any restrictions or limitations on participant eligibility;
- d.     The date(s), time(s), and location(s) for the associated promotional activity or activities;
- e.     Any other restrictions or limitations, including any related to the claim of prizes or cash awards;
- f.     The announcement date(s), time(s), and location(s) for the winning entry or entries; and
- g.     Rules governing promotions offered across multiple gaming operations, third party sponsored promotions, and joint promotions involving third parties.

#### Section 803        Player Tracking Systems and Gaming Promotions

The following standards apply if a player tracking system is utilized:

- a. The player tracking system must be secured so as to prevent unauthorized access (e.g., changing passwords at least quarterly and physical access to computer hardware, etc.).
- b. Changes to individual player tracking accounts other than through actual gaming machine play must be sufficiently documented (including substantiation of reasons for increases) and must be authorized by a department independent of the player tracking and gaming machines. Alternatively, addition of points to members' accounts may be authorized by gaming machine supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the gaming machine department on a quarterly basis.
- c. Booth employees who redeem points for members must be allowed to receive lost players club cards, provided that they are immediately deposited into a secured container for retrieval by independent agents.
- d. Changes to the player tracking systems, promotion and external bonusing system parameters, which control features such as the awarding of bonuses, employee access, and the issuance of cashable credits, non-cashable credits, coupons and vouchers, must be performed under the authority of supervisory agents, independent of the department initiating the change. Alternatively, the changes may be performed by supervisory agents of the department initiating the change if sufficient documentation is generated and the propriety of the changes are randomly verified by supervisory agents independent of the department initiating the change on a monthly basis.
- e. All other changes to the player tracking system must be appropriately documented.

Section 804            Gaming Devices With a Promotional Feature: General Requirements

a.            Configuring Promotion Transactions on a Gaming Device.

Since a Promotional feature would impact the electronic accounting meters, any gaming device that allows Promotional gaming as a selectable feature must be a "secure means."

b. Error Conditions.

The following conditions must be monitored, and messages must be displayed to the patron, which would indicate the reason for any transaction failure to include the following:

1. Invalid PIN or Player ID (Can Prompt for Re-entry up to maximum allowed); and
2. Account Unknown.

c. Identifying a Promotional Device.

A patron must be able to identify each machine that supports the promotion by a means left to the discretion of the Band (*e.g.*, remove display menu items that pertain to promotional operation for gaming machines not participating; provide a host message indicating promotional capability; or a specific sticker on gaming machines to indicate participation or non-participation.) The method of identification must comply with the requirements of Section 6.9(12) of the Tribal-State Compact for the control of Class III Video Games of Chance.

d. Notification of a Promotional Award.

The method of promotional award notification can include any combination of host messaging, sounds, or visual indicators as long as deemed acceptable to the Band. Since promotional awards are paid directly to the gaming device (if applicable, after player intervention), the gaming device itself must reflect the amount of promotional awards. Additionally, electronic accounting meters, and logs will reflect all promotional transactions in accordance with Section 6.10(5) of the Tribal-State Compact for the control of Class III Video Games of Chance.

e. Disclaimers and Feature Expiration.

Any disclaimers such as promotion expiration and their display to the public are also left to the discretion of the Band, as they will likely be non-uniform across specific manufacturer implementations. Qualifying parameters and/or frequency of events and any specific information

relevant to the award type (e.g. the card reader bezel lighting a specific color to indicate a patron had qualified for a promotional award.)

Section 805            Gaming Devices With a Promotional Feature: Central System Security Requirements

a.    General Statement.

The rules within this section must be implemented by the host system to allow for securely changing of any of the associated parameters. Additionally, the communication process must be robust and stable enough to secure each promotional transaction such that failure event(s) can be identified and logged for subsequent audit and reconciliation.

b.    Modification of Critical Parameters.

All changes to parameters that may impact promotion redemption frequency or amount, must be logged indicating:

1.    Who made the change;
2.    The altered parameter;
3.    The time and date of change;
4.    The parameter value before and after the change; and
5.    The reason for the parameter adjustment.

c.    Prevention of Unauthorized Transactions.

The following minimal controls must be implemented by the host system to ensure that games are prevented from responding to commands for crediting outside of properly authorized Promotional transactions (hacking):

1.    The network hubs are secured (either in a locked/monitored room or area) and no access is allowed on any node without valid login and password;

2. The number of stations where critical promotional applications or associated databases could be accessed is limited;
3. The users who have the requisite permission levels/login to adjust critical parameters are limited; and
4. Procedures are in place on the system to identify and flag suspect player and employee accounts to prevent their unauthorized use to include:
  - (A) Having maximum number of incorrect PIN entries before account is locked out;
  - (B) Flagging of "hot" accounts where cards (other instruments) have been stolen;
  - (C) Invalidating accounts and transferring all balances into a new account; and
  - (D) User roles or procedures are established in promotional parameter configuration applications, which enforce logical separation of controls to discourage obvious misbehavior.

d. Diagnostic Tests on a Promotional Gaming Device.

Controls are placed on any diagnostic functionality available at the device/system such that all activity would reflect a specific account(s) and the individual(s) tasked to perform these diagnostics whereby all promotional diagnostic activity that affect the gaming machine associated meters may be audited by the Band Gaming Regulatory Authority.

**Section 806**            **Gaming Devices With a Promotional Feature: Central System Audit Trails**

a. General Statement.

The central system must have the ability to produce logs for all complete promotional transactions to include the same information required on gaming machine audit logs and capable of being filtered by:

1. Machine number;
2. Patron account; or
3. Promotional identification.

b. Transaction Report.

The player must be provided the ability to review a complete and comprehensive transaction report of all promotional transactions concluded, indicating each separate transaction with amount.

NOTE: The audit trail could be accessed on the gaming device via the card reader (or equivalent) or such information could be requested of the floor agents who would process such requests via a query of the promotional system.

**Section 807            Gaming Devices With a Promotional Feature: Financial Reports**

a. General Statement.

The system must have the ability to produce the following reports:

1. Patron Promotional Account Summary and Detail Reports. These reports must include beginning and ending balance(s), transaction information including gaming machine number, amount, date/time and type (if multiple types are supported);
2. Liability Report. The Liability Report must include the previous days ending value of outstanding promotional liability, aggregate promotional in and out totals, expired promotional value, and the current days ending promotional liability; and
3. Promotional Meter Reconciliation Summary and Detail Reports. These reports must provide reconciliation of each participating gaming machine promotional meter(s) against the host systems promotional activity.

a. General Statement.

For awards tied to a specific patron's account, the gaming enterprise may issue a patron a unique magnetic card and may require a personal identification number (PIN), in conjunction with an account on the host systems database, although any method of uniquely identifying patrons may be implemented. All such transactions between a supporting gaming machine and the host system must be secured either by card insertion into a magnetic card reader attached to the host system or other protected means. The promotional options are presented to the patron on the LCD/VFD display of the card reader, which should require selection using a keypad/touchscreen before occurring.

b. Removing Promotional Credits from a Players Account.

Promotional credits may be removed from a players account either through:

1. Downloading of the promotional credits to the gaming device;
2. Redeeming the promotional credits for merchandise/cash via a cashier; or
3. Expiration of promotional credits.

c. Movement of Promotional Credits.

Players may have the option of moving some of their system promotional credit to the gaming device, they are playing, through "withdrawal" from the players account, maintained by the system. Then when they are finished playing they may either "deposit" their balance from the machine onto their player account or redeem them from the gaming device via the available payout mechanism. Promotional gaming transactions are entirely electronic.

d. Personal Identification Number.

Usually a casino issues a patron a unique magnetic card and personal identification number (PIN) in conjunction with an account on the

systems database, although any method of uniquely identifying patrons may be implemented.

