TABLE OF CONTENTS

SECTION

1. GENERAL SECTION

A. General 1
B. Information submitted to the Division prior to opening 1
C. Other matters 2
D. Internal controls and the control environment 4
E. Key employees 5
F. Gaming industry bulletins 5
G. Gaming forms 6
H. Gambling payment intercept (GPI) 7
I. Casino closing procedures 11

2. TABLE GAMES (Blackjack, House Banked Poker, Craps, Roulette)

A. General 1
B. Additional payout procedures 2
C. Fill procedures 3
D. Credit procedures 4
E. Table opening and closing procedures 6
F. Table games jackpot payout procedures 7
G. Table games performance review 8
H. Table games tournament procedures 9
I. Table games progressive procedures 9
J. Non-Cashable Chips 10
Forms

3. PLAYER BANKED POKER

A. General 1
B. Jackpot award procedures 2
C. Poker imprest table tray bank exchange procedures 4
D. Poker room imprest bank exchange procedures 4
E. Imprest poker bank inventory procedures 5
F. Table games tournament procedures 5
Forms

4. SLOT MACHINES

A. Equipment control/testing 1
B. Machine access 3
C. Device requirements 5

D. Device storage, movement reporting and destruction 6
E. Testing 6
F. E-Prom duplication 7
G. Gaming systems 7
H. Gambling payment intercept (GPI) 7
I. Jackpot payouts, additional payouts and slot fills 7
J. Pouch pays 11
K. Short pays 15
L. Disputed jackpots & patron disputes 15
M. Unclaimed jackpots 15
N. Additional payouts 16
O. Progressive slot machines 18
P. Slot tournament procedures 19
Forms

5. TABLE GAMES, SLOT AND KIOSK DROP AND COUNT PROCEDURES

A. General 1
B. Table games drop and count 6
C. Slot machine drop and count 12
D. Kiosk drop and count 21
E. Hopper drop and count 22
Forms

6. GAMING SYSTEMS

A. General 1
B. Documentation requirements 3
C. Physical security 4
D. Logical security 4
E. Segregation of duties 5
F. Network topology 6
G. Ramp (Remote Access, Maintenance and Problem) log 6
H. Database security 8
I. Wireless 9
J. Backup and recovery 11
K. Slot machine management 11
L. Employee confirmation and termination 13
Forms

7. GAMING SYSTEMS TESTING

A. General 1
B. Testing requirements for gaming systems (Slots, TITO, EPCS) 2
C. Converting from one gaming system to another 8
D. Testing requirements for pit systems 9
E. Testing requirements for cage systems 10
F. Testing requirements for wireless handheld validation units 11
G. Testing requirements for jackpot payout/fill slip testing 11
Forms

8. TICKET IN/TICKET OUT AND SLOT COUPONS

A. General 1
B. Floor operations 3
C. Cashier cage 5
D. Count procedures 8
E. Accounting procedures 8
F. Issuance of slot machine coupons 11
G. Ticket redemption kiosks 12
H. Wireless handheld validation device 14
Forms

9. CASHIER

A. General 1
B. Key authorization logs or signature cards 4
C. Transfers to/from vault 5
D. Coin room 6
E. Stored chips and tokens 7
F. Non-gaming transactions 7
G. Inventory count 7
H. Imprest banks 9
I. Change person procedures 9
J. Pouch pay bank check out and in procedures 11
K. Ticket In/Ticket Out validation and redemption procedures 11
L. Recording transactions 11
M. Locked dispensing machines 13
N. Check cashing 14
O. Kiosk fill procedures 15
P. Currency transactions record keeping 16
Forms

10. KEY CONTROL

A. General 1
B. Key control environment 3
C. Key control logs 8
D. Table games and pit podium key control 9
E. Automated key tracking system 10
F. Duplicate keys 12
G. Key Procedures for non-open hours 14
Forms

11. ACCOUNTING

A. General 1
B. Table games 6
C. Slot machines 12
D. Cashier 36
E. Key control 37
F. Forms control 38
G. Ticket In/Ticket Out procedures 39
H. Kiosk procedures 39
I. Wireless procedures 40
J. Minimum bankroll requirements 40
K. Monthly gaming tax return 41
L. Standard financial statements 43
M. Audited financial statements 43
N. Internal compliance officer 44
O. Statewide multi-link systems 45
P. Chip and token procedures 46
Forms

12. ELECTRONIC IMAGING SYSTEMS

A. General 1
B. Document control and retention requirements 1
C. Minimum requirements 2
D. Intent to use an imaging system 3
E. Planning for implementation of an imaging system 3
F. Field testing of the imaging system 6
G. Approval 7
H. Ongoing requirements 8

13. SURVEILLANCE SYSTEM STANDARDS

A. General 1
B. Definitions 1

C. Equipment 2
D. Cashier cages, vaults, and count rooms 3
E. Table games 4
F. Slot areas 5
G. Other standards 5
H. Digital Surveillance 7
Forms

14. DEALER TIPS

A. General requirements 1
Forms

15. TABLES GAMES EQUIPMENT

A. Card and dice inventory 1
B. Card and dice inspection and control 2
C. Card and dice cancellation/destruction 2
D. Marking up roulette chip values; chip inventory 2
E. Inspection and security procedures for roulette equipment 3
F. Communication equipment 3

16. ELECTRONIC PROMOTIONAL CREDIT SYSTEMS (EPCS)

A. General 1
B. Testing requirements for EPCS 3

17. TERMINOLOGY

SECTION 1

GENERAL SECTION

A. GENERAL

Title 18, Section 20-101, C.R.S., 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 30-1610(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/enforcement/gaming.

6) Contact the Division's Audit Section at 303-205-1300, to ensure accounts have been set up for filing the monthly Gaming Tax Returns, Device Tracking, Personnel Tracking and annual Gaming Financial Statements. The Division's Audit Section will ensure an authorized individual has access to Revenue Online and has knowledge about where the corresponding manuals reside on the Division's webpage.

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).

8) Contact Colorado Interactive, 800-970-3468 extension 0, to complete a Gambling Payment Intercept registration and security agreement, and to receive instructions on setting up Administrators, Searchers and Payers.

C. OTHER MATTERS

A copy of the ICMP and examples of the forms are available on the Division's website at www.colorado.gov/enforcement/gaming. Forms which are not multi-part and/or alphanumeric

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

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 readily available to all applicable employees and its internal control system is maintained in a current state.

The most recent version of ICMP, CLGR and Act along with any approved variances must be made available at all times to all personnel. This information **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, and Act along with any approved variances available and readily accessible in a designated area. Any approved variance must clearly indicate the Division's approval, including the approval date and indication of the individual(s) who approved the variance. This will eliminate confusion regarding which approved ICMP variances a casino follows.

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 44-30--501, 44-30--511, and 44-30--525, Colorado Revised Statutes (C.R.S.), 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 44-30--525 (1), C.R.S., 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 30-402, each licensee must immediately notify the Division of the discovery of a violation or of a suspected violation of article 30 of title 44, C.R.S., or CLGR promulgated thereunder. This includes violations of the ICMP as detailed in the Division's notifications requirement.

On the last day of each month, a licensee shall perform a device count of all devices on the floor. This count must include the count for slots and each table game type (e.g. Blackjack, Poker, Craps, and Roulette) and must be electronically submitted into Revenue Online monthly device counts return no later than the second day of the following month.

