

## Colorado Limited Gaming Control Commission

### *Internal Control Minimum Procedures (ICMP)*

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## SECTION 4

### SLOT MACHINES

#### A. EQUIPMENT CONTROL/TESTING

Licensees are responsible for ensuring that all gaming devices being offered for use at its gaming establishments are secure, completely and successfully tested, and properly configured to comply with Colorado Rules and Regulations (CLGR). Licensees are also ultimately responsible for ensuring that all required game program media used in its gaming devices are approved for use in Colorado. The same requirements apply to all gaming devices, irrespective of prior ownership or use, whether in or outside Colorado.

Pursuant to CLGR 47.1-1233(3), the phrase “**replacement game program has been approved for use in Colorado**” shall mean that the licensee has used some method (whether provided by comparison of the software program ID to a visual display on the gaming device and/or by the use of a validation unit that is capable of providing signature validation codes as provided for by the State of Colorado’s contracted gaming lab(s)) to identify that the media being used is approved for use in Colorado. The method for ensuring the use of approved media shall include the comparing of the signature code and/or program ID to a current approval list for all gaming media approved in Colorado.

#### Slot Database

Licensees must submit a current, complete and accurate slot floor database in a manner determined by the Division, once every thirty-day period. The slot floor database must have, at a minimum, the required information as displayed in the Slot Data Form found in the Forms section of Section 4 / Slot Machines. The required data field information in the slot floor database must be listed exactly as the Slot Data Form header text.

All slot database files must be made available to Division staff immediately upon request.

#### Slot Meters

<b>Meter</b>	<b>Meter Importance</b>
<input type="checkbox"/> Coin In	Used to calculate the actual hold percentage; various statistical analyses; indicator of volume of play; required for the gaming tax return.
<input type="checkbox"/> Coin Out	Used to determine reasonableness of fill amounts.
<input type="checkbox"/> Coin Drop	Used to verify the actual coin drop.
<input type="checkbox"/> Bill In	Used to verify the actual bills dropped.
<input type="checkbox"/> Attendant Paid Jackpots	

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Used to verify the actual jackpot awards that are paid out by an attendant and not paid out by the slot machine. This does not include additional payouts or promotional awards paid by an attendant.

- ❑ **Attendant Paid Progressive Payout**  
Used to verify the actual progressive payout awards that are paid out by an attendant and not paid out by the slot machine. This does not include additional payouts and promotional awards paid by the attendant.
- ❑ **Attendant Paid Cancelled Credits**  
Used to verify the actual payouts resulting from accumulated credits that are paid out by an attendant and not paid out by the slot machine.
- ❑ **Machine Paid Progressive Payout**  
Used to verify the actual progressive payout awards that are paid out by the slot machine.
- ❑ **Voucher Out**      Used to accumulate the value of all tickets issued by a TITO-enabled device.
- ❑ **Voucher In**      Used to accumulate the value of all tickets and slot coupons inserted and redeemed in a TITO-enabled device.
- ❑ **Machine Paid External Bonus**  
Used to verify the actual payouts resulting from an external bonusing system paid out by the slot machine
- ❑ **Attendant Paid External Bonus**  
Used to verify the actual payouts resulting from an external bonusing system that are paid out by an attendant and not paid out by the slot machine
- ❑ **Cashable Electronic Promotion In**  
Used to accumulate the value of electronic cashable promotional credits transferred to an EPC enabled device from an electronic promotional credit system
- ❑ **Non-Cashable Electronic Promotion In**  
Used to accumulate the value of electronic non-cashable promotional credits transferred to an EPC enabled device from an electronic promotional credit system
- ❑ **Non-Cashable Electronic Promotion Out**  
Used to accumulate the value of electronic non-cashable promotional credits transferred from an EPC enabled device to an electronic promotional credit system

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It is the licensee's responsibility to ensure that accurate meters are maintained. Meters are captured so proper statistical reports can be generated.

Soft and/or system meter readings, which ever is applicable, must be recorded. To rely on system meter readings the machine must have passed testing and be communicating with the system. Meters must be recorded:

1. Prior to removing devices from the floor ,
2. Prior to denomination changes,
3. When devices are placed in service,
4. When devices are taken out of service for any reason that would affect the meter retention. This is to ensure meters are accurately retained,
5. When devices are moved from one location on the gaming floor to another,
6. When converting or re-configuring a machine, and
7. Each drop.

**Note:** The coin in meter for each progressive on a multi-game or multi-denomination slot machine must also be recorded in the above situations, with the exception of each drop.

All applicable soft or system meter information must be captured for each drop. For example, Voucher In and Voucher Out do not need to be recorded for a non ticketing machine. Meters are recorded for each machine on the gaming floor, including machines out of service. If meters cannot be recorded for machines out of service at the time of the drop, meters must be recorded prior to placing the machine in service.

#### **Machine Removals**

Prior to removing a machine from the floor, the slot department must notify the accounting department, in writing, of the machine(s) being removed from the floor.

The machine contents must be dropped in accordance with emergency drop procedures outlined in the Table Games and Slot Drop and Count Procedures section.

#### **B. MACHINE ACCESS**

An access log (log) must be maintained inside each slot machine. Additionally, a kiosk access log must be maintained inside each kiosk. The handwriting must be legible and discernable to a person reviewing the log.

Each person who accesses a slot machine or kiosk for any defined event shall make an entry on the log. A defined event includes, but is not limited to, the following:

- Service and repairs,
- Clearing bill/ticket validator jams,
- Tilt resets,
- Hopper fills,

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- Troubleshooting error conditions,
- Coin test activity.

There only needs to be one description of any uninterrupted event on the log for each person involved in the resumed event, and not for each opening of the door for each person(s). No description is required when removing the BV stacker during a regularly scheduled drop.

All logs must reflect the title of the form, licensee name and device number. Minimum required information for each entry is date, time, employee initials and license number of the individual accessing the machine, and the reason for access. Entries are to be complete, accurate, and legible.