NOTE: Security of this information must be guaranteed at all times.

e. Account Balance.

Current balance information and promotional award transaction activities should be available on demand at any participating gaming device or other system terminal after confirmation of patron identity. All discretionary account funds (i.e. those funds that have a possible expiration) must be maintained separately.

NOTE: Security of this information must be guaranteed at all times.

**Section 809**            **Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 9

### MINIMUM INTERNAL CONTROL STANDARDS FOR COMPLIMENTARY SERVICES OR ITEMS

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#### Section 901      Supervision

Supervision must be provided as needed for approval of complimentary services by an agent(s) with authority equal to or greater than those being supervised.

#### Section 902      Complimentary Services or Items

Controls must be established and procedures implemented for complimentary services or items that address the following:

- a. Agents authorized to approve the issuance of complimentary services or items, including levels of authorization;
- b. Limits and conditions on the approval and issuance of complimentary services or items;
- c. Making and documenting changes to conditions or limits on the approval and issuance of complimentary services or items;
- d. Documenting and recording the authorization, issuance, and redemption of complimentary services or items, including cash and non-cash gifts;
  1. Records must include the following for all complimentary items and services equal to or exceeding an amount established by the gaming operation and approved by the Reservation Business Committee:
    - (A) Name of patron who received the complimentary service or item;
    - (B) Name(s) of issuer(s) of the complimentary service or item;
    - (C) The actual cash value of the complimentary service or item;

(D) The type of complimentary service or item (i.e., food, beverage); and

(E) Date the complimentary service or item was issued.

**Section 903            Review of Complimentary Service Reports**

Complimentary services and items records must be summarized and reviewed for proper authorization and compliance with established authorization thresholds.

a. A detailed reporting of complimentary services or items transactions that meet an established threshold approved by the Reservation Business Committee must be prepared at least monthly.

b. The detailed report must be forwarded to management for review.

**Section 904            Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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**CHAPTER 10**  
**MINIMUM INTERNAL CONTROL STANDARDS**  
**FOR DROP AND COUNT**

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**Section 1001**      **Supervision**

Supervision must be provided for drop and count as needed by an agent(s) with authority equal to or greater than those being supervised.

**Section 1002**      **Count room access**

Controls must be established and procedures implemented to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include the following:

- a. Count team agents may not exit or enter the count room during the count except for emergencies or scheduled breaks.
- b. Surveillance must be notified whenever count room agents exit or enter the count room during the count.
- c. The count team policy, at a minimum, must address the transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into or out of the count room.

**Section 1003**      **Count team**

Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following:

- a. All counts must be performed by at least three agents.
- b. At no time during the count can there be fewer than three count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability.
- c. Count team agents must be rotated on a routine basis such that the count team is not consistently the same three agents more than four

days per week. This standard does not apply to gaming operations that utilize a count team of more than three agents.

- d. Functions performed by count team agents must be rotated on a routine basis.
- e. Count team agents must be independent of the department being counted. A cage/vault agent may be used if they are not the sole recorder of the count and do not participate in the transfer of drop proceeds to the cage/vault. An accounting agent may be used if there is an independent audit of all count documentation.

#### **Section 1004      Table Game Drop Standards**

Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the following:

- a. Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
- b. At least two agents must be involved in the removal of the drop box, at least one of whom is independent of the table games department.
- c. Once the drop is started, it must continue until finished.
- d. All drop boxes may be removed only at the time previously designated by the gaming operation and reported to the Reservation Business Committee. If an emergency drop is required, surveillance must be notified before the drop is conducted and the Reservation Business Committee must be informed with the timeframe approved by the Reservation Business Committee.
- e. The gaming operation may either utilize a single drop box with separate openings and compartments for each shift or at the end of each shift:
  - 1. All locked table game drop boxes must be removed from the tables by an agent independent of the table game shift being dropped;
  - 2. For any tables opened during the shift, a separate drop box must be placed on each table; and

3. Table game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the table game department, until the count takes place.
- f. All tables that were not open during a shift and therefore not part of the drop must be documented.
- g. All table game drop boxes must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

**Section 1005      Card game drop standards**

Controls must be established and procedures implemented to ensure security of the drop process. Such controls must include the following:

- a. Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
- b. At least two agents must be involved in the removal of the drop box, at least one of whom is independent of the card games department.
- c. Once the drop is started, it must continue until finished.
- d. All drop boxes may be removed only at the time previously designated by the gaming operation and reported to the Reservation Business Committee. If an emergency drop is required, surveillance must be notified before the drop is conducted and the Reservation Business Committee must be informed within a timeframe approved by the Reservation Business Committee.
- e. At the end of each shift:
  1. All locked card game drop boxes must be removed from the tables by an agent independent of the card game shift being dropped;
  2. For any tables opened during the shift, a separate drop box must be placed on each table, or a gaming operation may utilize a single drop box with separate openings and compartments for each shift; and

3. Card game drop boxes must be transported directly to the count room or other equivalently secure area by a minimum of two agents, at least one of whom is independent of the card game shift being dropped, until the count takes place.
- f. All tables that were not open during a shift and therefore not part of the drop must be documented.
- g. All card game drop boxes must be posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift, if applicable.

**Section 1006      Gaming machine and financial instrument storage component drop standards**

- a. Surveillance must be notified when the drop is to begin so that surveillance may monitor the activities.
- b. At least two agents must be involved in the removal of the gaming machine and financial instrument storage component drop, at least one of whom is independent of the gaming machine department.
- c. All financial instrument storage components may be removed only at the time previously designated by the gaming operation and reported to the Reservation Business Committee. If an emergency drop is required, surveillance must be notified before the drop is conducted and the Reservation Business Committee must be informed within a timeframe approved by the Reservation Business Committee.
- d. The financial instrument storage components must be removed by an agent independent of the gaming machine department, then transported directly to the count room or other equivalently secure area with comparable controls and locked in a secure manner until the count takes place.
  1. Security must be provided for the financial instrument storage components removed from gaming machines and awaiting transport to the count room.
  2. Transportation of financial instrument storage components must be performed by a minimum of two agents, at least one of whom is independent of the gaming machine department.

- e. All financial instrument storage components must be posted with a number corresponding to a permanent number on the gaming machine.

**Section 1007      Table Game Count Standards**

- a. Access to stored, full table game drop boxes must be restricted to:
  - 1. Authorized members of the drop and count teams; and
  - 2. In an emergency, authorized persons for the resolution of a problem.
- b. The table game count must be performed in a count room or other equivalently secure area with comparable controls.
- c. Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance agents.
- d. If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect to prevent the commingling of funds from different revenue centers.
- e. Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
- f. The table game drop boxes must be individually emptied and counted so as to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - 1. The count of each box must be recorded in ink or other permanent form of recordation.
  - 2. For counts that do not utilize a currency counter, a second count must be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.

3. Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document by either the count team members or accounting agents. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.
4. If a currency counter interface is used:
  - (A) It must be restricted to prevent unauthorized access; and
  - (B) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.
- g. If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
- h. Two counts of the currency rejected by the currency counter must be recorded per table, as well as in total. Posting rejected currency to a nonexistent table is prohibited.
- i. Table game drop boxes, when empty, must be shown to another member of the count team, to another agent observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.
- j. Orders for fill/credit, if applicable, must be matched to the fill/credit slips. Fills and credits must be traced to or recorded on the count sheet and examined for correctness.
- k. The opening/closing table inventory forms (if applicable) must either be:
  - i. Examined and traced to or recorded on the count sheet; or
  - ii. If a computerized system is used, accounting agents can trace the opening/closing table inventory forms to the count sheet. Discrepancies must be investigated with the findings documented and maintained for inspection.
- l. Procedures must be implemented to ensure that any corrections to the count documentation are permanent and identifiable, and that the

original, corrected information remains legible. Corrections must be verified by two count team agents.