D. INTERNAL CONTROLS AND THE CONTROL ENVIRONMENT

Pursuant to CLGR 30-1610(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. GAMING INDUSTRY BULLETINS

Gaming Industry Bulletins are periodically distributed by the Division to licensees and other interested parties. Gaming Industry Bulletins are intended to address emerging issues that impact the regulation of the gaming industry or to clarify CLGR and/or ICMP. Gaming 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/pacific/enforcement/gaming/Laws and Regulations.

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 30-1607.

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 near the error. **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 on non-restricted gaming forms using this procedure. Monetary amounts cannot be corrected on restricted gaming forms using this procedure (see next paragraph).

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.

Accounting must ensure gaming documents are properly completed and error corrections are made in accordance with the above procedures.

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

For the purpose of this section payment means cash winnings from limited gaming payable by a licensee for which the licensee is required to file form W-2G, or a substantially equivalent form, with the United States Internal Revenue Service. 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 Intercept Payment (GPI) registry operator. The registry is a web-based intercept application operated and maintained by Colorado Interactive (CI). The registry operator shall inform the licensee whether the patron is listed in the registry.

“Cash prize payment” means any cash award that results from a slot machine jackpot or table game win for which the licensee is required to file form W-2G or a substantially equivalent form. Cash prize payment does not apply to promotional awards, loyalty program awards or other cash prize awards not associated with a wagering event.

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 GPI registry operator. The registry is a web-based intercept system operated and maintained by CI. The registry operator shall inform the licensee whether the patron is listed in the registry.

A substantially equivalent form to a W-2G is any form required to be filed by the United States Internal Revenue Service (IRS) as a result of cash winnings from gaming.

As an example, a patron's winnings from limited gaming that by itself would require the issuance of a form 1099-MISC, would make the 1099-MISC equivalent to a form W-2G. While the 1099-MISC may be issued at the end of the year, the search would occur at the time of the event, prior to the payout.

A Form 1099-MISC would not be equivalent to a W-2G when it is issued for promotional awards, loyalty program awards or other cash awards not associated with a wagering event.

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 is unable to access the registry for a period of 24-hours for any reason, the licensee must notify CI during business hours at 1-800-970-3468 ext. 0 or after business hours at Partnersupport@www.colorado.gov. 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(less taxes withheld if applicable)
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 and recorded on the form W-2G or substantially equivalent form, 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 intercepted 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.

Administrator Requirements

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 an administrator, payer and searcher registered at all times. The licensee must also ensure that terminated employees (voluntary or involuntary) with access to GPI application have their access disabled within three days of the employee's actual termination date. The three day window begins when the casino has constructive knowledge, either by the casino initiation or by the employee initiation that the employee is no longer working at the

casino. The actual termination date is when the casino notified the employee that he/she is terminated (three day window begins immediately), or the employee notified the casino of his/her last day (the three day window begins at the end of the shift on the last day).

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, CI GPI Usage Reports, and W-2Gs or W-2G reports. The accounting department must complete and print 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 CI 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 by a search on the CI GPI Usage Report. Any variances between the CI GPI Usage Report and the W-2G forms issued must be adequately documented and explained. Reconciling items may include multiple searches due to hyphenated, 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 30-1304 addresses the redemption and disposal of chips and tokens, which states, in part:
A licensee who ceases operating the licensed establishment for any reason, or adopts a new properly registered trade name, or other circumstance as approved by the Director, 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 120 day 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 30-1304 shall not be applicable to promotional and tournament chips.

The chip and token redemption plan must be 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.

SECTION 2

Table Games (Blackjack, House Banked Poker, Craps, Roulette)

A. GENERAL

Licensees must have a minimum of one shift for each twenty-four hour period, but, may elect to have more than one shift per gaming day. Required gaming documents must be maintained for each shift.

Licensees must have procedures in place to mitigate the possibility of theft and/or cheating when special equipment or game pieces are associated with any table game.

Variation Table Games

The ICMP required for variation table games are the same procedures as outlined in this section.

Pit Area

The pit area is a restricted gaming area. Access to the pit area must be restricted to employees of the Pit Department. In addition, security and other authorized individuals may access the pit for the necessary conduct of gaming in the pit.

Only items necessary for the operation of the pit are allowed in the pit. Currency in wallets or money clips is allowed in the pit so long as it is kept in the person's pocket.

The licensee is responsible for creating a house policy that addresses the situation where a drop box automatically locks itself during the course of play. This policy must ensure for the adequate protection of assets. If the drop box must be replaced, procedures must ensure the contents of the replacement drop box can be combined and attributed to the individual table during the count. If the drop box cannot be repaired or replaced, the table must be closed until a functional drop box is available. Written policy must be provided to the Division upon request.

Pit Supervision

Adequate supervision of the table games pit must be maintained at all times. Adequate supervision means having one or more licensed employees who are knowledgeable in the games supervised and the regulatory requirements of such games, and are able to adequately monitor the play on all tables.

Licensees offering table games must have a pit supervisor in the pit at all times when tables are open for play.

Licensees offering table games must submit to the Division's Table Games Committee Chair a written pit supervision plan which details how adequate supervision is going to be achieved. Written approval must be received from the Division prior to offering any table games for play. A copy of the approved plan must be maintained in the pit area.

At no time may a dealer relieve a pit supervisor unless that dealer assumes the duties of the pit supervisor for the remainder of the shift. When a dealer relieves a pit supervisor, that dealer is automatically ineligible to participate in the distribution of tips for the remainder of the shift.

A pit supervisor, while temporarily relieving a dealer, may accept tips on behalf of the regularly scheduled dealer. These tips must be immediately deposited in a locked box reserved for that purpose.

The pit supervisor, if not permanently relieved by a dealer, must be relieved by another pit supervisor, a shift manager or other licensed employee knowledgeable of the games being played.

Key Control

Separate locked areas in the pit shall be used to store dice, cards and all controlled forms issued by accounting. Controlled forms must not be stored with any other items. A separate locked box attached to each table is provided for dealer tips. Access keys to these areas must be issued and controlled through the cage using key control logs or through an automated key tracking system (AKTS). See ICMP Section 10 Key Control for key control requirements.

B. ADDITIONAL PAYOUT PROCEDURES

Additional payouts may not alter any table games rules. The licensee must notify the Division, in writing, at least seven days prior to offering the additional payout program. Written notice must include:

1. Description of additional payouts,
2. Times and conditions necessary for additional payouts to occur, and
3. Dates the additional payouts are effective.

Each table offering additional payouts must be clearly marked.

Licensees must receive written approval from the Division prior to offering additional payouts.

Promotional awards must be made from a bank separate from the table tray banks and are not allowable deductions in calculating AGP.

Promotional rules involving awards being given for play at a specific table game having no impact on AGP, must be submitted to the Division, in writing, at least seven days prior to the start of the promotion.

C. FILL PROCEDURES

Fill transactions are initiated by a pit supervisor prior to the issuance of fill slips and transfer of chips, tokens and/or coins (hereafter, in all subsections, referred to as "chips").

The following procedures shall be performed when a manual fill is needed at any table game.

The pit supervisor determines that a table needs a fill. The pit supervisor obtains a Request For Fill/Credit slip (a two-part form stored in the locked pit podium), checks the fill box and completes the information on the slip. The pit supervisor signs the Request For Fill/Credit slip indicating accuracy of the slip and initiation of the fill process.

The pit supervisor calls a runner[1] and the runner[1] signs the Request For Fill/Credit slip, original (white) and copy (yellow) indicating receipt of the slip. The original (white) slip remains on the table. The runner[1] takes the copy (yellow) of the Request For Fill/Credit slip to the cage to be processed.