If a door is opened twice by the same individual during a hopper fill, the log may be signed once with an entry of "fill x 2." If two individuals opened the door during a hopper fill, the log must be completed by each individual upon his/her respective access. Before locking the door, authorized staff may remove a coin from the hopper to play off the machine's tilt light.

Licensees must have procedures for documenting tilt resets which can be performed without accessing the interior of the machine. Documentation must include date and time, employee initials and license number, and reasons for the tilt. Entries shall be complete, accurate and legible, and must be made available to the Division upon request. If an approved computerized system produces this information, including identification of the attending employee, the system report does not need to be initialed.

The drop cabinet is the cabinet under the slot machine, which contains the drop bucket or which contains coins. If the slot machine does not operate with coin, the cabinet is considered a slot cabinet or may be referred to as a slot stand. At no point is it allowable to utilize the drop cabinet for storage when the machine is operated with coin or if the cabinet contains drop funds. A slot cabinet may be used as a storage area if it is not used to secure drop funds and must be keyed differently than a drop cabinet.

When it is necessary to perform maintenance on a drop cabinet, a security escort must be present to ascertain whether the drop cabinet contains coins. If it does, security must remain in the area and observe the maintenance procedure until maintenance is completed and the drop cabinet is locked, in order to verify and warrant the continued security of funds inside the cabinet.

At times the BV is accessed to clear a jam, settle a patron dispute, or for other reasons. A BV stacker problem can be fixed at the slot machine with the slot technician/attendant and security person present as long as the stacker contents are not accessed. If the stacker contents are accessed in order to fix the problem, the BV stacker is taken to the cage by the slot technician/attendant and security person. The process of fixing the BV and accessing the BV stacker contents is performed under surveillance at the cage. The slot technician/attendant and the security person shall remain with the BV stacker from the time it is removed from the machine until it is returned to the machine. Alternatively, when the contents of the BV are accessed in order to clear a jam, settle a dispute, or for any other reason outside the BV drop and

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count process, the process of fixing the BV and accessing the contents may be performed at the machine under the following conditions:

1. The gaming manager checks out the BV content key and proceeds to the slot machine.
2. The licensee must ensure adequate camera coverage prior to accessing the BV funds. Surveillance coverage must be sufficient to identify the individuals accessing the funds, and when the funds are accessed. This may be accomplished through the use of a PTZ and/or stationary camera.
3. The BV problem is corrected in the presence of the slot technician/attendant, security, and gaming manager.

In case more than one BV needs to be repaired successively, the BV content key may be maintained between repairs; however, once the successive repairs are complete, the BV content key must be immediately returned by the gaming manager to Gaming Manager locked box #2 (box 2).

#### **C. DEVICE REQUIREMENTS**

All gaming devices must be configured correctly to comply with CLGR. This includes the accurate setting of all device options, configurations, and real-time clock display. Each gaming device must have a unique asset number associated with the gaming device. If the game theme, denomination or par is changed, a unique asset number must be assigned to the converted gaming device and all transactions properly associated to that new device asset number.

A legible copy of each slot machine's respective par sheet, indicating the probability of hitting each award and the associated pay for each award available, must be maintained either inside each slot machine secured in its specific slot cabinet/stand or stored, at a minimum, as an electronic file on a portable storage device maintained and secured by the licensee. Electronic par sheet files must be accessible to casino licensees and immediately available to Division staff. Licensees must have a process in place which allows for the electronic version of the par sheet(s) to be viewed at each individual machine upon request by the Division.

The licensee must maintain a device history log for each gaming device, including ticket redemption kiosks, which document information about, and changes or modifications to the device. This log must be secured inside each slot machine and kiosk.

The BV release key must be keyed differently than all other slot machine doors.

All slot machines shall be operated and stored in a secure manner to prevent unauthorized access to their contents and component parts. All spare component parts shall be stored in a secure location to prevent unauthorized access, tampering, or theft.

Pursuant to CLGR 47.1-1231 regarding the security of machine logic and memory devices, the phrase "**secured in the machine**" shall mean that the slot machine itself is to be considered a

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secured compartment and there need not be any other secured compartment within the slot machine itself that in which the internal logic is to reside to satisfy this regulation.

#### **D. DEVICE STORAGE, MOVEMENT REPORTING AND DESTRUCTION**

Slot machines may be stored on the casino premises or at an offsite location, as long as the Division knows the location of the machines, the offsite location is secure, and the licensee has properly reported the movement of those devices.

Pursuant to CLGR 47.1-405(5), licensees (manufacturers, distributors, operators, and retailers) must report the movement of devices to the Division on a weekly basis. Please reference the Division's web-based device tracking system to comply with this requirement.

All slot machine movement must be reported in the Division's device tracking system with the appropriate Device Status designation. Device Status designations include: Device On Floor, Device Promotional, Device Storage-Off Site, Device Storage-On Site, Device Destruction and Manufacturer.

All slot machines (other than devices used for non-gaming, promotional purposes) that are placed outside of approved designated gaming floor space areas must be reported to the Division with the applicable Device Storage-On Site /Device Storage-Off Site designation.

Slot machine destruction requirements can be found on the Division's web site at <https://www.colorado.gov/pacific/enforcement/gaming>

#### **E. TESTING**

Coins needed to perform slot machine testing may be obtained from the hopper by authorized personnel if it involves 10 coins or less. The access log must denote the number of coins removed from the hopper. If the testing involves more than 10 coins, the coins must be disbursed from the cage as a miscellaneous disbursement which must include a reference to the machine number. Bills needed to perform any aspect of slot machine testing are disbursed from the cage as a miscellaneous disbursement. The machine numbers of the slot machines being tested must be documented in writing on miscellaneous disbursement.

Once the machine testing has been completed, any funds remaining as a result of the testing must be receipted into the cage as a miscellaneous receipt which must include a reference to the machine number.