- m. The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented.
- n. All count team agents must sign the count sheet attesting to their participation in the count.
- o. A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by at least two agents, one of whom is a supervisory count team member, and one a count team agent.
  - 1. Final verification must include a comparison of currency counted totals against the currency counter/system report, if any counter/system is used.
  - 2. Any unresolved variances must be documented, and the documentation must remain part of the final count record forwarded to accounting.
  - 3. This verification does not require a complete recount of the drop proceeds, but does require a review sufficient to verify the total drop proceeds being transferred.
  - 4. The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.
  - 5. All drop proceeds and cash equivalents that were counted must be submitted to the cage or vault agent (who must be independent of the count team), or to an agent independent of the revenue generation source and the count process, for verification. The agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.
- p. After verification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.

1. The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
  2. The cage/vault agent must have no knowledge or record of the drop proceeds total before it is verified.
  3. All count records must be forwarded to accounting or secured and accessible only by accounting agents.
  4. The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assume accountability of the drop proceeds, ending the count.
  5. Any unresolved variances between total drop proceeds recorded on the count sheet and the cage/vault final verification during transfer must be documented and investigated.
- q. The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or an agent independent of the cage/vault. Alternatively, it may be secured so that it is only accessible by the accounting department.

**Section 1008      Card game count standards**

- a. Access to stored, full card game drop boxes must be restricted to:
  1. Authorized members of the drop and count teams; and
  2. In an emergency, authorized persons for the resolution of a problem.
- b. The card game count must be performed in a count room or other equivalently secure area with comparable controls.
- c. Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance agents.

- d. If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect to prevent the commingling of funds from different revenue centers.
- e. Count equipment and systems must be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment.
- f. The card game drop boxes must be individually emptied and counted so as to prevent the commingling of funds between boxes until the count of the box has been recorded.
  - 1. The count of each box must be recorded in ink or other permanent form of recordation.
  - 2. For counts that do not utilize a currency counter, a second count must be performed by a member of the count team who did not perform the initial count. Separate counts of chips and tokens must always be performed by members of the count team.
  - 3. Coupons or other promotional items not included in gross revenue must be recorded on a supplemental document by either the count team members or accounting agents. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.
  - 4. If a currency counter interface is used:
    - (A) It must be restricted to prevent unauthorized access; and
    - (B) The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.
- g. If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
- h. Two counts of the currency rejected by the currency counter must be recorded per table, as well as in total. Posting rejected currency to a nonexistent table is prohibited.

- i. Card game drop boxes, when empty, must be shown to another member of the count team, to another agent observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.
- j. Procedures must be implemented to ensure that any corrections to the count documentation are permanent and identifiable, and that the original, corrected information remains legible. Corrections must be verified by two count team agents.
- k. The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented.
- l. All count team agents must sign the count sheet attesting to their participation in the count.
- m. A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by at least two agents, one of whom is a supervisory count team member, and one a count team agent.
  - 1. Final verification must include a comparison of currency counted totals against the currency counter/system report, if any counter/system is used.
  - 2. Any unresolved variances must be documented, and the documentation must remain part of the final count record forwarded to accounting.
  - 3. This verification does not require a complete recount of the drop proceeds, but does require a review sufficient to verify the total drop proceeds being transferred.
  - 4. The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.
  - 5. All drop proceeds and cash equivalents that were counted must be submitted to the cage or vault agent (who must be independent of the count team), or to an agent independent of the revenue generation source and the count process, for verification. The agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must

be reconciled, documented, and/or investigated by accounting/revenue audit.

- n. After verification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.
  - 1. The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
  - 2. The cage/vault agent must have no knowledge or record of the drop proceeds total before it is verified.
  - 3. All count records must be forwarded to accounting or secured and accessible only by accounting agents.
  - 4. The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assume accountability of the drop proceeds, ending the count.
  - 5. Any unresolved variances between total drop proceeds recorded on the count sheet and the cage/vault final verification during transfer must be documented and investigated.
- o. The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or an agent independent of the cage/vault. Alternatively, it may be secured so that it is only accessible by the accounting department.

**Section 1009      Gaming machine financial instrument count standards**

- a. Access to stored full financial instrument storage components must be restricted to:
  - 1. Authorized members of the drop and count teams; and
  - 2. In an emergency, authorized persons for the resolution of a problem.
- b. The gaming machine financial instrument count must be performed in a count room or other equivalently secure area with comparable controls.

- c. Access to the count room during the count must be restricted to members of the drop and count teams, with the exception of authorized observers, supervisors for resolution of problems, and authorized maintenance agents.
- d. If counts from various revenue centers occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from different revenue centers.
- e. The count team must not have access to amount-in or bill-in meter amounts until after the count is completed and the drop proceeds are accepted into the cage/vault accountability.
- f. Count equipment and systems must be tested, and the results documented, before the first count begins, to ensure the accuracy of the equipment.
- g. If a currency counter interface is used:
  - 1. It must be adequately restricted to prevent unauthorized access; and
  - 2. The currency drop figures must be transferred via direct communications line or computer storage media to the accounting department.
- h. The financial instrument storage components must be individually emptied and counted so as to prevent the commingling of funds between storage components until the count of the storage component has been recorded.
  - 1. The count of each storage component must be recorded in ink or other permanent form of recordation.
  - 2. Coupons or other promotional items not included in gross revenue may be recorded on a supplemental document by the count team members or accounting agents. All single-use coupons must be cancelled daily by an authorized agent to prevent improper recirculation.

- i. If currency counters are utilized, a count team member must observe the loading and unloading of all currency at the currency counter, including rejected currency.
- j. Two counts of the currency rejected by the currency counter must be recorded per interface terminal as well as in total. Rejected currency must be posted to the gaming machine from which it was collected.
- k. Storage components, when empty, must be shown to another member of the count team, to another agent who is observing the count, or to surveillance, provided that the count is monitored in its entirety by an agent independent of the count.
- l. Procedures must be implemented to ensure that any corrections to the count documentation are permanent, identifiable and the original, corrected information remains legible. Corrections must be verified by two count team agents.
- m. The count sheet must be reconciled to the total drop by a count team member who may not function as the sole recorder, and variances must be reconciled and documented. This standard does not apply to vouchers removed from the financial instrument storage components.
- n. All count team agents must sign the report attesting to their participation in the count.
- o. A final verification of the total drop proceeds, before transfer to cage/vault, must be performed by at least two agents, one of whom is a supervisory count team member and the other a count team agent.
  - 1. Final verification must include a comparison of currency counted totals against the currency counter/system report, if a counter/system is used.
  - 2. Any unresolved variances must be documented and the documentation must remain a part of the final count record forwarded to accounting.
  - 3. This verification does not require a complete recount of the drop proceeds but does require a review sufficient to verify the total drop proceeds being transferred.

4. The two agents must sign the report attesting to the accuracy of the total drop proceeds verified.
  5. All drop proceeds and cash equivalents that were counted must be turned over to the cage or vault cashier (who must be independent of the count team) or to an agent independent of the revenue generation and the count process for verification. Such cashier or agent must certify, by signature, the amount of the drop proceeds delivered and received. Any unresolved variances must be reconciled, documented, and/or investigated by accounting/revenue audit.
- p. After certification by the agent receiving the funds, the drop proceeds must be transferred to the cage/vault.
1. The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
  2. The cage/vault agent must not have knowledge or record of the drop proceeds total before it is verified.
  3. All count records must be forwarded to accounting secured and accessible only by accounting agents.
  4. The cage/vault agent receiving the transferred drop proceeds must sign the count sheet attesting to the verification of the total received, and thereby assuming accountability of the drop proceeds, and ending the count.
  5. Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.
- q. The count sheet, with all supporting documents, must be delivered to the accounting department by a count team member or agent independent of the cashiers department. Alternatively, it may be adequately secured and accessible only by accounting department.

