SECTION 1

GENERAL SECTION

A. GENERAL

Title 18, Section 20-101, CRS, states that the General Assembly of the State of Colorado hereby finds, determines, and declares that the strict control of limited gaming in this state is necessary for the immediate and future preservation of the public peace, health, and safety.

The Division of Gaming (Division) is not only charged with ensuring that gaming taxes are accurately and completely reported and paid, but also ensuring the integrity of limited stakes gaming in Colorado, maintaining the public confidence in the regulation of the industry, and protecting the interests of the patron.

The Division developed the Internal Control Minimum Procedures (ICMP) as a tool to help licensees comply with required gaming control procedures. The ICMP are the minimum internal control requirements mandated by the Division. Licensees may implement procedures that exceed these mandated minimum requirements. It is the licensee's responsibility to read and comply with the Colorado Limited Gaming Act (Act) and the Colorado Limited Gaming Regulations (CLGR), which also address required control procedures.

The Division recognizes that a licensee's internal control needs may differ from those developed by the Division and that it may be necessary for the licensee to request a variance to the ICMP to better meet its needs or circumstances.

If the Division's ICMP meet a licensee's basic control requirements, but several controls do not meet its specific needs, it may adopt those parts of the Division's internal controls which meet its needs and develop its own alternative controls for other areas. However, before these alternative controls can be implemented, a variation from the ICMP must be submitted, reviewed, and approved by the Division. A variance request form is available on the Division's website and must be used to submit an alternate control (variance) for consideration. All requests must be submitted electronically. The primary criteria under which alternative controls will be evaluated are fulfillment of the requirements outlined in CLGR 47.1-1610(2). Approved variances will have a date of expiration along with the date of approval.

Internal Revenue Service (IRS) reporting/withholding requirements may apply to prizes awarded. For additional information on reporting/withholding requirements please contact the IRS.

B. INFORMATION SUBMITTED TO THE DIVISION PRIOR TO OPENING

The following information must be submitted to the Division at least 30 days prior to opening a casino for limited gaming:

1) A detailed organizational chart depicting appropriate segregation of functions and responsibilities.

2) A description of each position shown on the organizational chart including duties, responsibilities, authority, supervisory capacity, signatory authority, and access to restricted areas.

3) Name of internal compliance officer[1]. Internal compliance officer qualifications are outlined in the Accounting section.

4) The scheduled times for all drops and counts, the hours of operation and the end time of the gaming day. See example of the Drop/Count, Operating Hours and Gaming Day Schedule form in the Table Games & Slot Drop and Count Procedures section.

5) Minimum bankroll analysis worksheet and supporting information. The worksheet with instructions is located on the Division's website at.www.colorado.gov/revenue/gaming.

6) Contact the Division's Tax Examiner, (303) 205-1304, to set up an account for filing the monthly gaming tax returns, and to receive instructions on submitting device and personnel information.

7) If the licensee chooses to adopt the Division's ICMP as is, a written statement signed by an owner or the chief executive officer **and** the chief financial officer verifying that the casino will follow and comply with the ICMP developed by the Division. If the licensee chooses to adopt alternative internal control procedures, a copy of the variance request(s), on the required form, must be submitted to the Division for review and approval. Additionally, if the licensee chooses to follow parts of the ICMP, a written statement signed by an owner or the chief executive officer and the chief financial officer stating that fact must be included along with the submitted variance request(s).

C. OTHER MATTERS

A copy of the ICMP and examples of the forms are available on the Division's website at www.colorado.gov/revenue/gaming. Forms which are not multi-part and/or alphanumeric may be reproduced by photocopying them from this manual or printing them from the Division's website.

The ICMP, as revised, reflect the revised date at the top of each page. Periodically, the Division will issue addendums or revisions. The current ICMP are available on the Division's website. It is each casino's responsibility to ensure current copies of the ICMP are distributed to all applicable employees and its internal control system is maintained in a current state.