Bills from BV malfunctions (e.g., BV jams) obtained from the machine, must be receipted into the cage as a "miscellaneous receipt". The miscellaneous receipt must also note the machine number. Alternatively, bill(s) from the BV jam can be returned to the BV stacker by following the procedures as listed under (B) Machine Access.

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#### **F. E-PROM DUPLICATION**

Most manufacturers' software is protected by federal copyright and patent laws. Licensees must ensure that they are complying with all applicable laws when duplicating or using duplicated software.

#### **G. GAMING SYSTEMS**

If a gaming system or modules are used to monitor, track, generate, and capture required slot transaction data, the system and module(s) must be tested. See the Gaming Systems section for additional information related to these systems and modules.

#### **H. GAMBLING PAYMENT INTERCEPT (GPI)**

Please refer to ICMP Section 1 General, H for GPI procedures.

#### **I. JACKPOT PAYOUTS, ADDITIONAL PAYOUTS AND SLOT FILLS**

Jackpot payouts, as referred to in this subsection, include attendant paid jackpots, attendant paid cancelled credits, attendant paid progressive payouts, and attendant paid external bonus payouts.

The design of slips for jackpot payouts, additional payouts, and slot fills, is at the licensee's discretion. However, at a minimum, the payout form/documentation (minimum 2-part form from an automated gaming systems or cage system; 3-part for a manual process) must include the following information:

1. Type of payout (e.g., jackpot, fill, cancelled credit, secondary statewide multi-link jackpot, progressive payout, external bonus payout),
2. Preprinted or concurrently printed slip sequence number with the following:
  - a. Date and time,
  - b. Machine number,
  - c. Machine denomination and dollar amount of cash jackpot payout or fill, or value of prize,
  - d. Game outcome (including reel symbols, total coins played, etc.) for jackpot payouts (excluding cancelled credits). For multi line winning combinations, note such on the slip versus the reel settings,
  - e. Indication if W-2G was issued for jackpot payouts (excluding cancelled credits) or additional payouts,
  - f. Indication if Gambling Payment Intercept Registry was searched for jackpot payouts.
  - g. Total hand pay before taxes (aggregate of jackpot payout and additional payout amounts) for payouts,
  - h. Taxes withheld, if applicable, for payouts,
  - i. Gambling Payment Intercept amount withheld, if applicable.

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- j. Amount paid to patron by cashier, for payouts,
- k. Cashier's signature and legible gaming license number prior to transferring funds to the slot attendant (verifying the accuracy and completeness of document and of funds to be transferred to slot attendant),
- l. Patron's signature indicating receipt of funds if total amount awarded is \$1,200 or more for jackpot payouts, excluding cancelled credits and for all additional payouts,
- m. Signatures and legible gaming license numbers of at least two additional licensed individuals verifying and witnessing the payout or fill. One licensee signs the slip after verifying the funds from the cage indicating the funds received agree with the slip. After the transaction is completed, the second licensed individual must sign the slip indicating the accuracy and completeness of the slip and that the funds were paid to the patron (for payouts) or deposited in the hopper (for fills).
- n. Jackpot payouts, excluding cancelled credits, of \$1,200 or more, and all additional payouts require the signature and verification of a supervisory or management employee indicating the proper completion of the slip and verification of the funds to the slip. Four<sup>1</sup> different licensed personnel signatures must be present. Also, an IRS W-2G Statement of Gambling Winnings must be completed in accordance with IRS regulations. Refer to IRS W-2G requirements for proper completion of this form. Licensees must verify whether the taxable jackpot winner is listed in the GPI registry.
- o. Soft and/or system meter readings. The recording of meters on jackpot payout/fill slips is not required as long as licensees have meter support for each payout event (e.g., jackpot, cancel credit, etc). This may be accomplished by the use of a gaming system meter report. This information is used as a resource in researching variances on statistical reports and as support when meters are unexpectedly lost.

Licensees who have received written approval from the Division for the use of its gaming system may process payouts of less than \$1,200 without a verifier. In lieu of the licensee's verifier, the patron must sign the jackpot slip indicating receipt of the money documented on the slip. If the patron refuses to sign the jackpot slip, a note is made on the slip "patron did not sign", and a verifier must be called to verify the payment and sign the slip. Processing of the jackpot payout without a verifier applies only to jackpot payouts recognized by the system that do not require an override or manual intervention. Jackpot payouts that require an override, an additional payout, or are not recognized by the system must be processed with a licensed employee as the verifier.

Licensees who have received written approval from the Division for the use of its gaming system may process system generated payouts of less than \$5,000 during the time the patron is playing machine credits not associated with the specific payout amount. The licensee must complete a payout request form prior to resetting the game which allows the patron to continue playing credits not associated with the payout which is in the process of being completed. System generated payouts include jackpots, cancelled credits, progressive payouts that do not require an

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<sup>1</sup> Group A Control  
Difference ↓

Group A Licensees need three licensed employee's signatures for jackpots of \$1,200 or more, plus the patron's signature.

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override except to round up to the next denomination or dollar and external bonus payouts. Payouts that are not recognized by the system must be processed as described at the beginning of this subsection I., Jackpot Payouts.

A licensed employee must complete a (minimum 2-part) payout request form before the machine can be reset. The design of the payout request form is at the licensee's discretion. However, at a minimum, the payout request form (minimum 2-part form) must include the following information:

1. Type of payout (jackpot, cancelled credit, progressive, external bonus),
2. Date and time,
3. Machine number,
4. Machine denomination and dollar amount of payout,
5. Game outcome (including reel symbols, total coins played, etc.) for payouts (excluding cancelled credits). For multi-line winning combinations, note such on the slip versus the reel settings,
6. Indication if a W-2G is applicable,
7. Taxes withheld, if applicable,
8. Patron's signature indicating the information is correct,
9. Licensed employee's signature and license number.