**Section 1010**            **Collecting Currency Cassettes and Financial Instrument Storage Components from Kiosks**

Controls must be established and procedures implemented to ensure that currency cassettes and financial instrument storage components are securely removed from kiosks. Such controls must include the following:

- a.     Surveillance must be notified prior to the financial instrument storage components or currency cassettes being accessed in a kiosk.
- b.     At least two agents must be involved in the collection of currency cassettes and/or financial instrument storage components from kiosks and at least one agent should be independent of kiosk accountability.
- c.     Currency cassettes and financial instrument storage components must be secured in a manner that restricts access to only authorized agents.
- d.     Redeemed vouchers and pulltabs (if applicable) collected from the kiosk must be secured and delivered to the appropriate department (cage or accounting) for reconciliation.
- e.     Controls must be established and procedures implemented to ensure that currency cassettes contain the correct denominations and have been properly installed.

**Section 1011**            **Kiosk Count Standards**

- a.     Access to stored full kiosk financial instrument storage components and currency cassettes must be restricted to:
  - 1.     Authorized agents; and
  - 2.     In an emergency, authorized persons for the resolution of a problem.
- b.     The kiosk count must be performed in a secure area, such as the cage or count room.
- c.     If counts from various revenue centers and kiosks occur simultaneously in the count room, procedures must be in effect that prevent the commingling of funds from the kiosks with any revenue centers.

- d. The kiosk financial instrument storage components and currency cassettes must be individually emptied and counted so as to prevent commingling of funds between kiosks until the count of the kiosk contents have been recorded.
  - 1. The count must be recorded in ink or other permanent form of recordation.
  - 2. Coupons or other promotional items not included in gross revenue (if any) may be recorded on a supplemental document. All single-use coupons must be canceled daily by an authorized agent to prevent improper recirculation.
  
- e. Procedures must be implemented to ensure that any corrections to the court documentation are permanent, identifiable, and the original, corrected information remains legible. Corrections must be verified by two (2) agents.

**Section 1012      Variances**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 11

### MINIMUM INTERNAL CONTROL STANDARDS FOR CAGE, VAULT, KIOSK, CASH AND CASH EQUIVALENTS OPERATIONS

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#### Section 1101      Supervision

Supervision must be provided as needed for cage, vault, kiosk, and other operations using cash or cash equivalents by an agent(s) with authority equal to or greater than those being supervised.

#### Section 1102      Check Cashing

- a. If checks are cashed at the cage, the controls must provide for security and integrity. For each check cashing transaction, the agent(s) conducting the transaction must:
  1. Verify the patron's identity;
  2. Examine the check to ensure it includes the patron's name, current address, and signature;
  3. For personal checks, verify the patron's check cashing authority and record the source and results in accordance with management policy; however
  4. If a check guarantee service is used to guarantee the transaction and the procedures required by the check guarantee service are followed, then the above requirements do not apply.
- b. When counter checks are issued, the following must be included on the check:
  1. The patron's name and signature;
  2. The dollar amount of the counter check;
  3. Patron's bank name, bank routing, and account numbers;
  4. Date of issuance; and

5. Signature of the agent approving the counter check transaction.
- c. Checks must be deposited in the normal course of business, as established by management.
- d. When traveler's checks or other guaranteed drafts, such as cashier's checks, are presented, the cashier must comply with the examination and documentation procedures as required by the issuer.
- e. If a third party check cashing or guarantee service is used, the examination and documentation procedures required by the service provider apply, unless otherwise provided by Band ordinance or regulation.

**Section 1103      Cage and vault accountability**

- a. All transactions that flow through the cage must be summarized for each work shift of the cage and must be supported by documentation.
- b. Increases and decreases to the total cage inventory must be verified, supported by documentation, and recorded. Documentation must include the date and shift, the purpose of the increase/decrease, the agent(s) completing the transaction, and the person or department receiving the cage funds (for decreases only).
- c. The cage and vault inventories (including coin rooms) must be counted independently by at least two agents, attested to by signature, and recorded in ink or other permanent form at the end of each shift during which the activity took place. These agents must make individual counts to compare for accuracy and maintain individual accountability. All variances must be documented and investigated.
- d. The gaming operation must establish and comply with a minimum bankroll formula to ensure the gaming operation maintains cash or cash equivalents (on hand and in the bank, if readily accessible) in an amount sufficient to satisfy obligations to the gaming operation's patrons as they are incurred.

Section 1104      Kiosks

- a. Kiosks must be maintained on the cage accountability and must be counted independently by at least two agents, documented, and reconciled for each increase or decrease to the kiosk inventory.
- b. Currency cassettes must be counted and filled by an agent and verified independently by at least one agent, all of whom must sign each cassette.
- c. Currency cassettes must be secured with a lock or tamper resistant seal and, if not placed inside a kiosk, must be stored in a secured area of the cage/vault.
- d. The Reservation Business Committee or the gaming operation, subject to the approval of the Reservation Business Committee, must develop and implement physical security controls over the kiosks. Controls should address the following: forced entry, evidence of any entry, and protection of circuit boards containing programs.
- e. With regard to cashless systems, the Reservation Business Committee or the gaming operation, subject to the approval of the Reservation Business Committee, must develop and implement procedures to ensure that communications between the kiosk and system are secure and functioning.
- f. The following reconciliation reports must be available upon demand for each day, shift, and drop cycle (this is not required if the system does not track the information, but system limitation(s) must be noted):
  1. Starting balance dollar amount per financial instrument;
  2. Starting balance number of items per financial instrument;
  3. Dollar amount per financial instrument issued;
  4. Number of items per financial instrument issued;
  5. Dollar amount per financial instrument redeemed;
  6. Number of items per financial instrument redeemed;

7. Dollar amount per financial instrument increases;
8. Number of items per financial instrument increases;
9. Dollar amount per financial instrument decreases;
10. Number of items per financial instrument decreases;
11. Ending balance dollar amount per financial instrument; and
12. Ending balance number of items per financial instrument.

**Section 1105      Promotional Payments, Drawings, and Giveaway Programs**

The following procedures must apply to any payment resulting from a promotional payment, drawing, or giveaway program disbursed by the cage department or any other department. This section does not apply to payouts for card game promotional pots and/or pools.

- a. All payments must be documented to support the cage accountability.
- b. Payments above \$600 (or lesser amount as approved by Reservation Business Committee) must be documented at the time of the payment, and documentation must include the following:
  1. Date and time;
  2. Dollar amount of payment or description of personal property;
  3. Reason for payment; and
  4. Patron's name and confirmation that identity was verified (drawings only).
  5. Signature(s) of at least two agents verifying, authorizing, and completing the promotional payment with the patron. For computerized systems that validate and print the dollar amount of the payment on a computer generated form, only one signature is required.

**Section 1106**      **Chip(s) and token(s)**

Controls must be established and procedures implemented to ensure accountability of chip and token inventory. Such controls must include, but are not limited to, the following:

- a. Purchase;
- b. Receipt;
- c. Inventory;
- d. Storage; and
- e. Destruction.

**Section 1107**      **Vouchers**

- a. Controls must be established and procedures implemented to:
  - 1. Verify the authenticity of each voucher redeemed.
  - 2. If the voucher is valid, verify that the patron is paid the appropriate amount.
  - 3. Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.
  - 4. Retain payment documentation for reconciliation purposes.
  - 5. For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.
- b. Vouchers paid during a period while the voucher system is temporarily out of operation must be marked "paid" by the cashier.
- c. Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.