The cashier prepares the three-part Fill/Credit slip indicating the following information:
a. Date,
b. Time,
c. Shift,
d. Game,
e. Table number,
f. Dollar amount of chips by denomination, and
g. Total fill.

The manual Fill/Credit slips are kept in a locked dispensing machine. The cashier signs the Fill/Credit slip verifying the accuracy of the slip and the amount of chips.

The runner[1] verifies the amount of chips and compares the total to the Fill/Credit slip. The runner[1] signs the slip indicating the Fill/Credit slip agrees to the Request For Fill/Credit ~~l~~ slip, the amount of chips agree to the slips and receipt of the chips.

The cashier dispenses the original (white) and copy (yellow) of the Fill/Credit slip from the locked dispensing machine. The cashier gives the chips and the original (white) Fill slip to the runner[1].

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[1] Group B Control Difference ⇓ **For Group C Licensees, the runner must be from security or surveillance. For Group B Licensees, it is preferred that the runner is from security or surveillance; however, this is not required, but that person must be independent of the pit.**

The cashier files the copies (yellow) of the Request For Fill/Credit and Fill/Credit slips until the end of the shift.

The runner[1] transports the chips and the original (white) Fill/Credit slip to the pit supervisor at the table as designated on the Fill/Credit slip and places them on the table next to the dealer.

The dealer breaks down at least one stack from the highest denomination chips, verifies the chips, and counts them in full public view prior to placing them in the table tray. The pit supervisor verifies the fill amount by comparing the chips to the Fill/Credit slip and signs the Fill/Credit slip indicating the requested amount of chips was received and the accuracy of the slip.

If there is a discrepancy between the fill amount and the chips received, the runner[1] returns the chips and related slip to the cage.

The dealer signs the Request For Fill/Credit and Fill/Credit slips indicating agreement between the slips and the receipt of the chips indicated on the slips. The dealer places the chips in the table tray. The dealer or supervisor deposits the original (white) Request For Fill/Credit and Fill/Credit slips in the table drop box.

Cross fills or even money exchanges between tables are prohibited.

Automated Pit System Fill Process

If the pit system electronically submits a Request for Fill/Credit to the cashier cage and the Fill/Credit slip is automatically generated in the cage, the Request For Fill/Credit slip is not required to be printed. The pit supervisor generates the request by entering the information into the terminal located in the pit. The Fill/Credit slips generated by the system are two-part forms with the copy (pink) retained in electronic fashion in the system. The Fill/Credit slip is processed the same as with a manual system with the original (white) going to the pit and deposited in the drop box and the copy (yellow) retained in the cashier cage.

If a slip needs to be voided in the system, a pit supervisor is required to authorize the void in the system. If the pit supervisor is unable to authorize the void in the system, the Table Games Activity Log is used to document the authorization of the void. The documentation must include the date, slip reference, and signature of the pit supervisor authorizing the void. If the system does not print or generate a “void” slip, the cashier and a pit supervisor void the original slip using the void procedures detailed in the General section.

D. CREDIT PROCEDURES

The following procedures apply when a manual credit is needed at any table game.

Credit transactions are initiated by the pit supervisor prior to the issuance of credit slips and transfer of chips. The pit supervisor determines there are excess chips in the table bank and the table needs a credit. The pit supervisor obtains a Request For Fill/Credit slip (a two-part form stored in the locked pit podium), checks the credit box, completes the information on the slip, and signs the slip indicating accuracy of the slip and initiation of the credit process.

The dealer counts out the credit in full public view and signs the slip indicating the amount of chips agree to the Request for Fill/Credit slip.

The pit supervisor calls a runner[1]. The runner[1] counts the chips to be credited and signs the Request For Fill/Credit slip indicating the amount of chips agree to the slip and receipt of the chips and slip. The original (white) slip remains on the table as evidence of the chips being transported. The runner[1] takes the copy (yellow) of the Request For Fill/Credit slip and the chips to the cashier.

The cashier prepares the three-part Fill/Credit slip indicating the following information:

a. Date,
b. Time,
c. Shift,
d. Game,
e. Table number,
f. Dollar amount of chips by denomination, and
g. Total of credit.

The cashier counts and compares the chips received with the amount recorded on the copy (yellow) of the Request For Fill/Credit slip and signs both the Request Slip and the Credit Slip indicating the slips agree and as evidence of receiving the chips. The runner[1] verifies the information on the slips and signs the Fill/Credit slip indicating the slips agree. The cashier dispenses the original (white) and copy (yellow) of the Fill/Credit slip from the locked dispensing machine. The copies (yellow) of the Fill/Credit slip and the Request For Fill/Credit slip remain in the cage.

The runner[1] takes the original (white) of the Fill/Credit slip to the table. The pit supervisor and dealer verify the accuracy of the Fill/Credit slip and sign the slip indicating the slips agree. The dealer or supervisor deposits both the Request For Fill/Credit slip and the Fill/Credit slip into the table drop box.

Automated Pit System Credit Process

If the licensee utilizes an automated pit system, the following procedures apply:

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[1] **Group B Control Difference ⇓** **For Group C Licensees, the runner must be from security or surveillance. For Group B Licensees, it is preferred that the runner is from security or surveillance; however, this is not required, but that person must be independent of the pit.**

- The pit supervisor enters the credit information into the computer terminal located in the pit area and a two-part Fill/Credit slip prints in the cage.
- The pit supervisor notifies the runner[1] that a credit needs to be transported.
- The runner[1] proceeds to the cage and picks up both parts of the Fill/Credit slip, original (white) and copy (yellow), and takes both copies to the pit.
- At the pit, the dealer, pit supervisor, and the runner[1] verify the amount to be transported to the cage to the amounts listed on both parts of the Fill/Credit slip.
- The dealer counts the credit in full public view.
- The pit supervisor and dealer sign the original (white) and copy (yellow) of the Fill/Credit slip indicating the proper completion of the slip and verification of the slips.
- The runner[1] signs both copies of the slip indicating receipt of the chips.
- The runner[1] takes the funds and the Fill/Credit slip copy (yellow) to the cage.
- At the cage, the cashier counts the funds received, and compares the counted amounts to the amounts listed on the Fill/Credit slip copy (yellow). If there is a discrepancy between the credit amount and the chips received, the runner[1] returns the chips and related slip to the pit for reconciliation.
- The cashier signs the copy (yellow) of the Fill/Credit slip indicating the chips received agrees with the slip and receipt of the chips while the runner[1] observes the cashier's signing.
- The copy (yellow) Fill/Credit slip is maintained by the cashier and included with the cashier's paperwork for the shift.
- The pit is notified of the completed transaction at the cage and the dealer drops the original (white) of the Fill/Credit slip in the drop box while being observed by the pit supervisor.

E. TABLE OPENING AND CLOSING PROCEDURES

At the beginning and end of each shift, each table game tray must be inventoried by two licensed individuals, in each other's presence (one of which must be a pit supervisor). The inventory is first documented on the two-part Opener/Closer Inventory Form, and then signed by both of the individuals performing the inventory. An inventory must be taken and recorded at the beginning and end of each shift, even if a table has been closed for the entire shift. If a pit system is utilized, the information is entered into the system after the inventory form has been completed and signed by both individuals. The closer is immediately dropped into the current shift's drop box and the opener is dropped in the subsequent shift's drop box. If the licensee uses a multi-shift drop box, the drop box is switched to the next shift position in order to drop the opener. See ICMP Drop and Count Section 5 for more details.