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[1] **Group A Control Difference⇓** **Only Group B and C Licensees are required to have an internal compliance officer.**

The casino's copy of the most recent version of ICMP, CLGR and Act must be made available at all times to all personnel, i.e., a copy is kept in the pit area, cage, count rooms, etc. Additionally, a copy of all Division approved variances which reflect an approved ICMP variance request for alternative procedures affecting a specific area must be maintained in that department (e.g., approved accounting ICMP variances are maintained in the accounting department). This information (ICMP, CLGR, Act and variances) may be maintained electronically; however, in the event that the electronic format is not available the licensees must have a hard copy of the ICMP, CLGR, Act and variances located in a designated area, which is available at all times. Any approved variance must clearly indicate the Division's approval, including the approval date and indication of the individual who approved the variance. This will eliminate confusion regarding which approved ICMP variances a casino follows. If a variance is applicable to multiple departments, each department is required to maintain a copy of the approved variance.

Any suggested revisions, additions, deletions, or comments regarding the ICMP are welcomed and should be forwarded in writing to:

Division of Gaming
Audit Section
17301 W. Colfax Ave., Suite 135
Golden, CO 80401
(303) 205-1342 fax
dor_coloradocasinos@state.co.us

Pursuant to Sections 12-47.1-501, 12-47.1-511, and 12-47.1-525, Colorado Revised Statutes (CRS), a licensee should be aware that in the event it does not comply with ICMP, or an approved variation from ICMP, the Commission may revoke its license, may suspend its license for a particular period of time, may impose a monetary penalty as provided in Section 12-47.1-525 (1), CRS, may issue a public or private letter of reprimand to be placed in its files, or may take any combination of these actions.

Pursuant to CLGR 47.1-402, each licensee must immediately notify the Division of the discovery of a violation or of a suspected violation of article 47.1 of title 12, CRS, or CLGR promulgated thereunder. This includes violations of the ICMP.

D. INTERNAL CONTROLS AND THE CONTROL ENVIRONMENT

Pursuant to CLGR 47.1-1610(2), each licensee shall establish its own internal control procedures including accounting procedures, reporting procedures, and personnel policies for the purpose of determining the licensee's liability for taxes, fees, and exercising effective control over the licensee's internal fiscal affairs. The licensee's procedures must incorporate the ICMP requirements as established by the Division, or alternative requirements approved by the Division, and must be designed to ensure that:

1. Assets are safeguarded and accountability over assets is maintained.

2. Liabilities are properly recorded and contingent liabilities are properly disclosed.

3. Financial records including revenue, expenses, assets, liability and equity are accurate and reliable.

4. Transactions are performed only in accordance with Generally Accepted Accounting Principles, the Commission's rules and regulations, and management's stated policies which cannot be inconsistent with such principles, rules and regulations.

5. Transactions are recorded adequately to permit proper reporting of gaming revenue, fees, and taxes.

6. Access to assets is permitted only in accordance with management's specific authorization.

7. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies.

8. Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

The control environment represents the collective effect of various factors on establishing, enhancing, or mitigating the effectiveness of specific policies and procedures. Such factors include the following:

a) Management's philosophy and operating style.
b) The entity's organizational structure.
c) The functioning of the board of directors and its committees, particularly the audit committee.
d) Methods of assigning authority and responsibility to include adequate segregation of duties in all departments.
e) Management's control methods for monitoring and following up on performance, including internal auditing.
f) Personnel policies and practices.
g) Various external influences that affect an entity's operations and practices, such as examinations by regulatory agencies.

The control environment reflects the overall attitude, awareness, and actions of the board of directors, management, owners, and others concerning the importance of the control environment and its emphasis in the entity.

The control environment is a primary component in the regulation of the gaming industry and affects the Division's evaluation of gaming taxes paid and the integrity of casino operations. For example, the Division reviews cashier cage operations, yet the cashier cage operations do not have a direct impact on gaming tax revenues. However, these operations provide a strong reflection of the condition of the control environment because the cage is a focal point of casino operations: it is the repository for gaming revenues; gaming transactions flow through the cage; and access to sensitive gaming areas is restricted through the cage.