- d. Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.
- e. Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

**Section 1108      Cage and Vault Access**

Controls must be established and procedures implemented to:

- a. Restrict physical access to the cage to cage agents, designated staff, and other authorized persons; and
- b. Limit transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into and out of the cage.

**Section 1109      Variations**

The operation must establish, as approved by the Reservation Business Committee, the threshold level at which a variance must be reviewed to determine the cause. Any such review must be documented.

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## CHAPTER 12

### MINIMUM INTERNAL CONTROL STANDARDS FOR INFORMATION TECHNOLOGY AND INFORMATION TECHNOLOGY DATA

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#### Section 1201      Supervision

- a. Controls must identify the supervisory agent in the department or area responsible for ensuring that the department or area is operating in accordance with established policies and procedures.
- b. The supervisory agent must be independent of the operation of games.
- c. Controls must ensure that duties are adequately segregated and monitored to detect procedural errors and to prevent the concealment of fraud.
- d. Information technology agents having access to gaming systems may not have signatory authority over financial instruments and payout forms and must be independent of and restricted from access to:
  1. Financial instruments;
  2. Accounting, audit, and ledger entries; and
  3. Payout forms.

#### Section 1202      Definition of System

As used in this section only, a system is any computerized system that is integral to the gaming environment. This includes, but is not limited to, the server and peripherals for gaming, accounting, surveillance, essential phone system, and door access and warning systems.

#### Section 1203      Gaming systems' logical and physical controls

Controls must be established and procedures implemented to ensure adequate:

- a. Control of physical and logical access to the information technology environment, including accounting, voucher, cashless and player tracking systems, among others used in conjunction with gaming;
- b. Physical and logical protection of storage media and its contents, including recovery procedures;
- c. Access credential control methods;
- d. Record keeping and audit processes; and
- e. Departmental independence, including, but not limited to, means to restrict agents that have access to information technology from having access to financial instruments.

**Section 1204      Physical security**

- a. The information technology environment and infrastructure must be maintained in a secured physical location such that access is restricted to authorized agents only.
- b. Access devices to the systems' secured physical location, such as keys, cards, or fobs, must be controlled by an independent agent.
- c. Access to the systems' secured physical location must be restricted to agents in accordance with established policies and procedures, which must include maintaining and updating a record of agents granted access privileges.
- d. Network Communication Equipment must be physically secured from unauthorized access.

**Section 1205      Logical security**

- a. Controls must be established and procedures implemented to protect all systems and to ensure that access to the following is restricted and secured:
  - 1. Systems' software and application programs;
  - 2. Data associated with gaming; and

3. Communications facilities, systems, and information transmissions associated with gaming systems.
- b. Unused services and non-essential ports must be disabled whenever possible.
- c. Procedures must be implemented to ensure that all activity performed on systems is restricted and secured from unauthorized access, and logged.
- d. Communications to and from systems via Network Communication Equipment must be logically secured from unauthorized access.

**Section 1206**      **User controls**

- a. Systems, including application software, must be secured with passwords or other means for authorizing access.
- b. Management personnel or agents independent of the department being controlled must assign and control access to system functions.
- c. Access credentials such as passwords, PINs, or cards must be controlled as follows:
  1. Each user must have his or her own individual access credential;
  2. Access credentials must be changed at an established interval approved by the Reservation Business Committee; and
  3. Access credential records must be maintained either manually or by systems that automatically record access changes and force access credential changes, including the following information for each user:
    - (A) User's name;
    - (B) Date the user was given access and/or password change; and
    - (C) Description of the access rights assigned to user.

- d. Lost or compromised access credentials must be deactivated, secured or destroyed within an established time period approved by the Reservation Business Committee.
- e. Access credentials of terminated users must be deactivated within an established time period approved by the Reservation Business Committee.
- f. Only authorized agents may have access to inactive or closed accounts of other users, such as player tracking accounts and terminated user accounts.

**Section 1207      Installations and/or modifications**

- a. Only Reservation Business Committee authorized or approved systems and modifications may be installed.
- b. Records must be kept of all new installations and/or modifications to gaming systems. These records must include, at a minimum:
  - 1. The date of the installation or modification;
  - 2. The nature of the installation or change such as new software, server repair, significant configuration modifications;
  - 3. Evidence of verification that the installation or the modifications are approved; and
  - 4. The identity of the agent(s) performing the installation/modification.
- c. Documentation must be maintained, such as manuals and user guides, describing the systems in use and the operation, including hardware.

**Section 1208      Remote Access**

- a. Agents may be granted remote access for system support, provided that each access session is documented and maintained at the place of authorization. The documentation must include:
  - 1. Name of agent authorizing the access;

2. Name of agent accessing the system;
  3. Verification of the agent's authorization;
  4. Reason for remote access;
  5. Description of work to be performed;
  6. Date and time of start of end-user remote access session; and
  7. Date and time of conclusion of end-user remote access session.
- b. All remote access must be performed via a secured method.

**Section 1209      Incident monitoring and reporting**

- a. Procedures must be implemented for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
- b. All security incidents must be responded to within an established time period approved by the Reservation Business Committee and formally documented.

**Section 1210      Data Backups**

- a. Controls must include adequate backup, including, but not limited to, the following:
  1. Daily data backup of critical information technology systems;
  2. Data backup of critical programs or the ability to reinstall the exact programs as needed;
  3. Secured storage of all backup data files and programs, or other adequate protection;
  4. Mirrored or redundant data source; and
  5. Redundant and/or backup hardware.

- b. Controls must include recovery procedures, including, but not limited to, the following:
  - 1. Data backup restoration;
  - 2. Program restoration; and
  - 3. Redundant or backup hardware restoration.
- c. Recovery procedures must be tested on a sample basis at specified intervals at least annually. Results must be documented.
- d. Backup data files and recovery components must be managed with at least the same level of security and access controls as the system for which they are designed to support.

**Section 1211      Software Downloads**

Downloads, either automatic or manual, must be performed in accordance with the following rules:

- a. Downloads are an acceptable means of transporting approved content, including, but not limited to software, files, data, and prize schedules;
- b. Downloads must use secure methodologies that will deliver the download data without alternation or modification.
- c. Downloads conducted during operational periods must be performed in a manner that will not affect game play.
- d. Downloads must not affect the integrity of accounting data.
- e. The gaming system must be capable of providing:
  - 1. The time and date of the initiation of the download;
  - 2. The time and date of the completion of the download;
  - 3. The gaming system components to which software was downloaded;

4. The version(s) of download package and any software downloaded (logging of the unique software signature will satisfy this requirement);
5. The outcome of any software verification following the download (success or failure); and
6. The name and identification number, or other unique identifier, of any individual(s) conducting or scheduling a download.

**Section 1212      Verifying Downloads**

Downloaded software on a gaming system must be capable of being verified by the gaming system using a software signature verification method. The manufacturer or developer of the gaming system must provide to the Reservation Business Committee an industry-standard methodology, acceptable to the Reservation Business Committee, for verifying the gaming system game software. For example, for game software stored on rewritable media, such methodologies include signature algorithms and hashing formulas such as SHA-1.

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**CHAPTER 13**  
**MINIMUM INTERNAL CONTROL STANDARDS**  
**FOR SURVEILLANCE**

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**Section 1301**      **Supervision**

Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.