The patron is requested to sign the payout request form, indicating the information is correct, and is informed by the licensed employee that the payout is in process and they are able to continue play on the machine if they wish. If the patron refuses to sign, the machine will not be reset and the patron will not be allowed to continue play until the payout transaction is complete as described at the beginning of this Section I.

After the form is completed the licensed employee will reset the machine which allows the patron to continue to play. The licensed employee must also verify that the patron plays off the machine. The original copy of the payout request form is retained by the licensed employee to verify against the payout slip. The copy is provided to the patron to retain until the payout transaction has been completed.

Licenses must have written procedures that adequately prevent a patron from claiming a jackpot already paid or one in the process of being paid. Procedures must include verification that the payout request forms (original and copy) agree to the jackpot slip. Procedures for processing the payout and the number of employees involved do not change.

Licenses who have received written approval from the Division for the use of its gaming system may process slot fills without a verifier. Processing of the fill without a verifier applies only to fill events recognized by the system that do not require an override or manual intervention. Licenses must have written procedures that adequately address overrides to system-generated information on any jackpot payout/fill slips. The written procedures must be available to those individuals who are involved in the override process. A supervisory or management employee (i.e., shift manager or gaming manager) must independently authorize system overrides with the

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exception of rounding to the next denomination or dollar. The individual that initiates the transaction cannot be the individual that authorizes the override. A physical verification by the supervisory or management employee must be performed to determine that the override is appropriate. Authorization is provided once verification is completed. Additionally, the accounting department must review all overrides for reasonableness and proper authority. This review must be evidenced on the supporting documentation by the reviewer's initials and date of the review.

Upon completion of a jackpot payout to the patron the patron is requested to play off the machine. If the patron declines to play off the machine, the licensee must have adequate procedures in place to prevent a patron from claiming a jackpot already paid (i.e., take a coin from the hopper or obtain the minimal amount of funds from the cashier cage to play off the machine).

Some slot machines allow patrons who have won credits greater than the hopper lockout amount to continue playing these credits once the slot attendant resets the game. If a jackpot of \$1,200 or more occurs on one of these slot machines, a W-2G must still be completed. To reset the game and allow the patron to continue playing these credits, the attendant uses a second reset key switch (which is located in the same general area as the jackpot reset key switch). The licensee must replace the lock shipped with the machine with a licensee's specific key before these games can be played. This key, called a W-2G reset key, is considered a restricted key and must be stored in box 2.

The original (white) of the payout or fill slip, and the payout request form, if applicable, is deposited in the locked accounting box or hand delivered directly to the accounting department upon completion of the transaction. Multiple slips may be routed simultaneously; however, the slips must remain under the control of the slot attendant, in plain sight, until routed to accounting. For multiple processing/routing of slips, the licensee must have written procedures to minimize potential errors by employees, and must ensure employees are knowledgeable of the procedures. The procedures must also include the number of slips processed and routed at the same time, and must be prominently posted in the slot department and cashier cage. The copy (yellow) of the slip is retained by the cashier documenting funds leaving the cage.

Payouts (computerized or manual process), including jackpots, fills, cancelled credits, progressive payouts, external bonus payouts, and additional payouts, shall be controlled and completed in a manner that precludes any one individual from initiating and producing a fraudulent payout form, obtaining the funds, forging signatures on the payout form, routing all parts of the form, and/or misappropriating the funds.

Payout slips which have not been properly completed are subject to denial for gaming tax purposes.

For payouts of less than the denomination value of tokenized machines, licensees may use a tokenized credit payout slip (or a manual jackpot payout slip) to document the payout. When a tokenized machine requires a payout of less than its denomination value, the slot attendant shall complete the payout slip with the date, time, machine number, and amount. The attendant shall

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then sign the slip and present it to the patron for redemption at the cage. When the patron redeems the slip at the cage, both the patron and cashier shall sign the slip. The slip must be alphanumerically numbered and reflect the date, time, machine number, amount of payout, and signatures of slot attendant, patron, and cashier. A log must be maintained to record the sequence of slips as they are checked out. Licensees who utilize an automated gaming system to generate jackpot payout slips may continue to use the system-generated slip and process the payout. Licensees who continue to use the system generated slip for payouts of less than the denomination value of tokenized machines do not need to have a verifier involved to verify the payout, verify the meters, or sign the slip.

For abandoned credits left on tokenized machines in an amount less than the tokenized amount, the slot attendant may key off the credits on the machine. The credits keyed off the machine are recorded on the access log for that machine with the slot attendant's initials, amount and comment that these are abandoned credits. The access card is utilized by accounting when investigating variances that exceed the allowable threshold.

Any money found by employees (i.e., in the coin return, in the tray, or on the floor), and any abandoned credits on a slot machine that do not meet the criteria addressed above, should be receipted into the cage as miscellaneous receipts.

#### **J. POUCH PAYS**

Jackpot payouts, as referred to in this subsection, include attendant paid jackpots, attendant paid cancelled credits, attendant paid progressives and attendant paid external bonuses.

Licensees who have received written approval from the Division for the use of its gaming system are allowed to make change for patrons, pay promotional coupons, and pay slot machine jackpot payouts via pouch pay. The following criteria for jackpot payments must be adhered to:

1. Only system generated jackpots may be paid. Transactions which require override authorization which includes additional payouts may not be paid via a pouch pay.
2. Jackpots under \$1,200 may be paid via a pouch pay.

If communication between the slot machine and the system is down, no jackpot payments may occur via a pouch pay. The jackpot payment must occur through the cage.

If the licensee utilizes a wireless handheld validation unit (validation device) on the gaming premises, tickets and slot coupons may be redeemed and paid via pouch pay after validation. Each licensed individual (i.e., floor person), with authority to pay jackpots, or redeem tickets or slot coupons using a validation device on the gaming premises, must check out the associated imprest bank/pouch from the cashier cage. See Wireless Handheld Validation section for additional information.