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[1] **Group B Control Difference ⇓** **For Group C Licensees, the runner must be from security or surveillance. For Group B Licensees, it is preferred that the runner is from security or surveillance; however, this is not required, but that person must be independent of the pit.**

At the beginning of the first shift of each gaming day (if the pit was previously closed), the inventory of each table tray is verified against the opener. If the opener is not in the table tray, a new inventory form is completed. The opener is immediately dropped into the current shift's drop box.

At the end of the final shift of each gaming day (if the pit will not remain open), a new inventory form is completed and the closer is dropped into the current shift's drop box. The opener is placed in the table tray or dropped in the next shift's box.

F. TABLE GAMES JACKPOT PAYOUT PROCEDURES

When a player's hand results in a payout of $600 or greater based upon odds of 300 to 1 or greater, a Table Games Jackpot Payout Slip must be completed and payment of the jackpot must be made from the cage and requires the gaming manager's approval. For further information, please refer to http://www.irs.gov/.

The pit supervisor verifies the hand to determine the payout is needed. The pit supervisor obtains the Request For Table Games Jackpot Payout Slip (a two-part form located in the locked pit podium), and completes the slip and signs the slip indicating proper completion of the slip and request of the funds.
The pit supervisor calls a runner[1] who signs the original (white) slip and copy (yellow) indicating the receipt of the slip. A picture of the winning hand must be captured and generated through surveillance. On the back of the picture, surveillance notes the game type, table number, player spot, and table games jackpot payout slip number. Surveillance or security deposits the picture in the locked accounting box, or alternatively, the picture may be attached to the copy (yellow) of the payout slip in the cashier cage.

The runner[1] transports the copy (yellow) Request For Table Games Jackpot Payout Slip to the cashier who prepares the three-part Table Games Jackpot Payout Slip indicating the following minimum information:

a. Date,
b. Time,
c. Shift,
d. Game type variation (e.g., Bonus 6, Three Card Poker),
e. Table number,
f. Amount of wager,
g. Winning hand (e.g., royal flush),
h. Amount of jackpot payout,
i. Taxes withheld,
j. Gambling Payment Intercept withheld, if applicable and

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[1] **Group B Control Difference ⇓** **For Group C Licensees, the runner must be from security or surveillance. For Group B Licensees, it is preferred that the runner is from security or surveillance; however, this is not required, but that person must be independent of the pit.**

k. Total funds leaving cage.

The cashier counts the funds requested and signs the Table Games Jackpot Payout Slip indicating the slip agrees with the request slip and disbursement of the funds.

The table games manual jackpot payout slips are kept in a locked dispensing machine**.** Jackpot payout slips may also be generated from an automated pit system.

The runner[1] verifies the funds, compares the funds to the Table Games Jackpot Payout Slip, and signs the slip indicating the funds agree with the slips and receipt of the funds.

The cashier dispenses the original (white) and copy (yellow) of the Table Games Jackpot Payout Slip from the locked dispensing machine. The copies (yellow) of the Request For Table Games Jackpot Payout Slip and the Table Games Jackpot Payout Slip are maintained in the cage.

The runner[1] transports the funds and the original (white) Table Games Jackpot Payout Slip to the pit supervisor at the table as designated on the slip.

The pit supervisor verifies the Request For Table Games Jackpot Payout Slip with the Table Games Jackpot Payout Slip and the funds, and signs the payout slip indicating the funds agree with the request and receipt of the funds.

The dealer verifies the jackpot payout received agrees to the amount requested and pays the patron. The dealer signs both the request and the payout slips indicating the funds agree to the request, receipt of the funds and payment of the funds to the patron. The patron signs the payout slip indicating receipt of the jackpot funds. The dealer immediately deposits both the Request For Table Games Jackpot Payout Slip and the Table Games Jackpot Payout Slip into the table drop box.

G. TABLE GAMES PERFORMANCE REVIEW

A Table Games Activity Log must be maintained for all table games. The log is used to record all events impacting the table. Such events shall include, but are not limited to, changes in the game rules, changes in the games offered for play, inclement weather, large payouts, suspicious activity of patrons, and irregularities in inventory and drop procedures. The log must be forwarded to accounting at least monthly. A copy of the log may be maintained in the pit.

The owner/operator, table games management or licensee's equivalent, in conjunction with appropriate personnel, investigates any large or unusual fluctuations (as defined in the Written Accounting Plan) of the audited master games sheet, including a review of the daily hold percentage, for each table for each shift. This review must be performed on a timely basis, not to exceed five (5) days from the gaming date being reviewed. The table games activity log should

be reviewed to determine if activity affecting hold percentage may be explained. The variance investigation may include a review of player activity, review of surveillance coverage, results of random dealer audits, etc. The results of these daily investigations for each table for each shift must be documented.

The daily investigations are used to support month end variance investigations by game type on the table games statistical reports. Results of the month end variance reviews by game type must be documented in accordance with the adequate explanation criteria described in the Accounting ICMP and submitted to the accounting department prior to the accounting department's submission of gaming taxes.

Licensees must have a process in place to escalate month-end variance reviews for game types performing at unusual hold percentages for two or more consecutive months. The procedures employed must be included in the licensee's Written Accounting Plan.

H. TABLE GAMES TOURNAMENT PROCEDURES

Refer to ICMP Poker Section 3 for tournament procedures.

I. TABLE GAMES PROGRESSIVE PROCEDURES

General

Each progressive table game must be linked to a meter showing the "advertised amount," and the "advertised amount" must be visible to all players who may potentially win the progressive jackpot. Each progressive must have a Progressive Tracking Log to document information about and changes to progressive banks. This form must be immediately available to the Division upon request.

Each table's progressive controller box must be housed such that access to the controller requires dual access. A Progressive Controller Access Log must be completed each time the controller is accessed. The progressive controller must continuously monitor each linked table for Coin-In, must calculate the incrementation to the progressive jackpot and update the progressive jackpot display. It is the casino's responsibility to test this functionality prior to allowing patron play, to ensure incrementation and mathematical accuracy. Key control procedures must be in place ensuring no one person has access to the controller or server configuration data.

A Table Games Progressive Jackpot Log must be maintained for all progressives. This log is used to document the progressive liability/meter for the beginning and end of each gaming day, the (progressive drop) coin-in hard meters by table for the beginning and end of each gaming day, the displayed jackpot amount at the time the end of day meters are read, and all progressive jackpots paid. All log entries must be complete, legible and accurate. Explanations for all decreases in the hand pay jackpot amounts must be documented. At the end of each gaming day,

the pit manager or designee ensures all required information is recorded on the log and the completed log is forwarded to accounting. Additionally, at the end of each gaming day, the pit manager or designee generates the following computer reports: A report showing activity on the game, a report showing (progressive drop) coin-in, and a report of jackpot payouts on the game. The reports are forwarded to accounting by placing them in the locked accounting box.

Malfunctions

Every progressive table and corresponding computer must be connected to an uninterrupted power supply (UPS).

In the event of a malfunction of the table controller or the computer, the progressive feature must be disabled. The licensee may continue the game if there is a method to prevent the progressive wager. Licensees must document malfunctions on the table games activity log.

Payout

When a patron wins a progressive, the casino will verify the win. Once confirmed, a Request for Table Games Jackpot Payout Slip and a Table Games Jackpot Payout Slip will be completed. (See Table Games Jackpot Procedures for more information.) A W-2G may need to be completed, refer to the guidelines established by the IRS, http://www.irs.gov/, additionally Gambling Payment Intercept procedures may apply (see Section 1, General Section H).

An optional progressive wager is considered for the calculation of AGP. In turn, when the progressive is awarded, the entire amount is deductible.