E. KEY EMPLOYEES

A key employee is any executive, employee, or agent of the licensee, having the power to exercise a significant influence over decisions concerning any part of the operation of the licensee. The requirements for having a key employee on duty are as follows:

For Group A Licensees – A key employee is not required to be on the licensee's premises at all times, but must be available at all times gaming is being conducted. Available as defined by the Division is able to be present on the licensee's premises within fifteen (15) minutes of any request.

For Group B and C Licensees – A key employee must be on the licensee's premises at all times while open for the business of conducting limited gaming. For the purposes of this section, premise is defined as the gross building area as reflected on the casino's gaming map. A key employee may go outside of the licensed premise within 5' (five feet) of a door. For commonly owned casinos, physically connected by a wall with an opening between the casinos, key employees may go between the casinos.

See Terminology section for the definitions of Group A, Group B and Group C licensees.

F. INDUSTRY BULLETINS

Industry bulletins are periodically distributed by the Division to licensees and other interested parties. Industry bulletins are intended to address emerging issues that impact the regulation of the gaming industry or to clarify CLGR and/or ICMP. Industry bulletins may also be used to provide guidance to licensees on new requirements deemed necessary by the Division. It is the responsibility of each licensee to maintain and distribute this information to its employees. Copies of these bulletins may be obtained from the Division's website at www.colorado.gov/revenue/gaming.

G. GAMING FORMS

Each licensee has 90 days from the formal amendment date of the ICMP to adopt and/or revise gaming forms. If the casino chooses to use its existing inventory of gaming forms during this 90-day period, it must include all information required on the revised form. The ICMP contain samples of the forms discussed throughout the sections. These are sample forms only. It is the licensee's responsibility to ensure that all forms meet ICMP requirements. Licensees do not

need to submit forms to the Division for approval. For all forms that have a denomination column, the individual denomination rows that are not applicable can be omitted; however, the total or grand total rows must be included. For example, if the licensee does not have $5 chips, it is not necessary to include that row. If the licensee uses a denomination not reflected on the sample form, the licensee must add the denomination to the form. If any of the forms extend to more than one page, and signatures and certifications are required, they must be included on all pages of the form. All forms and documentation must be retained in the State of Colorado and are subject to the document retention requirements mandated in CLGR 47.1-1607.

All gaming forms must be completed in ink. Signatures on gaming forms must also include the legible gaming license number of the person signing the form. Errors on gaming documents must be lined through and the correction written above. **Under no circumstances will an entry be written over or modified in any other manner.** At least one gaming employee involved in the gaming transaction must initial all corrections, verifying the correction. If an error is made to the grand total on the cash inventory sheet, at least two cashiers must initial the correction, verifying the correction. Error corrections on count paperwork must be approved and initialed by two count team members. Error correction on count paperwork transferred to the cashier must also be approved and initialed by the cashier next to the correction. In other words, two count team members and the cashier must approve and initial error corrections affecting the grand total transferred to the cashier. Monetary amounts can be corrected using this procedure only on non-restricted gaming forms. Accounting must ensure gaming documents are properly completed and error corrections are made in accordance with these procedures.

A restricted gaming form (i.e., request for fill/credit, fill/credit, opener/closer table inventory form, request for table games jackpot payout slip, table games jackpot payout slip, unclaimed jackpot receipt, table games payout form, jackpot payout/fill slip, and slot tournament prize form) must be voided when an error in the monetary amount occurs. When a restricted gaming form is voided, "VOID" is clearly marked across the face of the original (white) and all copies. At least two gaming employees involved in the transaction sign and date across the face of the voided slip. The voided slip number is recorded on the replacement slip. If the gaming form originates in the pit, the top signer submits the original (white) and copy (yellow) to accounting for retention and accountability. If the gaming form originates in the slots department, the slot supervisor submits the original (white) and copy (yellow) to accounting for retention and accountability. If the gaming form originates in the cashier cage, the cashier submits the original (white) and copy (yellow) to accounting for retention and accountability. Accounting must ensure that gaming forms are voided correctly. Any noncompliance items identified by accounting are processed in accordance with the licensee's written accounting plan.