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#### **Pouch Pay/Bank Check Out Procedures – From the Cashier Cage to the Floor Person**

Pouch pay banks (funds) are a part of the cashier cage accountability and must be documented on the daily cash summary. Pouch pay banks are maintained in the cashier cage or in an alternate locked and secured area (pouch cabinet) under surveillance coverage.

When the floor person checks out his/her imprest bank/pouch from the cashier cage, the following procedures are performed:

1. Imprest banks/pouches may be prepared prior to check out as long as the imprest amount is reflected on the daily cash summary. The cashier preparing or disbursing the bank to the floor person performs an inventory of the bank and completes an imprest bank inventory form. A miscellaneous disbursement form is completed by the cashier to support that the funds are leaving the cage. The inventory form is attached to the miscellaneous disbursement form.
2. The cashier gives the floor person an imprest bank/pouch and completes the paid out portion of the miscellaneous disbursement form by documenting the date, shift, dollar amount of the bank, and validation device identifier (if applicable).
3. The floor person recounts the imprest bank/pouch. If there are no discrepancies, both the cashier and the floor person sign the imprest bank inventory and miscellaneous disbursement forms. The cashier maintains the bank imprest inventory form and the miscellaneous disbursement form.

Pouch pay banks may be disbursed from the cage to an alternate locked and secured area (pouch cabinet) under surveillance coverage. Adequate controls must be in place to ensure that licensee's assets are secured. Licensees must have adequate written controls in place for pouch pay banks maintained in a pouch cabinet to ensure assets are secured. Two licensed individuals must count and complete an inventory sheet at the beginning and end of the shift the pouch is utilized.

#### **Pouch Pay Floor Person Pay Procedures**

##### **Jackpot Payouts:**

1. The gaming system recognizes machines that require a jackpot payout. The floor person follows the licensee's procedures in order to signal the system to print the jackpot payout slip (e.g., insert slot card into machine's card reader and key the jackpot amount). The floor person proceeds to the cashier cage or a jackpot workstation to retrieve both the white and yellow copies of the jackpot slip. If an override, additional payout or a jackpot payout of \$1,200 or greater (large jackpot) is required, the payment is processed as described under subsection I Jackpot Payouts, Additional Payouts and Slot Fills.
2. If the jackpot payout is not an override or is less than \$1,200, the floor person indicates pouch pay on the cashier line. The floor person proceeds to the slot machine and

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compares the information printed on the jackpot slip to the slot machine, pays the patron, and signs the slip. The patron must sign the slip verifying receipt of the funds. If the patron refuses to sign, a note is made on the slip, "patron did not sign" and a verifier signs the slip attesting to the patron's payment.

3. The original (white) is dropped in the locked accounting box, and the copy (yellow) is maintained with the imprest bank/pouch to reconcile the funds. The licensee may follow its in-house procedures for payment of multiple jackpots or drop the slip immediately.

#### **Tickets and Slot Coupons:**

1. The floor person reviews the ticket or slot coupon for distinguishing characteristics, (e.g. thermal paper, reflects the licensee's name, has not expired, etc.). The floor person scans the ticket or slot coupon using the validation device, verifies the amount agrees to the amount indicated on the validation unit, and validates the ticket or slot coupon in the system.
2. If no discrepancies are identified, the floor person pays the patron. The floor person maintains the ticket or slot coupon with the imprest bank/pouch until the tickets and or slot coupons are exchanged at the cashier cage.
3. If any discrepancies are identified, communication has been lost, or any suspicion of a problem with the ticket or slot coupon is identified, the floor person is not allowed to process or pay the ticket or slot coupon. The ticket or slot coupon is returned to the patron and the patron is directed to take the ticket or slot coupon to the cashier cage for redemption.

#### **Even Money Exchanges**

1. An even money exchange form is used to document the re-imprest of the imprest bank/pouch.
2. The floor person prints or requests the cashier or key on duty to print a report that details the tickets and slot coupons redeemed by that floor person during his/her shift. The floor person will reconcile his/her tickets and slot coupons to this report.
3. The floor person completes the change bank exchange form totaling the jackpot payout slips, tickets and slot coupons. The floor person gives the copy (yellow) of the jackpot payout slips, tickets, slot coupons and report that details the tickets and slot coupons redeemed by that floor person during his/her shift to the cashier along with the even money exchange form. The cashier verifies the total amount of tickets and slot coupons to the report and totals the jackpot payout slips.
4. The cashier gives the funds to the floor person to reimprest his/her imprest bank/pouch. The floor person verifies the funds and agrees the amount to the amount requested on the even money exchange form. If no discrepancies are identified, both the cashier and floor

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person sign the even money exchange form indicating the proper completion of the form and receipt of the funds and documents. The floor person places the money in the imprest bank/pouch. The even money exchange form is maintained by the cashier completing the transaction.

#### **Pouch Pay/Bank Check in Procedures – From the Floor Person to the Cashier Cage**

When the floor person checks in his/her bank/pouch to the cashier cage, the following procedures are performed:

1. The floor person prints or requests the cashier or gaming manager to print a report that details the tickets and slot coupons redeemed by that floor person during his/her shift or session. The floor person reconciles his/her tickets and slot coupons to this report. If an even money exchange was performed during the shift and tickets and slot coupons were exchanged with the cashier, this report may list all tickets and slot coupons that were redeemed by the floor person during his/her shift. If this is the case, a reconciliation of current tickets and slot coupons plus the tickets and slot coupons already exchanged with the cage must be performed to ensure that all tickets and slot coupons redeemed are accounted for. The report printed at the time of even money exchanges may be used to assist in the reconciliation. Licensee must ensure a procedure is in place in order for the floor person to perform an adequate reconciliation when tickets and slot coupons have been previously exchanged with the cage during the shift.
2. The floor person turns in his/her cash and copy (yellow) of the jackpot payout slips, tickets, slot coupons and report to the cashier. The cashier counts the cash, verifies the tickets and slot coupons to the report, and totals the jackpot payout slips. A new imprest bank inventory is completed and the dollar amount of the inventory must tie to the original imprest bank/pouch inventory amount. Both the cashier and the floor person sign the inventory form and the cashier retains the form.
3. The cashier completes the paid in portion of the miscellaneous receipt form documenting the date, shift, amount, and validation device identifier (if applicable) of the bank. The cashier and the floor person sign the miscellaneous receipt form.
4. The imprest bank inventory forms and the miscellaneous receipt form, jackpot payout slips, tickets, slot coupons and reports are maintained by the cashier, the amounts recorded on the daily cash summary and forwarded to accounting with the cage paperwork for that shift.
5. The imprest bank can be re-imprest prior to checking the bank into the cage.
6. If an overage or shortage occurs, the floor person completes an overage or shortage slip, and the supervisor shall investigate any overages/shortages.