J. NON-CASHABLE CHIPS

General

Refer to Rule 12 in the Colorado Limited Gaming Regulations for regulations related to non-cashable chips.

Non-cashable chips are issued by the licensee for gaming in the table games of Blackjack, House Banked Poker, Craps and Roulette as indicated in the house rules. Non-cashable chips are only redeemable by the licensee issuing the non-cashable chips. Non-cashable chips are only redeemable in the form of a wager at the table. Non-cashable chips are not allowed to be utilized in Player Banked Poker tables/games. Non-cashable chips represent a wager and will be paid according to the value on the chip and the odds of the table game type.

Non-cashable chips are not redeemable for cash, and must be played until a win/loss decision at which time the non-cashable chip is immediately dropped in the table drop box and is recorded as drop. At no time shall non-cashable chips be maintained in table trays as part of the inventory.

In the event of a push, additional hands must be played until a win/loss decision occurs. Non-cashable chips may be stored in the pit, in a separate locked area, when being used for a current promotion. Procedures must be written to ensure proper inventory and security of the chips during the promotion. Procedures must be submitted, in writing, to the Division at least seven days prior to the start of the promotion. A copy of the approved procedures must be maintained in the pit area during the promotion.

Non-cashable chips cannot be accepted for a tip wager or as a tip.

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 forms meet ICMP requirements.** See General section for further clarification.

Additional Payout Request

The Additional Payout Request form must be submitted to and approved by the Division's Audit Section seven days prior to offering the additional payout program. The form must be approved and received back from the Division prior to offering the additional payout program.

Fill/Credit Slip

The Fill/Credit slip is a triplicate form with an alphanumeric numbering sequence. Only one series at a time is issued and used. All un-issued Fill/Credit slips are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

Opener/Closer Inventory Form

The Opener/Closer Inventory form is a two-part form with an alphanumeric numbering sequence. All un-issued opener/closer table inventory forms are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

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. Refer to ICMP Slots Section 4 for a sample of the log.

Table Games Progressive Jackpot Log

This log is completed daily. It is used to record the progressive meter for the beginning and end of each gaming day, the (progressive drop) coin-in hard meters by table for the beginning and end of each gaming day, and all progressive jackpots paid. At the end of each day this log is forwarded to accounting. .

Progressive Tracking Log

This form must be completed for every bank of linked table progressives. It is used to document information about, and changes to, linked table progressive banks. This form must be immediately available to the Division upon request. Refer to ICMP Slots Section 4 for a sample of the log.

Request for Fill/Credit Slip

The Request for Fill/Credit slip is a two-part form with an alphanumeric numbering sequence. All un-issued request for fill/credit slips are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

Request for Table Games Jackpot Payout Slip

The Request for Table Games Jackpot Payout slip is a two-part alphanumeric form used to document a payout request for a blackjack or house banked poker game from the cashier cage. All un-issued Request for Table Games Jackpot Payout slips are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

Table Games Activity Log

The Table Games Activity Log is completed each time a significant event that impacts the performance of a table game. The log is forwarded to the Accounting Department at least monthly.

Table Games Jackpot Payout Slip

The Table Games Jackpot Payout slip is a three-part alphanumeric form used to document the payment of a payout for blackjack or house banked poker game from the cashier cage. All un-issued Table Games Jackpot Payout slips are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

Table Games Payout Form

The Table Games Payout form is a two part alphanumeric form used to document the amount awarded to patrons, either for player banked poker jackpot awards, or tournament prizes. All un-issued Table Games Payout forms are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

SECTION 3

PLAYER BANKED POKER

Refer to ICMP Table Games Section 2 for house banked poker variation game requirements

A. GENERAL

Poker Room

Licensees must have a minimum of one shift for each twenty-four hour period, but may elect to have more than one shift per gaming day. Required gaming documents must be maintained for each shift.

Currency in wallets or money clips is allowed in the pit so long as it is kept in the person's pocket. If a Mobile ATM unit is used it must be maintained and locked in the pit podium when not in use.

No money is to be maintained in the pit podium other than tournament entry and buy-in fees. This money must be kept in a separate, locked drawer. If a poker room maintains its own imprest bank than procedures must be in place to ensure the protection of the assets. A poker bank exchange form is used when the poker room imprest bank needs to purchase chips from the cashier cage. If table tray banks are maintained in the poker room, the table tray inventory must be carried as part of the pit imprest bank inventory.

Lammers must be kept in a secure place accessible only to the persons who supervise the dealers.

The licensee is responsible for creating a house policy that addresses the situation where a drop box automatically locks itself during the course of play. This policy must ensure for the adequate protection of assets. If the drop box must be replaced, procedures must ensure the contents of the replacement drop box can be combined and attributed to the individual table during the count. If the drop box cannot be repaired or replaced, the table must be closed until a functional drop box is available. Written policy must be provided to the Division upon request.

Poker Room Supervision

Adequate supervision of the table games pit/poker room must be maintained at all times. Adequate supervision means having one or more licensed employees who are knowledgeable in the games supervised and the regulatory requirements of such games, and are able to adequately monitor the play on all tables.

Licensees offering table games must have a pit supervisor in the pit at all times when tables are open for play.

Licensees offering table games must submit to the Division's Table Games Committee Chair a written pit supervision plan which details how adequate supervision is going to be achieved. Written approval must be received from the Division prior to offering any table games for play. A copy of the approved plan must be maintained in the pit area.

At no time may a dealer relieve a pit supervisor unless that dealer assumes the duties of the pit supervisor for the remainder of the shift. When a dealer relieves a pit supervisor, that dealer is automatically ineligible to participate in the distribution of tips for the remainder of the shift.

A pit supervisor, while temporarily relieving a dealer, may accept tips on behalf of the regularly scheduled dealer. These tips must be immediately deposited in a locked box reserved for that purpose.

The pit supervisor, if not permanently relieved by a dealer, must be relieved by another pit supervisor, a shift manager or other licensed employee knowledgeable of the games being played.

Proposition Players

A proposition player ("Prop" or "House Player") is only allowed to play in a game when he/she is told where to play by the pit supervisor. A proposition player will not decide when and where he/she will play in a game. This could be considered a violation of C.R.S. 30-814(2).

When a proposition player is also a licensed dealer, there may be only one switch during a shift. A dealer who has been working as a dealer, and is then used as a proposition player, will not be allowed to resume dealing duties for the remainder of the shift. A proposition player who has been working as a proposition player and then works as a dealer, will not be allowed to resume duties of a proposition player during the remainder of the shift.

All licensees employed as a proposition player will follow regulations set forth in CLGR 30-1048.

B. JACKPOT AWARD PROCEDURES

General

If one table is to be used in a single shift for two or more dissimilar poker games that offer jackpot awards, the jackpot award drop box must be removed, secured, and replaced between game changes. A poker jackpot award drop log must be maintained to document when the jackpot award drop boxes are exchanged between shift changes. Jackpot award drop boxes must be clearly marked.

Someone independent of the poker room must record the amount of the jackpot award liability on a daily basis on the poker jackpot log. The poker jackpot log must be forwarded to accounting at least once a month, and whenever a jackpot is awarded.

Updating the Jackpot Award

If the licensee offers a patron funded jackpot award, the contribution amount is counted and the award amount is updated daily at the same time each day. Upon completion of the table game count, the count team leader delivers the copy (yellow) of the jackpot count cards to the cashier, where the cards are retained until retrieved by the designated person to update the jackpot liability. Upon updating the liability amount(s), the jackpot count cards are deposited in the locked accounting box.

See Rule 10 for more information regarding jackpot awards.