Any restricted gaming forms which have not been properly completed are subject to disallowance by the Division and may not be included in the calculation of adjusted gross proceeds (AGP) for gaming tax purposes.

For casinos utilizing locked dispensing machines for any of its restricted forms, the slips within the locked dispensing machine are retained intact in a continuous unbroken sequence. The pink

copies of the slips are only accessible to authorized personnel. The pink copies of the slips are only removed from the locked dispensing machine by authorized accounting personnel, with the following exception. The gaming manager may refill the locked dispensing machine or fix jams. In the event the dispensing machine(s) is full of pink copies, and the accounting department is closed, the gaming manager may remove the pink copies in the presence of another licensed employee, preferably from security. The pink copies must be immediately deposited by the gaming manager into the locked accounting box. The gaming manager must be escorted by another licensed employee, preferably from security, when delivering the pink copies to the locked accounting box. The entire transaction must be under surveillance. This internal control procedure must not be used as a substitute procedure for accounting personnel removing the pink copies from the locked dispensing machine on a timely basis.

A forms control log must be maintained for all forms that are sequentially numbered. See the Accounting section for additional information and clarification.

H. GAMBLING PAYMENT INTERCEPT

An IRS W-2G form is required if:

1. The winnings (not reduced by the wager) are $1,200 or more from a slot machine,
2. The winnings (reduced by the wager or buy-in) are more than $5,000 from a poker tournament,
3. The winnings for certain table games (reduced by the wager) are $600 or more, and at least 300 times the amount of the wager.

Prior to making a payment to a winner, the licensee shall obtain the name, address, and social security number of the patron from the W-2G, or a substantially equivalent form, to be filed with the United States Internal Revenue Service and submit the required information to the Gambling Payment Intercept (GPI) registry operator. The registry is a web-based intercept system operated and maintained by Colorado Interactive (CI). The registry operator shall inform the licensee whether the patron is listed in the registry.

If the registry operator replies that the patron is not listed in the registry or if the licensee is unable to receive information from the registry operator after attempting in good faith to do so, the licensee may make the payment to the patron.

Once a winner is verified against the registry and is found to owe no outstanding debt(s), the licensee is not required to search the registry again for that same patron within the current 24-hour gaming day and may make the payment to the patron.

If the registry operator replies that the patron is listed in the registry, the licensee shall withhold from the amount of the payment an amount equal to the amount certified pursuant to Colorado Revised Statute § 24-35-604. If the amount of the payment is less than or equal to the amount certified, the licensee shall withhold the entire amount of the payment. The licensee shall refer the patron to the department that reported the outstanding debt to the registry.

If a winner is verified against the registry and is found to have an outstanding debt(s), and the current intercept satisfies all of the winner's outstanding debt(s), the licensee is not required to search the registry again for that same patron within the current 24-hour gaming day.

If a winner is verified against the registry and is found to have an outstanding debt(s), and the current intercept does **not** satisfy all of the winner's outstanding debt(s), the licensee is required to search the registry again for that same patron in the event the patron wins another cash prize payment.

If it is unclear to the licensee whether the current intercept satisfies all of the winner's outstanding debt(s), or the licensee is unable to receive information from the registry operator after attempting in good faith to do so, the licensee is required to search the registry again for that same patron in the event the patron wins another cash prize payment.

Licensees are required to maintain documentation to support and/or explain:

All searches that were not performed due to a previous search within the current 24-hour gaming day that resulted in the winner showing no outstanding debt(s) and all searches that were not performed due to a previous search within the current 24-hour gaming day that resulted in a current intercept that satisfied all of the winner's outstanding debt(s).