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7. If an overage occurs, the excess amount from the floor person's bank is given to the cage cashier who records the overage as a separate line item on the daily cash summary.
8. If a shortage occurs, a shortage slip is prepared and given to the cage cashier. The cage cashier records the shortage as a separate line item on the daily cash summary.

#### **K. SHORT PAYS**

If a short pay occurs due to a machine malfunction, the short pay amount shall be disbursed from the cage as a "miscellaneous disbursement" and paid to the patron. Once the machine is fixed, the cash paid out of the slot machine shall be receipted back into the cage as a "miscellaneous receipt". The machine number and explanation must be included on the miscellaneous disbursement and receipt form.

#### **L. DISPUTED JACKPOTS AND PATRON DISPUTES**

For any disputed jackpot, the floor supervisor or gaming manager must be called. If neither one of these individuals can resolve the dispute **or** if the dispute involves \$250 or more, the Division must be contacted. The slot machine shall *not* be reset or altered (i.e., no further play) until a Gaming investigator has arrived. If the slot machine was reset to allow the patron to continue playing credits not associated with the payout, the payout request form should be reviewed to assist in resolving the dispute; it may also be necessary to review slot system reports.

Coins needed to resolve minor customer disputes may be obtained from the hopper by authorized personnel if the dispute involves 10 coins or less. If the resolution involves more than 10 coins, the coins must be disbursed from the cage as a "miscellaneous disbursement – short pay."

#### **M. UNCLAIMED JACKPOTS**

An unclaimed jackpot receipt is completed when a patron is unable to provide proper identification for jackpot payouts greater than or equal to \$1,200.

The cashier completes the unclaimed jackpot receipt, a pre-numbered three-part form. The cashier, patron and slot supervisor/key employee sign all three parts of the receipt. The cashier maintains the original (white) of the unclaimed jackpot receipt with the original (white) of the jackpot payout/fill slip. A photograph of the patron, at the time of winning, must also be attached to the cashier's receipt. The photograph is used to verify the correct patron claims the jackpot. The patron retains the copy (yellow) of the unclaimed jackpot receipt. The copy (pink) of the unclaimed jackpot receipt is attached to the copy (yellow) of the jackpot/fill slip and is forwarded to accounting by the cashier with his/her cage paperwork.

The licensee must have procedures in place to verify the legitimacy of the patron claiming payment of the unclaimed jackpot. Upon receipt of the patron's copy, the rest of the receipt is completed with the cashier, patron, and slot supervisor/key employee signing the slip indicating payment. Licensees must verify whether the taxable jackpot winner is listed in the GPI registry when the patron claims the jackpot. The receipt is attached to the original (white) and

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photograph, and all paperwork is forwarded to accounting along with the cage paperwork. In some cases, the patron may not have retained his/her copy of the unclaimed jackpot receipt. Upon establishing proper identification of the patron, the award is paid and a note is made on the licensee's copy of the unclaimed jackpot receipt that the patron's copy is not available.

The licensee must have procedures in place to:

1. Track unclaimed jackpot receipts and related jackpot slips upon issuance,
2. Track which slips are still outstanding,
3. Track which slips are paid, and
4. Pay patrons if the paperwork has been dropped to accounting.

Unclaimed jackpots may not be deducted for gaming tax purposes until they are actually paid to the patron.

#### **N. ADDITIONAL PAYOUTS**

At times, a licensee may award amounts in addition to the machine's posted jackpot for a specific wager. These are referred to as additional payouts, for example, double jackpots. An additional payout is an award based on a specific wager in addition to what the slot machine's par sheet specifies. These additional payouts may only be deducted from AGP if the following procedures are performed.

Prior to offering additional payouts to patrons, the licensee must notify the Division, in writing, at least seven days in advance, of the following information:

1. Description of additional payouts (e.g., double jackpots for all dollar slot machine jackpot payouts, vehicle, etc.),
2. Times and conditions necessary for additional payouts to occur,
3. Dollar value of the fixed prize of the additional payout, if applicable (this is the cost or purchase price if the payout is merchandise),
4. Dates the additional payouts are effective. This period may not extend beyond six months; however, prior to expiration of the additional payouts, the licensee may re-submit the same or a new additional payout request for another six months,
5. List of machines involved with the additional payouts,
6. Game program ID number and theoretical hold percentage for each machine involved with the additional payout, and
7. Manufacturer's name for each machine involved.

Each slot machine offering additional payouts must be clearly marked in such a manner to inform all patrons of the information in "1" – "3" above. However, regarding item "3", if the licensee is offering an item other than cash (e.g., car, motorcycle), the licensee may state the item(s) only and not the dollar amount if the item is the only payout. If the patron has an option of the item or a dollar amount, then both awards must be posted.

Additional payouts must be associated with attendant paid events and cannot be processed via a pouch pay or the use of a payout request form. Additional payouts may not be awarded with machine paid events.

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Licenses must receive written approval from the Division prior to offering additional payouts. Any payouts made prior to receiving written notice from the Division are not allowable deductions and cannot be included as such on the gaming tax return.