Awarding the Jackpot

The jackpot amount awarded to the winner(s) shall be recorded on a two-part form titled table games payout form. Refer to the Table Games section for an example of this form.

The pit supervisor, or his/her designee acting in an administrative capacity, completes the table games payout form which includes, but is not limited to, the following information:

a. Date,
b. Shift,
c. Time,
d. Table number,
e. Seat number,
f. Winning patron information,
g. Dollar amount of award,
h. Taxes withheld, and
i. Net amount awarded to patron.

The pit supervisor signs both parts of the form indicating proper completion of the form and initiates the request for the funds.

An independent verifier (i.e. security) takes both parts of the form to the cage for payment or to the custodian of the poker room imprest bank for payment.

The cashier or the imprest bank custodian counts the funds, signs the jackpot payout form indicating accuracy and proper completion of the form and verifying the funds to be disbursed. The verifier transports the funds and the original (white) form to the table. The cashier or imprest bank custodian keeps the copy (yellow) of the table games payout form documenting the disbursement of the funds.

The patron is paid. The independent verifier signs the original (white) form, indicating the amount stated on the table games payout form agrees with the amount given to the patron.

The patron signs the original (white) form upon payment of the award indicating receipt of the funds.

Once the jackpot is paid, the original (white) table games payout form is immediately deposited in the locked accounting box by the verifier.

C. POKER IMPREST TABLE TRAY BANK EXCHANGE PROCEDURES

Even exchanges of chips, tokens, and/or coins (hereafter, in all subsections, referred to as "chips") may be made at the cage or the poker room imprest bank. Even exchanges of chips for player banked poker tables with imprest banks located in a pit must be made at the cage and documented on an exchange form.

Even Exchanges

If even money exchanges are made between the player banked poker imprest table tray banks and the cashier cage or poker room imprest bank, the following procedures are performed:

The dealer determines that chips are needed for an even exchange. The dealer removes the necessary currency from the table tray and gives it to the pit supervisor who provides the equivalent amount in lammers.

The pit supervisor must take the currency to the cashier or poker room imprest bank and obtain the desired number of chips in return for the currency.

The pit supervisor must immediately return to the table with the chips and give them to the dealer who will check the amount of chips for accuracy. The pit supervisor must retrieve the lammers.

When poker room imprest banks are in use, an even money transfer of cash from the player banked poker table imprest bank may be made for chips from the poker room imprest bank without the necessity of using lammers. In this case, the dealer and pit supervisor or supervisor's designated licensed poker room employee make the exchange as indicated above without the use of lammers.

D. POKER ROOM IMPREST BANK EXCHANGE PROCEDURES

When a poker room imprest bank needs to be replenished with currency and/or chips, an exchange with the cashier cage is made using a poker bank exchange form.

The licensed poker room employee (poker employee) responsible for the bank completes the poker bank exchange form and makes the exchange between the bank and the cashier cage. A runner may be utilized. That person must be independent of the pit.

If a runner is not used, either the poker employee or the cashier takes the currency/chips and the exchange form to the cashier cage/poker podium. The poker employee and the cashier verify the currency/chips and sign the exchange form. After receiving and verifying the currency/chips and ensuring the amounts agree, employees sign and return the form to either the poker room imprest bank or the cage with their currency/chips. The poker employee deposits the form in the accounting box.

If a runner is used, the poker employee responsible for the bank gives the form and the currency/chips to a runner, who verifies the currency/chips and signs the form prior to transporting the funds to the cashier. After receiving and verifying the currency/chips from the cashier and ensuring the amounts agree, the runner signs the form and returns the currency/chips to the poker employee responsible for the bank, who then verifies the currency/chips and initials the form indicating receipt. The runner deposits the form in the accounting box.

The cashier may initiate an exchange of currency/chips with the poker room imprest bank using the methodology stated above.

E. IMPREST POKER BANK INVENTORY PROCEDURES

Poker Room Imprest Bank Inventory Procedures

Poker room imprest banks must be inventoried and verified by the licensee responsible for the bank and another licensed employee at shift opening, shift change and shift closing using an imprest bank inventory form. If the poker room imprest bank is used for more than 12 hours during a gaming day, at least two shifts must be conducted for inventory and shift change purposes. All required gaming documents must be maintained for each shift. The inventory form is deposited into the locked accounting box upon completion. Any overages or shortages must be documented in writing and the gaming manager oversees the investigation of the overages and shortages.

Imprest Table Trays

The imprest table tray banks are maintained on the table. The table tray banks must be inventoried and verified by the pit supervisor and the dealer. Prior to the table being opened for the gaming day and when the table is closed for the gaming day, the pit supervisor and the dealer count the imprest table tray and complete the imprest bank inventory form at the table. If the table is not opened, the imprest table tray bank must be inventoried at least weekly. The inventory form is deposited into the locked accounting box upon completion. When the tables are not in use, the imprest table tray banks are locked.

F. TABLE GAMES TOURNAMENT PROCEDURES

Table games tournaments may be conducted among several licensees. Refer to CLGR 30-1050 for multi-licensee tournament requirements.

All required forms must be completed for all tournaments held.

Tournament chips must be inventoried prior to and upon completion of every tournament/event to ensure all tournament chips are accounted for. The inventories must be documented and detailed by the color of the chip. Additionally, the document must include the date and signatures of the individuals completing the inventory. If there is a discrepancy, an internal investigation is conducted. The investigation and results of the investigation are documented. Any missing tournament chip(s) representing 1000 points or larger in a single chip or combination of chips that remain missing after 48 hours from the end of the tournament/event is reported to the Investigations Section of the local Division office. The documented inventory(s) is forwarded to accounting upon completion.

Entry Fees and Buy-ins

Entry fees are any amount collected for a tournament by the licensee not applied to the prize pool. This amount is reported as adjusted gross proceeds on the licensee's gaming tax return in the month the fee was collected. All buy-ins collected for a tournament are used to fund the prize pool and must be paid back in their entirety to the players during the tournament.

Tournament entry fees and buy-ins must be documented on the Table Games Tournament Entry Fee & Buy-In Log. The following information is completed at the time the entry fee or buy-in is collected:

a. Name of patron, and
b. Amount of the entry fee and/or buy-ins.

One line shall be completed per patron, recording the entry fee, all buy-ins, and the total of all entry fees and buy-ins. Patrons that receive complimentary (comp) entries into the tournament must also be listed on this form. The comp entry fees and buy-ins are listed on the form and the total is reflected in the total comp column. 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 or buy-in as appropriate on this form and the total is reflected in the total non-cash column. A notation is made on the form stating the non-cash items received (e.g., toy, food, etc.).

All monies collected as entry fees and buy-ins are maintained in a secure manner and must not be commingled with other funds.

When the entry fee/buy-in period closes, or at a minimum on a daily basis, two licensed employees, one of whom is independent of the pit department, count the monies collected from the entry fees and buy-ins and compare the amount to the total on the table games tournament entry fee & buy-in log, noting any variances. The two licensed employees sign the Table Games Tournament Entry Fee & Buy-In Log attesting to the amount counted and recorded.

The monies and the Table Games Tournament Entry Fee & Buy-In Log must be immediately delivered to the cashier cage, or to the tournament bank maintained in the pit, by the two licensed

employees. If the monies and log are delivered to the cashier cage, the cashier independently counts the monies and compares the total counted to the total amount recorded on the Table Games Tournament Entry Fee & Buy-In Log and signs the log indicating agreement of the total amount recorded and the receipt of the monies. The cashier then receipts the monies into the cashier cage and records the total amount on the Daily Cash Summary as table games tournament entry fees and buy-ins. If a tournament bank maintained in the pit is used, the monies are receipted into the tournament bank and recorded as such on the bank paperwork.