Searcher Requirements

If a licensee cannot access the registry for a 24-hour period for any reason, the licensee must notify Colorado Interactive (CI) at (303) 534-3468 ext. 0 or 1-800-970-3468 ext. 0 that the licensee has been unable to access the registry for 24 hours. If the outage continues for over 72 hours the licensee must notify the Division at dor_coloradocasinos@state.co.us.

Any period of inaccessibility that occurs through no fault of the licensee shall be considered an acceptable period of inaccessibility for that licensee. Any denial of access to the registry because the licensee has either failed to pay the annual fee required to access the registry or has failed to maintain internet service, shall not constitute an acceptable period of inaccessibility.

During any acceptable period of inaccessibility of the registry to a licensee, the licensee may handle its payments to cash prize payment winners without recourse to the provisions of the Gambling Payment Intercept Act, except that the licensee must maintain a listing of cash prize payment winners during the inaccessibility period and maintain documentation explaining why the licensee was not accountable for the period of inaccessibility.

Note: If the winner is a foreign person (1042-S) not subject to W-2G reporting and withholding requirements or receiving a 1099, the licensee is not required to verify if the person is listed in the registry.

When an unclaimed jackpot is claimed by a patron the licensee must verify whether the taxable jackpot winner is listed in the GPI registry.

When performing a search, the licensee must enter the required information listed below:

1. Social Security Number of Patron
2. First Name of the Patron
3. Last Name of the Patron
4. Date of Birth
5. Payout Amount
6. Reference Number

The licensee must enter a number in the reference number field. The reference number may be the jackpot slip number, the W-2G number, or other number that will link the GPI Usage Report to the W-2G.

The licensee must check all last names provided by the patron through the GPI database. The searcher will need to communicate through the outage/exception logs the need for multiple searches (e.g., hyphenated or double surname) for a single W-2G transaction or omitted searches (e.g. system outage) to accounting staff for the search report to reconcile to the number of W-2Gs issued.

The outage/exception logs must have the name of the casino, date, time, patron's name, reference number, jackpot amount, reason, initials and license number of employee. The outage/exception log must be submitted to accounting whenever an outage/exception occurs, and, at a minimum, monthly.

Licensee must navigate the search database properly to arrive at the Print Receipt page when a search results in a match. Procedures must be in place to ensure the patron receives his/her Notice(s) of Intercept Receipt and Intercept Gambling Winnings Letter(s) and accounting receives the Gambling Payment Intercept Receipt(s).

Payer Requirements

Upon verification that a cash payment winner is listed in the registry, the licensee must submit payment electronically to the registry operator in the amount indicated by the registry by the end of the following business day. The licensee must have written procedures in place to verify all intercepts are identified and paid to the registry.

System Administrator

Information provided to and accessed through the registry is considered confidential. Licensees shall have written procedures in place to ensure the confidentiality of the information and to restrict access to the system to individuals with job duties that require access to the registry. Licensees shall not allow employees to share account sign-ons or passwords.

Each licensee must have a system administrator, payer and searcher registered at all times. System access for terminated (voluntary or involuntary) users must be removed as soon as possible but no later than 72 hours after the terminated employee's final work shift.

Accounting Requirements

The licensee must have procedures in the Written Accounting Plan and written procedures for the applicable gaming departments/employees affected to ensure compliance with the Gambling Payment Intercept Act and Regulations.

A review of each gaming day's GPI activity must be completed on a timely basis, not to exceed four (4) days from the gaming date being reviewed. The licensee must be able to support and/or explain missed or excessive searches. At a minimum, the procedures must include reviewing the GPI system outage/exception logs, GPI Usage Reports, and W-2Gs or W-2G reports.The accounting department must complete a report, in Excel format, to include information from the GPI Usage Report and W-2G forms or W-2G report. The report must be completed by the licensee each month prior to submission of the monthly gaming tax return. This report is a summary of GPI activity for a one month period. Information included on this report is all data from the GPI Usage Report and the reference number linking to the W-2G. All W-2G forms issued by the licensee during the month must be reflected on the GPI Usage Report. Any variances between the GPI Usage Report and the W-2G forms issued must be adequately documented and explained. Reconciling items may include multiple searches due to hyphenated or double surnames, or system outages.