For all additional payouts awarded, follow the procedures outlined for jackpots of \$1,200 or more. A W-2G must be completed when the total amount awarded is \$1,200 or more.

When an additional payout is awarded, licenses must account for the payouts. Jackpot payout slips must be completed for these payouts as discussed in the preceding section. Regardless of the amount disbursed to the patron, the patron must sign the jackpot payout slip indicating receipt of the funds, after receipt of funds, for all additional payouts. If the patron's signature is not obtained, the additional payout is subject to denial for gaming tax purposes.

If a licensee changes the top award and it exceeds the top award indicated on the par sheet, the excess must be submitted as an additional payout. Under no circumstances is the top award allowed to be lower than that indicated on the par sheet.

**Note:** It is the licensee's responsibility to ensure that the payback percentage on all slot machines does not exceed 100% over the cycle of the game. Additional payouts cannot exceed six months in duration. **Licenses may not change or extend the additional payout without prior written approval from the Division.**

During the six-month period the licensee offers the additional payout, the licensee must ensure any changes to the additional payout program are communicated immediately to the Division in writing. Updates to the additional payout program include changes to any of the information on the additional payout request form such as the deletion of slot machines, adding new machines, changing machine numbers, canceling the additional payout program, changing the award amount, changing the times and conditions of the additional payout program, etc. The Division will provide written notice to the licensee on any updates it receives.

Promotions are another means a licensee may choose to award additional prizes and money to patrons. Promotional awards are not deductible on the gaming tax return.

## **O. PROGRESSIVE SLOT MACHINES**

### **General**

Each progressive slot machine game must be linked to a display showing the payoff. The payoff, referred to as the "advertised amount," must be visible to all patrons playing a game that has the potential to win the progressive jackpot.

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Each progressive machine or bank must have a Progressive Tracking Log. This log must be completed for every bank of progressive slot machines. It is used to document information about, and changes to, progressive banks. This log must be immediately available to the Division upon request.

The control procedures in this section apply to one or more progressive slot machine games. These controls are in addition to controls over slot machines noted elsewhere in the ICMP.

#### **Transfer of Progressive Liability**

Pursuant to CLGR 47.1-1244(12), no licensee may discontinue a progressive slot machine game until all of the advertised progressive amounts have been awarded, or the advertised progressive amount, minus the normal non-progressive award for the combination that would have awarded the progressive amount, is transferred to another progressive link within the licensed establishment.

Denomination changes are considered transfers. The licensee may change the denomination of a progressive slot machine game, or a progressive slot machine game bank, prior to a patron winning the progressive jackpot, provided that a documented progressive transfer has been completed.

Licensees must maintain proper documentation of all progressive liability transfers. This documentation must be made available to Division personnel upon request. All progressive liability transfers must be immediately documented and completed within seven days of the progressive discontinuance.

#### **Reset Amount**

The reset amount for a progressive jackpot must be equal to or greater than the top award (base amount) shown on the par sheet of any machine on the link. If more than one progressive jackpot will be awarded, such as a progressive jackpot for both the top and second awards on the slot machine, the reset amount for each must be equal to or greater than the highest corresponding awards on the linked games.

After a progressive jackpot has been put into play, the advertised amount may not be lowered until won by a patron, unless the progressive is transferred or discontinued in a manner approved by the Division. (The amount transferred is the difference between the advertised and the base amounts).

#### **Progressive Controller**

A progressive controller is the hardware and software that controls all communications among the linked machines. The progressive controller must continuously monitor each linked machine for Coin In. It must also calculate the amounts to apply to the progressive jackpot. The progressive jackpot display must be constantly updated.

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If more than one machine is linked to the progressive controller, the progressive controller must:

1. Identify the slot machine game that won the progressive jackpot, and
2. Display the winning progressive jackpot amount.

A Progressive Controller Access Log must be maintained and completed by both licensed individuals gaining entrance to the progressive controller. At a minimum, the access log must reflect the following:

1. Licensee name,
2. Progressive bank number and description,
3. Machine numbers on the bank,
4. Beginning date,
5. Date and time of access,
6. Name and license number of individuals accessing the controller, and
7. Reason for access.

All entries are to be complete, legible, and accurate.

Pursuant to CLGR 47.1-1244(6), the phrase “**establish key control procedures that ensure no one person has access to the controllers configuration data**” shall mean that a dual key control method is implemented where each of the two locks providing access to the progressive controller are keyed differently. The keys providing access to the progressive controller shall be checked out by two different licensees who have been granted the appropriate permission to use each key.

On multi-link progressives, also referred to as Wide Area Progressives (WAP), the manufacturer or manufacturer’s representative of the WAP progressive link shall provide and maintain a proprietary lock/key to one of the locks which access the progressive controller. This proprietary lock/key may be used at all licensed casinos in Colorado offering the particular WAP progressive.

The licensee offering the WAP progressive must maintain the second key providing access to the progressive controller. This key may be keyed the same as the slot drop cabinet and must be maintained in Security locked box #1 (box 1).

#### **Progressive Jackpot Log**

A Progressive Jackpot log must be maintained for all progressive banks. At a minimum this log reflects the following:

1. Licensee name,
2. Applicable month, year,
3. Progressive Bank Description,
4. Location,
5. Machine number(s),
6. Reset amount,
7. Daily liability (advertised amount) amounts

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8. The log must be used to record, on a daily basis, the amount of the progressive liability (the advertised jackpot, and any secondary jackpot progressive liabilities), for all progressives that are not machine paid. WAP progressive amounts paid by the system operator do not need to be logged.

Written explanations for all decreases in the hand pay jackpot amounts may be completed daily but at minimum monthly. At the end of each month, the log is forwarded to accounting. Licensees with an approved gaming system may utilize system jackpot reports to explain decreases and liability.