**Section 1302**      **Surveillance Equipment and Control Rooms**

Controls must be established and procedures implemented that include the following:

- a. The surveillance system must be maintained and operated from a staffed surveillance operation room(s).
- b. The surveillance operation room(s) must be secured to prevent unauthorized entry.
- c. Access to the surveillance operation room(s) must be limited to surveillance agents and other authorized persons.
- d. Surveillance operation room(s) access logs must be maintained.
- e. Surveillance operation room equipment must have total override capability over all other satellite surveillance equipment.
- f. In the event of power loss to the surveillance system, an auxiliary or backup power source must be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance agents can observe all areas covered by dedicated cameras.
- g. The surveillance system must record an accurate date and time stamp on recorded events. The displayed date and time must not significantly obstruct the recorded view

- h. All surveillance agents must be trained in the use of the equipment, games, and house rules.
- i. Each camera required by the standards in this section must be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.
- j. The surveillance system must:
  - 1. Have the capability to display all camera views on a monitor;
  - 2. Include sufficient numbers of recording devices to record the views of all cameras required by this section;
  - 3. Record all camera views; and
  - 4. Include sufficient numbers of monitors to simultaneously display gaming and count room activities.
- k. A periodic inspection of the surveillance systems must be conducted. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs must be documented and repairs initiated within seventy-two (72) hours.
  - 1. If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.
  - 2. The Reservation Business Committee must be notified of any surveillance system and/or camera(s) that have malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.

**Section 1303      Additional Surveillance Requirements**

- a. Manual bingo.
  - 1. For manual draws, the surveillance system must monitor the bingo ball drawing device or mechanical random number generator, which must be recorded during the course of the draw by a dedicated camera to identify the numbers or other designations drawn; and

2. The surveillance system must monitor and record the activities of the bingo game, including drawing, and entering the balls, numbers or other designations drawn.

b. Card games.

1. Except for card game tournaments, a dedicated camera(s) with sufficient clarity must be used to provide:
  - (A) An overview of the activities on each card table surface, including card faces and cash and/or cash equivalents;
  - (B) An overview of card game activities, including patrons and dealers; and
  - (C) An unobstructed view of all posted progressive pool amounts.
2. For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.

c. Table games.

1. Except for table game tournaments, the surveillance system must provide a dedicated camera(s) with sufficient clarity to provide:
  - (A) An overview of the activities on each table surface, including card faces and cash and/or cash equivalents; and
  - (B) An overview of table game activities, including patrons and dealers.
2. For table game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.
3. Progressive table games with a progressive jackpot of \$25,000 or more must be monitored and recorded by dedicated cameras that provide coverage of:

- (A) The table surface, sufficient that the card values and card suits can be clearly identified;
- (B) An overall view of the entire table with sufficient clarity to identify customers and dealer; and
- (C) A view of the progressive meter jackpot amount. If several tables are linked to the same progressive jackpot meter, only one meter need be recorded.

d. Gaming machines.

1. Except as otherwise provided in subsections d.2. and d.3 of this section, gaming machines offering a payout of more than \$250,000 must be monitored and recorded by a dedicated camera(s) to provide coverage of:
  - (A) All customers and employees at the gaming machine; and
  - (B) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine.
2. In-house progressive machine. In-house progressive gaming machines offering a base payout amount (jackpot reset amount) of more than \$250,000 must be monitored and recorded by a dedicated camera(s) to provide coverage of:
  - (A) All customers and employees at the gaming machine;
  - (B) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine; and
  - (C) The progressive prize meter.
3. Wide-area progressive machine. Wide-area progressive gaming machines offering a base payout amount of \$1 million or more and monitored by an independent vendor utilizing an on-line progressive computer system must be recorded by a dedicated camera(s) to provide coverage of:
  - (A) All customers and employees at the gaming machine;

- (B) The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine; and
- (C) The progressive prize meter.

e. Cage and vault.

1. The surveillance system must monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm the amount of each cash transaction;
2. Each cashier station must be equipped with one (1) dedicated overhead camera covering the transaction area; and
3. The cage or vault area in which exchange and transfer transactions occur must be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the exchange and transfer documentation. Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.

f. Count rooms.

1. The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and
2. The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.

- g. Kiosks. The surveillance system must monitor and record a general overview of activities occurring at each kiosk with sufficient clarity to identify the activities and the individuals performing it, including maintenance, drops or fills, and redemption of wagering vouchers or credits.

**Section 1304      Reporting Requirements**

Reservation Business Committee approved procedures must be implemented for reporting suspected crimes and suspicious activity.

**Section 1305      Recording Retention**

Controls must be established and procedures implemented that include the following:

- a. All recordings required by this section must be retained for a minimum of seven days; and
- b. Suspected crimes, suspicious activity, or detentions by security agents discovered within the initial retention period must be copied and retained for a time period, not less than one year.

**Section 1306      Logs**

Logs must be maintained and demonstrate the following:

- a. Compliance with the storage, identification, and retention standards required in this section;
- b. Each malfunction and repair of the surveillance system as defined in this section; and
- c. Activities performed by surveillance agents as required by the controls in this section.

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## CHAPTER 14

### MINIMUM INTERNAL CONTROL STANDARDS FOR AUDIT AND ACCOUNTING

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#### Section 1401      Conflicts of standards

When establishing SICS, the gaming operation should review, and consider incorporating, other external standards such as GAAP, GAAS, and standards promulgated by GASB and FASB. In the event of a conflict between the MICS and the incorporated external standards, the external standards prevail.

#### Section 1402      Accounting

Controls must be established and procedures implemented to safeguard assets and ensure each gaming operation:

- a. Prepares accurate, complete, legible, and permanent records of all transactions pertaining to gaming revenue and activities for operational accountability.
- b. Prepares general accounting records on a double-entry system of accounting, maintaining detailed, supporting, subsidiary records, and performs the following activities:
  1. Record gaming activity transactions in an accounting system to identify and track all revenues, expenses, assets, liabilities, and equity;
  2. Record journal entries prepared by the gaming operation and by any independent accountants used;
  3. Prepare income statements and balance sheets;
  4. Prepare appropriate subsidiary ledgers to support the balance sheet;
  5. Prepare, review, and maintain accurate financial statements;

6. Prepare transactions in accordance with the appropriate authorization, as provided by management;
7. Record transactions to facilitate proper recording of gaming revenue and fees, and to maintain accountability of assets;
8. Compare recorded accountability for assets to actual assets at periodic intervals, and take appropriate action with respect to any variances;
9. Segregate functions, duties, and responsibilities;
10. Prepare minimum bankroll calculations; and
11. Maintain and preserve all financial records and relevant supporting documentation.

**Section 1403      Internal audit**

Controls must be established and procedures implemented to ensure that:

- a. Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with this Ordinance and the SICS, which include at least the following areas:
  1. Bingo, including supervision, bingo cards, bingo card sales, draw, prize payout; cash and equivalent controls, technologic aids to the play of bingo, operations, vouchers, and revenue audit procedures;
  2. Pull tabs, including, supervision, pull tab inventory, pull tab sales, winning pull tabs, pull tab operating funds, statistical records, and revenue audit procedures;
  3. Card games, including supervision, exchange or transfers, playing cards, reconciliation of card room bank, posted rules, and promotional progressive pots and pools;
  4. Table games, including supervision, fill and credit procedures, table inventory forms, standards for playing cards, plastic cards, and analysis of table game performance;

5. Gaming machines, including supervision, access listing, prize payout and fills, cash and cash equivalent controls, gaming machine components, operations, vouchers, standards for evaluating theoretical and actual hold percentages, gaming machine drop and hopper contents standards, in-house progressive gaming machine standards, and wide-area progressive gaming machine standards;
6. Gaming promotions and player tracking procedures, including supervision, gaming promotion rules and player tracking systems;
7. Complimentary services or items, including procedures for issuing, authorizing, redeeming, and reporting complimentary service items;
8. Drop and count standards, including supervision, count room access, count team, card game drop standards, table game drop standards, gaming machine and financial instrument drop standards, card game count standards, table game count standards, gaming machine financial instrument count standards, and controlled keys;
9. Cage, vault, cash and cash equivalent procedures, including supervision, cash and cash equivalents, personal checks, cashier's checks, traveler's checks, payroll checks, and counter checks, cage and vault accountability, kiosks, patron deposited funds, promotional payouts, drawings, and giveaway programs, chip and token standards, and cage and vault access;
10. Information technology, including supervision, gaming systems' logical and physical controls, independence, physical security, logical security, user controls, installations and/or modifications, remote access, incident monitoring and reporting, data back-ups, software downloads, and verifying downloads; and
11. Accounting standards, including accounting records, maintenance and preservation of financial records and relevant supporting documentation.