I. CASINO CLOSING PROCEDURES

There are certain procedures licensees must follow when closing a casino. A casino closing not only includes a casino going out of business and closing its doors, but also when there is a change of ownership resulting in the issuance of a new gaming license number, closing temporarily, etc.

When the determination to close the casino is made, the licensee contacts the local Division of Gaming office. The Division will provide the licensee with the closing letter that outlines the closing requirements. This subsection provides details specific to the redemption of outstanding chips, tokens and tickets, and the destruction of outstanding chips and tokens.

Chip and Token Redemption Requirements

CLGR 47.1-1304 addresses the redemption and disposal of chips and tokens, which specifically states:
A licensee who ceases operating the licensed establishment for any reason must prepare a plan for redeeming chips and tokens that remain outstanding at the time of closure. The licensee must submit the plan in writing to the Director, or designee, no later than 30 days before the closure. If the date of closure cannot reasonably be anticipated, the licensee must submit the plan as soon as practicable. The Director may approve the plan or require modifications as a condition of approval. Upon approval of the plan, the licensee must implement the plan as approved. In addition to other provisions the Director may approve or require, the plan must provide the following:

1. Redemption of outstanding chips and tokens for 120 days after the closure or for a longer or shorter period approved by the Director;
2. Redemption of the chips and tokens at the premises of the licensed establishment or at another location approved by the Director;
3. Publication of notice for the redemption of the chips and tokens and the pertinent times and locations. The notice must be published in at least two newspapers of general circulation in Colorado at least twice during each 30-day period of the redemption period. Publication is subject to the Director's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;
4. Conspicuous posting of the notice at the licensed establishment or other redemption location; and
5. Destruction or other disposition of the chips and tokens as required by the Director.
6. The provisions of this Rule 47.1-1304 shall not be applicable to promotional and tournament chips.

The chip and token redemption plan is submitted to and approved by the Division prior to implementation of the redemption plan.

<u>Chip and Token Destruction Requirements</u>

When a licensee ceases operating a licensed establishment, a written plan is prepared for the destruction of its chip and token inventory, and for redeeming chips and tokens that remain outstanding at the time of closure. This plan is submitted to the Division for approval at least 30 days prior to closing or as soon as the licensee is aware of the closing.

Copies of all documentation must be submitted to the Division's office within five business days following the final destruction.

Final Closing Inventory

Upon closure, the licensee shall perform and document a final closing count of all drops, hoppers, cages, table trays, imprest banks, floor banks, storage areas, vault, and any other source of funds. After the final closing count, the licensee must assemble all chips and tokens into one designated area. Two separate licensed individuals must perform a final count of the chips and tokens. All chips and tokens shall be inventoried by denomination. If bagged, each bag must reflect its

denomination and weight. This inventory shall be reconciled to the previous, most recent quarterly inventory with accurate and complete documentation supporting the changes in inventory. A copy of all inventory documentation, including supporting supplemental information, shall be provided to the Division. Additionally, the licensee shall provide the Division a document that describes how and where the final closing inventory will be secured while awaiting destruction. The inventory must be under surveillance at all times until the destruction.

Pre-Destruction Inventory

Prior to removal from the licensed premises, a pre-destruction inventory of the chips and/or tokens shall be conducted by at least two licensed individuals representing the casino. This inventory shall be reconciled to the final closing count. Any differences between the final closing count and the pre-destruction inventory must be explained, this explanation must be provided to the Division.