The Table Games Tournament Entry Fee & Buy-In Log must be immediately deposited in the locked accounting box by one of the two employees performing the count.

Entry fees for all table games tournaments are considered adjusted gross proceeds and shall be reported as such on the gaming tax return in the month in which the entry fee(s) are collected. If the entry fee is a non-cash item such as a toy, food card, canned good, etc., the licensee must establish a pre-determined cash value (equivalent to the cash entry fee) of the item and record this value as the entry fee on the required tournament form. Complimentary entry fees paid by the licensee shall also be considered adjusted gross proceeds. If an entry fee is collected for the tournament, the licensee must complete a tournament form listing each entrant and the dollar value of the entry fee for each entrant, regardless of how the entry fee was collected or paid. Each entrant listed on the tournament form must have an associated entry fee. Free tournaments where no entry fee is collected for any entrant results in zero adjusted gross proceeds. The licensee may not declare a loss against adjusted gross proceeds for tournaments.

Awarding Prizes

The cost of all prizes and monies paid to winner(s) is recorded on a two-part form titled the Table Games Payout form. The payout forms must be sequentially numbered with an alphanumeric numbering sequence. A Table Games Payout form is completed for each winner.

The pit supervisor or his/her designee completes the table games payout form which includes the following minimum information:

a. Date,
b. Time,
c. Shift,
d. Table number,
e. Seat number,
f. Patron name,
g. Patron’s address,
h. Dollar amount of prize (if merchandise, this is the cost of the item),
i. Description of award, including tournament description,
j. Taxes withheld,
k. Gambling Payment Intercept withheld, if applicable, and,
l. Net amount awarded to patron.

The pit supervisor or his/her designee signs the form indicating proper completion of the form.

A verifier, who is independent of the pit department, verifies the payment and signs both parts of the form indicating the amount stated on the Table Games Payout form agrees to the amount paid to the patron. Upon receipt of the funds, the patron signs the form indicating receipt of the payment.

The original (white) of the Table Games Payout form is immediately deposited in the locked accounting box by the verifier.

The copy (yellow) of the Table Games Payout form shall be retained with the bank from which the prizes were disbursed. After all prizes are awarded, the copy (yellow) is placed in the locked accounting box by the person disbursing the prizes, other than the verifier.

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 forms meet ICMP requirements.** See General section for further clarification.

Poker Bank Exchange Form

The Poker Bank Exchange Form is used to replenish the poker room imprest bank or the poker table tray bank with chips as an even money exchange with the cashier cage.

Poker Jackpot Award Drop Log

The Poker Jackpot Award Drop Log is used to document the soft drop time and related information for the changing of the jackpot award drop boxes, if different than the regularly scheduled soft drop.

Poker Jackpot Log

The Poker Jackpot Log is used to document information about changes to the poker jackpot award. It is updated on a daily basis, by someone independent of the poker room, with the current poker jackpot award amount. The log is forwarded to accounting at least once a month or whenever a poker jackpot is awarded.

Imprest Bank Inventory Form

Please see the Imprest Bank Inventory Form as described in the Cashier section.

Other Forms

Other forms associated with poker are the Request for Fill/Credit Slip, Fill/Credit Slip, Opener/Closers, Early Table Drop Log (which can be found in the Table Game section); and the Table Games Activity Log (which can be found in the Table Games Equipment section).

Table Games Payout Form

The Table Games Payout form is a two part alphanumeric form used to document the amount awarded to patrons, either for player banked poker jackpot awards, or tournament prizes. All un-issued Table Games Payout forms are securely stored and maintained in accounting with the controller/bookkeeper, owner/operator, and gaming manager having access to the slips.

Table Games Tournament Entry Fee & Buy-In Log

The Table Games Tournament Entry fee & Buy-In Log is used to record the entrance fees and buy-ins made by or for each patron participating in the tournament.

Table Games Tournament Buy-In Log (Multi-Licensee)

The Multi-Licensee Table Games Tournament Buy-In Log is used to record the buy-ins made by each patron participating in the tournament. Copies of these forms are forwarded to the designated licensee on a daily basis.

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 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 30-1233(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

Meter	Meter Importance
❑ Coin In	Used to calculate the actual hold percentage; various statistical analyses; indicator of volume of play; required for the gaming tax return.
❑ Coin Out	Used to determine reasonableness of fill amounts.
❑ Coin Drop	Used to verify the actual coin drop.
❑ Bill In	Used to verify the actual bills dropped.

- Attendant Paid Jackpots
  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

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,
- 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 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 30-1231 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 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 30-405(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.

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.
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[1] 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

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[1] **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.**

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 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 indication 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.

Licensees 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.

Licensees 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.

Licensees 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 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 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.

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 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.

<u>Even Money Exchanges</u>

1. An even money exchange form is used to document the re-impress 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 reimpress 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 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-impressed 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.

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. The casino must have procedures in place for documenting disputed jackpots and patron disputes on the slot machine access log.

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 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.

Licensees 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, licensees 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. **Licensees 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.

The control procedures in this section apply to one or more progressive slot machine games

Transfer of Progressive Liability

Pursuant to CLGR 30-1244(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.

Pursuant to CLGR 30-1244(3), Licensees must establish control procedures that can explain and/or reconcile any increase, reduction or discontinuance of all progressive jackpots offered for patron play. This documentation must be made available to Division personnel upon request. For reconciliation purposes, only attendant paid progressive jackpot amounts (excluding WAP progressive jackpots) must have supporting documentation. All progressive liability transfers must be documented at the time of the 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, (stand alone or linked), 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.

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. Pursuant to CLGR 30-1244(5)(a) the progressive controller must monitor each progressive game and apply the configured rate of progression to the progressive jackpot The advertised progressive jackpot must account for, and reflect, the total contribution of all qualifying wagers placed.

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.

Pursuant to CLGR 30-1244(6), the Licensee must establish key control procedures to prevent unauthorized access to the progressive controller.

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 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.

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.

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. This log is also used for documenting other defined events incidental 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.

SECTION 5

TABLE GAMES, SLOT AND KIOSK DROP AND COUNT PROCEDURES

A. GENERAL

Drop and Count Team Members

The drop and count teams may not be under the direct control of the accounting personnel performing the audit of gaming revenue. This requirement is to ensure the proper segregation of duties. The drop and count functions must be separate and distinct from the cage since the cage personnel count, verify and accept the count funds. The actions of the drop and count team and the cage are reviewed by the accounting department. It is acceptable that the three departments answer to one entity but not to each other.

Accounting personnel are prohibited from participating in any drop and/or count. The gaming manager is not allowed to participate on the soft (table games) count team, or allowed in the count room during the soft (table games) count.

No more than one member of the drop and/or count team can be an owner, partner, person with 5% or more equity in the licensee, or an immediate family member (as defined in section 30-103, C.R.S.) of the owner(s), partners, or persons with 5% or more equity.

Key Control

Licensees must have processes in place for appropriate key control. Throughout this section when reference is made to locked key box(s), this reference also incorporates automated key tracking systems (AKTS).

Breaks

For any break taken either prior to or during a drop and/or count, the following procedures apply. All keys are checked back into the two keyed locked boxes and at the conclusion of the break all keys are checked out again. Alternatively, the keys may be maintained by at least three drop/count team members who are required to stay together and are under surveillance at all times.