- b. Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation or an outside CPA firm may perform this function).
- c. Internal auditor(s) report directly to the Reservation Business Committee or another entity designated by the Reservation Business Committee.
- d. Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with this Ordinance and the SICS, including all instances of noncompliance.
- e. Audit reports are maintained and made available to the Commission upon request and must include the following information:
  - 1. Audit objectives;
  - 2. Audit procedures and scope;
  - 3. Findings and conclusions;
  - 4. Recommendations, if applicable; and
  - 5. Management's response.
- f. All material exceptions identified by internal audit work are investigated and resolved and the results are documented.
- g. Internal audit findings are reported to management, responded to by management stating corrective measures to be taken, and included in the report delivered to management, the Reservation Business Committee, or other entity designated by the Reservation Business Committee for corrective action.
- h. Follow-up observations and examinations is performed to verify that corrective action has been taken regarding all instances of non-compliance. The verification is performed within six (6) months following the date of notification of non-compliance.

Section 1404      Annual requirements

- a. Agreed upon procedures. A CPA must be engaged to perform an assessment to verify whether the gaming operation is in compliance with this Ordinance and the SICS. The assessment must be performed in accordance with agreed upon procedures and the most recent versions of the Statements on Standards for Attestation Engagements and Agreed-Upon Procedures Engagements (collectively “SSAEs”), issued by the American Institute of Certified Public Accountants.
  
- b. The Band must submit the agreed-upon procedures report to the Commission within 120 days of the gaming operation’s fiscal year end in conjunction with the submission of the annual financial audit report.
  
- c. Review of internal audit.
  - 1. The CPA must determine compliance by the gaming operation with the internal audit requirements in this paragraph (d) by:
    - (A) Completing the internal audit checklist;
    - (B) Ensuring that the internal auditor completed checklists for each gaming department of the operation;
    - (C) Verifying that any areas of non-compliance have been identified;
    - (D) Ensuring that audit reports are completed and include responses from management; and
    - (E) Verifying that appropriate follow-up on audit findings has been conducted and necessary corrective measures have been taken to effectively mitigate the noted risks.
  
  - 2. If the CPA determines that the internal audit procedures performed during the fiscal year have been properly completed, the CPA may rely on the work of the internal audit for the completion of the MICS checklists as they relate to the standards covered by this part.
  
- d. Report format. The SSAEs are applicable to agreed-upon procedures engagements required in this part. All noted instances of

noncompliance with this Ordinance and the SICS must be documented in the report with a narrative description, the number of exceptions and sample size tested.

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**CHAPTER 15**

**MINIMUM INTERNAL CONTROL STANDARDS  
FOR AUDITING REVENUE**

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**Section 1501      Supervision**

Supervision must be provided as needed for auditing revenue by an agent(s) with authority equal to or greater than those being supervised.

**Section 1502      Independence**

Audits must be performed by agent(s) independent of the transactions being audited.

**Section 1503      Documentation**

The performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions must be documented and maintained.

**Section 1504      Operational Areas**

Controls must be established and procedures implemented to audit of each of the following operational areas:

- a. Bingo.
  1. At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.
  2. Daily, reconcile supporting records and documents to summarized paperwork or electronic records (e.g. total sales and payouts per shift and/or day).
  3. At least monthly, review variances related to bingo accounting data in accordance with an established threshold, which must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out and

coupon promotion out. Investigate and document any variance noted.

4. At least monthly, review statistical reports for any deviations from the mathematical expectations exceeding a threshold established by the Reservation Business Committee. Investigate and document any deviations compared to the mathematical expectations.
5. At least monthly, take a random sample, foot the vouchers redeemed and trace the totals to the totals recorded in the voucher system and to the amount recorded in the applicable cashier's accountability document.

b. Pull tabs.

1. Daily, verify the total amount of winning pull tabs redeemed each day.
2. At the end of each month, verify the accuracy of the ending balance in the pull tab control log by reconciling the pull tabs on hand. Investigate and document any variance noted.
3. At least monthly, compare for reasonableness the amount of pull tabs sold from the pull tab control log to the amount of pull-tab sales.
4. At least monthly, review statistical reports for any deviations exceeding a specified threshold, as defined by the Reservation Business Committee. Investigate and document any large and unusual fluctuations noted.

c. Card games.

1. Daily, reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented, including substantiation of differences and adjustments.
2. At least monthly, review all payouts for the promotional progressive pots, pools, or other promotions to verify payout

accuracy and proper accounting treatment and that they are conducted in accordance with conditions provided to the patrons.

3. At the conclusion of each contest/tournament, reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.

d. Table games.

1. If a table game has the capability to determine drop (e.g., bill-in/coin-drop meters, bill acceptor, computerized record, etc.) the dollar amount of the drop must be reconciled to the actual drop by shift.
2. Accounting/auditing employees must review exception reports for all computerized table games systems at least monthly for propriety of transactions and unusual occurrences.
3. All noted improper transactions or unusual occurrences must be investigated with the results documented.
4. A daily recap must be prepared for the day and month-to-date which must include the following information:
  - (A) Drop;
  - (B) Win; and
  - (C) Gross revenue.

e. Gaming machines.

1. For on-line gaming machine monitoring systems, procedures must be performed at least monthly to verify that the system is transmitting and receiving data from the gaming machines properly and to verify the continuing accuracy of the coin-in meter readings as recorded in the gaming machine statistical report.
2. For currency interface systems, for at least one drop period per month accounting/auditing employees must make such comparisons as necessary to the system generated count as

recorded in the gaming machine statistical report. Discrepancies must be resolved prior to generation/distribution of gaming machine reports.

3. For each drop period, accounting/auditing agents must compare the coin-to-drop meter reading to the actual drop amount. Discrepancies should be resolved prior to generation/distribution of on-line gaming machine monitoring system statistical reports.
4. Follow-up must be performed for any one machine having an unresolved variance between actual voucher drop and voucher meter reading in excess of three percent (3%) and over \$25.00. The follow-up performed and results of the investigation must be documented, maintained for inspection, and provided to the Reservation Business Committee upon request.
5. For each drop period, accounting/auditing employees must compare the bill-in meter reading to the total bill acceptor drop amount for the period. Discrepancies must be resolved prior to the generation/distribution of gaming machine statistical reports.
6. Follow-up must be performed for any one machine having an unresolved variance between actual currency drop and bill-in meter reading in excess of an amount that is both more than \$25 and at least three percent (3%) of the actual currency drop. The follow-up performed and results of the investigation must be documented, maintained for inspection, and provided to the Reservation Business Committee upon request.
7. At least annually, accounting/auditing agents must randomly verify that EPROM or other equivalent game software media changes are properly reflected in the gaming machine analysis reports.
8. Accounting/auditing employees must review exception reports for all computerized gaming machine systems on a daily basis for propriety of transactions and unusual occurrences.