In addition to the pre-destruction inventory, a weigh shall be obtained of the total chips to be destroyed, and a weigh of the total tokens to be destroyed. This weigh shall be performed by the destruction company and must be recorded on the inventory forms noted above. A copy of all inventory documentation, including weigh scale tape and any other supporting information, shall be provided to the Division.

Time of Destruction

There are two options for performing the destruction: (1) two licensed individuals, one of whom is independent of the destruction company, are present for the destruction of all chips and tokens; or (2) the licensed employee of the destruction company or the licensed employee of the casino participating in the destruction may perform the destruction with video coverage of the entire process.

Either a weigh scale tape is produced and signed by both individuals (option 1), or the video coverage shall include a pre-destruction weigh display (e.g., LED display or weigh scale tape image), the entire destruction process, and the post-destruction weigh (option 2). A copy of this video recording must be provided to the Division within five business days following the destruction.

Post-Destruction Verification

Upon completion of destruction, the destruction company will obtain and document a weigh of the total chips destroyed, and a weigh of the total tokens destroyed. Any discrepancies of 1% or greater between the pre-destruction weigh and the post-destruction weigh must be explained. This information, accompanied by all weigh scale tapes, if applicable, must be provided to the Division within five business days following the destruction.

Redemption Period

Upon expiration of the chip and token redemption period, two licensed casino representatives perform an inventory. The casino redeeming the inventory must ensure that an inventory of all chips and tokens redeemed is maintained on a daily basis. This inventory shall be reconciled to

actual chips and tokens on hand prior to transferring the chips and tokens to the closed casino. A copy of all inventory documentation, including supporting supplemental information, shall be provided to the Division upon request

Pre-destruction inventory and post-destruction verification procedures, including the submittal of documentation, as outlined in this section shall be followed for these inventoried chips and tokens.

The documentation for all inventories and weighs shall include the date of the event and the printed names, related signatures and license numbers of all individuals involved.

Outstanding Tickets Redemption Requirements

When a licensee ceases operating a licensed establishment, a plan for redeeming tickets that have not expired is prepared and must include the following criteria:

1. Allowance of tickets to be redeemed up to 120 days after closure.
2. Tickets may be redeemed at the premises of the licensed establishment or at another licensed location approved by the Division.
3. Publication of notice for the redemption of the tickets and the pertinent times and locations (refer to Chip and Token Redemption Requirements above).
4. Conspicuous posting of the notice at the licensed establishment or other redemption location.

Once the licensed establishment is closed, there is no ticketing system available to validate an outstanding ticket; therefore, the licensee must have procedures in place that ensure the validity of tickets presented for redemption.

A report must be provided to the redeeming establishment that includes detailed information of all unredeemed tickets as of the last operating gaming date. This can be accomplished by using the tickets unredeemed report. The redeeming establishment must use this report to ensure the ticket is valid prior to paying the patron. The validation number and dollar amount on the ticket must agree to the report. To ensure accountability of the payout, the redeeming cashier must document the date the ticket was redeemed and the dollar value of the ticket on the report. The cashier's name and license number must be clearly written directly on the ticket.

The redeeming establishment must ensure that tickets presented for redemption are not expired, are valid, and are considered to be a liability as of the last day of operation.

At the end of the 120-day redemption period, all related gaming documentation and redeemed tickets must be submitted to the Division for review.

The licensee must prepare the tax return after the end of the month in which the licensed establishment closed so that any tickets redeemed during the remainder of that month are captured on the tax return. Any tickets redeemed after the month the licensed establishment closed through the end of the redemption period must be summarized in a letter to the Division

along with a request for a tax refund and a listing of the exact dollar amount of the redeemed tickets. In order to receive the refund, the licensee must submit supporting documentation for the redeemed tickets. Supporting documentation includes the detailed liability report(s) utilized by the redeeming establishment and all redeemed tickets with the appropriate information listed on them. Only valid tickets will be considered in determining the refund amount. Non-supported redeemed tickets will not be allowed in determining the amount refunded to the licensee.