#### **P. SLOT TOURNAMENT PROCEDURES**

Refer to CLGR Rule 12 for guidelines on slot tournaments. In addition to the informational copy of the slot tournament rules, the following must be provided to the Division five days prior to the scheduled start of the tournament:

1. A list of the machines used in the slot tournament, and
2. An explanation of how the machines comply with the rules and regulations, including a description of how the hopper mechanism will be disabled to prevent the paying out of coins during the tournament. When the licensee is using a Colorado approved game program for tournaments, no description of how the machine will be disabled need be submitted to the Division.

Immediately prior and subsequent to the slot tournament, soft or system meters must be read for all machines used in the slot tournament. No meters may increment during tournament play.

All required forms must be completed for all tournaments held.

Slot tournament entry fees are documented on a slot tournament entry fee log. The slot supervisor or his/her designee shall complete the following information at the time the entry fee is collected:

1. Name of patron, and
2. Amount of the entry fee and/or the complimentary amount. If the entry fee is other than cash (e.g., toy, food, etc.), a dollar value is assigned to the item and is recorded as the entry fee and the total is reflected in the total non-cash column. A notation is made on the log stating the non-cash items received (e.g., toy, food, etc.).

At the end of the buy-in/sign-in period, the slot supervisor or his/her designee and another licensed individual shall independently recalculate the total entry fees collected as shown on the log, count and verify the fees, and sign the log indicating proper completion and accuracy of the log. Any variances shall be noted. The count of the monies must be conducted in a secure area under surveillance.

The monies and entry fee log is then delivered to the cashier cage. The cashier shall count the funds to verify accuracy of the entry fee log. If the amounts do not agree, the cashier and slot supervisor or his/her designee shall investigate and resolve all differences. When the amounts

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agree, the cashier signs the log and indicating receipt of the funds into the cage as “slot tournament entry fees”. The slot supervisor or his/her designee immediately deposits the slot tournament entry fee log in the locked accounting box.

The cost of all prizes and monies paid to winner(s) must be recorded on a two-part form titled slot tournament prize form. This form shall be alphanumerically and sequentially numbered, and contain at least the following information (one form per winner):

1. Date, time, and shift,
2. Patron name, and
3. Dollar amount of prize (if merchandise, this is the actual purchase price of the item).

The slot supervisor or his/her designee must sign both copies of the form indicating accuracy of the form and disbursement of the prize. The patron must sign both copies upon receipt of the prize. The verifier (preferably from security) shall verify the amount paid to the patron agrees to the form and signs both copies of the form, indicating the amount stated on the form agrees to the amount given to the patron.

The verifier must immediately deposit the original (white) of the prize form in the locked accounting box. The copy (yellow) of the form shall be retained with the bank from which the prizes were disbursed. After all prizes are awarded, the copy (yellow) is deposited in the locked accounting box by the individual disbursing the prizes.

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## **FORMS**

Following is a description of the forms discussed in this section. In some cases, sample forms are provided. **It is the licensee's responsibility to ensure that all required forms contain the minimum required information and meet ICMP requirements.** See General section for further clarification.

### **Additional Payout Request Form**

This form must be completed by the licensee, submitted to the Division, and approved by the Division for all additional payouts. See ICMP text for required minimum information. The form must be submitted to the Division's Audit Section at least seven days prior to offering the additional payout. The form must be approved and received back from the Division prior to offering the additional payout.

### **Conversion Form**

This form is used to document changes in machine conversions, and captures meter readings as well as hopper levels, and initial fill information. The form is optional, but recommended. It is best used in conjunction with the device history log.

### **Device History Log**

This form is completed to document information about, and changes or modifications to, a gaming device. A device history log must be completed for all gaming devices as well as for all ticket redemption kiosks.

### **Jackpot Payout/Fill Slip**

The jackpot payout/fill slip is a 2-part form (3-part for a manual system) with an alphanumeric numbering sequence. All slips are utilized in numeric sequence and only one series at a time is issued and used. Unissued slips (in a manual system) are securely stored in accounting with the owner/operator, gaming manager, and controller/auditor having access to the slips.

### **Payout Request Form**

The payout request form is at minimum a 2-part form. It is used to document a payout prior to resetting a game. Resetting the game allows the licensee to begin processing the payout and allows the patron to continue playing credits not associated with the payout that is in the process of being completed.

### **Progressive Bank Modify/Transfer**

This form is used to document modifications to, or transfers of, progressive machines or banks. The form must be made immediately available to the Division upon request.

### **Progressive Controller Access Log**

This form is used to record access to the progressive controller. The log is completed each time the progressive controller is accessed.

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#### **Progressive Jackpot Log**

This log is completed daily. It is used to record the advertised amount of the progressive jackpots/liabilities for every progressive on a daily basis. It is used to record comments and/or explanations for why the jackpot amount decreased. The explanations for decreases may be completed daily but at a minimum monthly. At the end of the month this log is forwarded to accounting.

#### **Progressive Tracking Log**

This form must be completed for every bank of progressive slot machines. It is used to document information about, and changes to, progressive banks. This form must be immediately available to the Division upon request.

#### **Slot Data Form**

The slot data form is used to compile a database of specific information regarding current slot machine game identification and program media versions operating within each device. Each licensee is required to submit a current, complete and accurate slot floor database once every thirty-day period. The Slot Data Form must be completed in an Excel format, in a manner determined by the Division,

#### **Slot Machine Access Log**

The slot machine access log is used to record access to the slot machine. The log is kept inside the slot machine.

#### **Slot Tournament Entry Fee Log**

This form is used to record the entry fees paid by each patron participating in the tournament.

#### **Slot Tournament Prize Form**

This form is used to record and document the cost of all prizes and monies awarded or paid to winning patrons in a slot tournament. This form is a two part alphanumeric form.

#### **Unclaimed Jackpot Receipt**

This receipt must be completed when a patron is unable to provide proper identification for jackpots greater than or equal to \$1,200. This is a three part alphanumeric form.