- f. Gaming promotions and player tracking.
1. At least monthly, review promotional payments, drawings, and giveaway programs to verify payout accuracy and proper accounting treatment in accordance with the rules provided to patrons.
  2. At least monthly, for computerized player tracking systems, perform the following procedures:
    - (A) Review authorization documentation for all manual point additions/deletions for propriety;
    - (B) Review exception reports, including transfers between accounts; and
    - (C) Review documentation related to access to inactive and closed accounts.
  3. At least annually, all computerized player tracking systems must be reviewed by agent(s) independent of the individuals that set up or make changes to the system parameters. The review must be performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization. Document and maintain the test results.
- g. Complimentary services or items. At least monthly, review the reports required in Section 904. These reports must be made available to those entities authorized by the Reservation Business Committee or by Band law or ordinance.
- h. Drop and count.
1. At least quarterly, unannounced currency counter and currency counter interface (if applicable) tests must be performed, and the test results documented and maintained. All denominations of currency and all types of cash out tickets counted by the currency counter must be tested. This test may be performed by internal audit. The result of these tests must be documented and signed by the agent(s) performing the test.

2. For computerized key security systems controlling access to drop and count keys, perform the following procedures:
    - (A) At least quarterly, review the report generated by the computerized key security system indicating the transactions performed by the individual(s) that adds, deletes, and changes users' access within the system ( i.e., system administrator). Determine whether the transactions completed by the system administrator provide adequate control over the access to the drop and count keys. Also, determine whether any drop and count key(s) removed or returned to the key cabinet by the system administrator was properly authorized;
    - (B) At least quarterly, review the report generated by the computerized key security system indicating all transactions performed to determine whether any unusual drop and count key removals or key returns occurred; and
    - (C) At least quarterly, review a sample of users that are assigned access to the drop and count keys to determine that their access to the assigned keys is appropriate relative to their job position.
  3. At least quarterly, an inventory of all controlled keys must be performed and reconciled to records of keys made, issued, and destroyed. Investigations must be performed for all keys unaccounted for, and the investigation documented.
- i. Cage, vault, cash, and cash equivalents.
1. At least monthly, the cage accountability must be reconciled to the general ledger.
  2. At least monthly, trace the amount of cage deposits to the amounts indicated in the bank statements.
  3. Twice annually, a count must be performed of all funds in all gaming areas (i.e. cages, vaults, and booths (including reserve areas), kiosks, cash-out ticket redemption machines, and change machines. Count all chips and tokens by denomination and type. Count individual straps, bags, and imprest banks on a sample

basis. Reconcile all amounts counted to the amounts recorded on the corresponding accountability forms to ensure that the proper amounts are recorded. Maintain documentation evidencing the amount counted for each area and the subsequent comparison to the corresponding accountability form. The count must be completed within the same gaming day for all areas.

(A) Counts must be observed by an individual independent of the department being counted. It is permissible for the individual responsible for the funds to perform the actual count while being observed.

(B) Internal audit may perform and/or observe the two counts.

4. At least annually, select a sample of invoices for chips and tokens purchased, and trace the dollar amount from the purchase invoice to the accountability document that indicates the increase to the chip or token inventory to ensure that the proper dollar amount has been recorded.
5. At 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 adjustments to the liability account including any adjustments for chip/token float.
6. At least monthly, review a sample of returned checks to determine that the required information was recorded by cage agent(s) when the check was cashed.
7. At least monthly, review exception reports for all computerized cage systems for propriety of transactions and unusual occurrences. The review must include, but is not limited to, voided authorizations. All noted improper transactions or unusual occurrences identified must be investigated and the results documented.
8. Daily, reconcile all parts of forms used to document increases/decreases to the total cage inventory, investigate any variances noted, and document the results of such investigations.

j. Inventory.

1. At least monthly, verify receipt, issuance, and use of controlled inventory, including, but not limited to, bingo cards, pull tabs, playing cards, keys, pre-numbered and/or multi-part forms.
2. Periodically perform minimum bankroll calculations to ensure that the gaming operation maintains cash in an amount sufficient to satisfy the gaming operation's obligations.

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CHAPTER 16  
MINIMUM INTERNAL CONTROL STANDARDS  
FOR CONTROLLED KEYS

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**Section 1601**      **Supervision**

Supervision must be provided over controlled keys as needed by an agent(s) with authority equal to or greater than those being supervised.

**Section 1602**      **Independence**

Custody of all keys involved in the drop and count must be maintained by a department independent of the count and drop team as well as those departments being dropped and counted.

**Section 1603**      **Use, Access, and Security of Controlled Keys**

Controls must be established and procedures implemented to safeguard the use, access, and security of keys in accordance with the following:

- a. Each of the following requires a separate and unique key lock or alternative secure access method:
  1. Drop cabinet;
  2. Drop box release;
  3. Drop box content;
  4. Bill acceptor canister release;
  5. Bill acceptor canister content;
  6. Count room keys;
  7. Storage racks and carts;
  8. Kiosk release; and

9. Kiosk contents.
- b. Access to and return of keys or equivalents must be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).
  1. At least three (3) drop team agents are required to be present to access and return keys.
  2. At least three (two for card game drop box keys in operations with three tables or fewer) count team agents are required to be present at the time count room and other count keys are issued for the count.
- c. Documentation of all keys, including duplicates, must be maintained, including:
  1. Unique identifier for each individual key;
  2. Key storage location;
  3. Number of keys made, duplicated, and destroyed; and
  4. Authorization and access.
- d. Other than the count team, no agent may have access to the drop box content keys while in possession of storage rack keys and/or release keys.
- e. Other than the count team, only agents authorized to remove drop boxes are allowed access to drop box release keys.
- f. Any use of keys at times other than the scheduled drop and count must be properly authorized and documented.
- g. Emergency manual keys, such as an override key, for computerized, electronic, and alternative key systems must be maintained in accordance with the following:
  1. Access to the emergency manual key(s) used to access the box containing the player interface drop and count keys requires the physical involvement of at least three agents from separate

departments, including management. The date, time, and reason for access, must be documented with the signatures of all participating persons signing out/in the emergency manual key(s);

2. The custody of the emergency manual keys requires the presence of two agents from separate departments from the time of their issuance until the time of their return; and
3. Routine physical maintenance that requires access to the emergency manual key(s), and does not involve accessing the player interface drop and count keys, only requires the presence of two agents from separate departments. The date, time, and reason for access must be documented with the signatures of all participating agents signing out/in the emergency manual key(s).

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CHAPTER 17

AMENDMENT & RESCISSION

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Section 1701      Amendment and Rescission

The provisions of this Ordinance may be amended or rescinded by resolution of the Reservation Business Committee, and the terms of such amendment shall then be included herein.

CERTIFICATION

We do hereby certify that the foregoing Ordinance #06/99 was duly presented and adopted by Resolution #1262/99 by a vote of 4 for, 0 against, 0 silent, with a quorum of 5 being present at a Special Meeting of the Fond du Lac Reservation Business Committee held on July 22, 1999 on the Fond du Lac Reservation, and subsequently amended by Ordinance #04/02 adopted by Resolution #1361/02 on December 10, 2002; by Ordinance #02/03 adopted by Resolution #1060/03 on March 25, 2003; by Ordinance #01/04 adopted by Resolution #1063/04 on March 4, 2004; by Ordinance #04/05 adopted by Resolution #1190/05 on June 30, 2005; by Ordinance #08/05 adopted by Resolution #1366/05 on December 15, 2005; by Ordinance #05/07 adopted by Resolution #1508/07 on November 6, 2007; by Ordinance #03/13 adopted by Resolution #1314/13 on September 11, 2013; by Resolution #1219/14 on June 18, 2014; and by Resolution #1042/19 on February 12, 2019.



Kevin R. Dupuis, Sr.  
Chairman



Ferdinand Martineau, Jr.  
Secretary/Treasurer

LAWS:9906.MICS(072299;121002;032503;030404;063005;121505;110607;091113;061814;021219)