If the count team consists of more than three team members, a team member may leave the count room as long as three team members remain in the count room. Before a team member leaves the room, the other team members must stop what they are doing and observe the other team member leave. Upon returning to the count room, the remaining team members in the count room must stop what they are doing, allow the team member into the count room, and observe the team member enter. The count keys are retained in the count room with the remaining count team members at all times.

If all members of the table games, kiosk, or slot count team leave the count room during the count for a break, funds and paperwork must be secured to prevent unauthorized access. Only the count team may have access to the funds and paperwork and all team members must be present to access the count room, funds, and paperwork at all times during the count and through completion of the count.

Extraneous Items in Count Rooms

During the drop and/or count, no extraneous items are allowed in the count room. Count team members may not have any personal currency/coins on his/her person. Licensees may allow a boom box, tapes and CDs in the count room for use by the count team. Count team members and the cashier accepting the count proceeds are allowed to have extra garments in the count room (e.g., long sleeve shirts, sweaters, sweatshirts, etc.). Security must check these items as they are brought into the count room or removed from the count room to reduce the risk of theft utilizing any such items.

If count team members have beverage containers and/or trash cans in the count room, management must ensure that appropriate written policies and controls are in place to prevent any theft of monies utilizing any such containers.

Count Area

The count room must remain locked at all times. Access to the count room while the count is being performed is restricted to the count team members, a supervisor to resolve discrepancies that have to be resolved immediately in order to satisfactorily complete the count, other authorized personnel as approved by the Division (e.g., independent auditors, etc.) and authorized maintenance people needed to repair equipment so the count may continue. At no time will preventative or scheduled maintenance on equipment be performed during a count. Access to the count room during a count to repair equipment necessary to complete the count does not require the count monies to be secured. The count team must stop all count activity and observe the repair person upon entering the count room. The repair person may remain in the room after the repair is completed, for a reasonable amount of time, to verify the machine is operating correctly during the count. At least three members of the count team must be present in the count room at all times until the entire drop is counted.

Count Order

Drop and count consists of several different processes (e.g., table games drop and count, kiosk drop and count, slot machine drop and count). The times of the drops and counts are submitted to the Division on the drop and count schedule. The intent is to segregate and not commingle the funds from the different types of counts. Slot funds must be attributed to the slot machine from which the funds were derived, kiosk funds must be attributed to the kiosk device from which the funds were derived, and table games must be attributed to the table game from which the funds were derived.

Test Money

It is an acceptable procedure to allow test money to be maintained in the count room. A set amount of bills and/or tickets may be used by the count team to facilitate the testing of the currency counter. The test money is a predetermined constant dollar amount and is located in a secure area within the count room or checked out of and back into the cashier cage for this purpose. The key(s) to the secure location of the test money is checked out with the rest of the count keys. The key(s) to the test money can be maintained in the Drop Key Box with the rest of the count team keys. If the Drop Key Box is not used, the key(s) to the test money is maintained in a secure location other than box 1 or 2.

Testing of Counting Devices

For multiple types of counts (table games, kiosk, slot, and hopper) one test of the count equipment is sufficient so long as the counts are from the same counter, successive, contiguous, and conducted by the same team. If a count immediately follows another count process in which the currency counter was tested and the count was performed by the same team members, the count team indicates such on the count paperwork and is not required to retest the currency counter. Counting devices used to count or weigh coin and/or tokens must be tested prior to utilization. All testing must be documented. Each count machine must be individually tested and the test documented. Prior to running any specific denomination of bills or tickets through a counting machine, the machine must be tested by one count team member with a predetermined number of bills or amount to ensure accuracy of the machine and proper sorting by denomination. Another team member records the number of bills or amount used to test the machine, the number of bills or amount counted by the machine, and any discrepancies. Both members sign the appropriate paperwork (e.g., Master Games Sheet and/or Bill Validator (BV) Summary) to document the testing process. If a currency counter is not used, mark this section N/A. In the event the currency counting machine is not functioning properly, the licensee must document the event. If the currency counting machine is not functioning and the licensee chooses to continue with the count, procedures must be in place to ensure an accurate count is performed. If at any time the accuracy of the count equipment is in question it must be retested, (e.g., excessive misreads, after cleaning or repair, etc.).

Cashier Acceptance of Count Funds

The cashier accepting the funds from any drop/count process must be independent of that drop/count process.

If the table games count is performed and completed at a time when the cashier is not available to accept the funds, the table games count team secures the table count funds and paperwork in the drop box rack or another secure area under lock and key in the count room, until the cashier is available to accept the funds. When the funds and paperwork are secured, the table games count keys are immediately checked back into the locked key box(s). The keys necessary for the acceptance of the table count funds are checked out from the locked key box(s) just prior to the

cashier acceptance of the funds. Upon completion of the cashier acceptance, the keys are immediately checked back into the locked key box(s).

This same process applies if the slot or kiosk counts are completed at a time when the cashier is not available to accept the funds. The funds and paperwork for the slot count are locked in a secure area, separate from other count funds, in the count room. The funds and paperwork for the kiosk count are locked in a secure area, separate from other count funds, in the count room. The slot and kiosk count funds and paperwork must not be commingled. If alternative secure areas are used, each area must be keyed differently.

For example, the cashier can accept the kiosk and table games count funds prior to the slot count or subsequent to the slot count as long as the funds of each type are independently secure and only the key(s) to access the funds being accepted are checked out at the time.

The cashier's acceptance of the count funds must be at the end of all counts or after the completion of a count. The cashier's acceptance of funds must not interrupt any other count.

If multiple counts (table games, kiosk, slot) occur on the same day, the cashier may accept the funds from each count at the conclusion of all the counts; however, the unverified funds must be individually locked and not commingled in any manner. At the completion of each team count and prior to cashier verification and acceptance, the funds and paperwork are locked in separate locations within the count room. Only the funds, paperwork, and keys associated with the count funds being accepted by the cashier are available to the count team members and the cashier accepting the funds.

An example of the above process follows:

- Table games count is conducted at 2:30 a.m. and upon completion of the count the funds and paperwork are secured in the drop box rack. The keys associated with the table games count are checked back into the locked key box(s).
- Kiosk count is conducted next at 3:30 a.m. Upon completion of the count, the funds and paperwork are secured in the kiosk rack and the associated keys are checked back into the locked key box(s).
- Slot count is conducted next at 5:00 a.m. Upon completion of the slot count, the cashier enters the count room to verify and accept the slot funds. Upon completion of accepting the slot funds, the count team immediately checks the keys back into the locked key box(s) and a count team member forwards the paperwork to accounting.
- The count team members transferring the table games funds to the cashier then check out the necessary keys and enter the count room with the cashier. The count team retrieves the table games count funds and paperwork from the drop box rack. Upon completion of accepting the table games count funds, the count team immediately checks the keys back into the locked key box(s) and a count team member forwards the paperwork to accounting.
- The kiosk count team members transferring the funds to the cashier then check out the necessary keys and enter the count room with the cashier. The count team retrieves the

kiosk count funds and paperwork from the kiosk rack. Upon completion of accepting the kiosk count funds, the count team immediately checks the keys back into the locked key box(s) and a count team member forwards the paperwork to accounting.

- The intent is to ensure each verification and acceptance of count proceeds (table games, kiosk, and slots) is performed and accepted independently from each other.

In the event that the paperwork has been forwarded to accounting but the funds are not transferred to the cage after each verification and acceptance of funds, the verified and accepted funds for table games, kiosks, and slots must be physically segregated in the count room.

Cashier Verification Process

At the completion of the count team's count, the count team leader and another team member transfer accountability of the count funds to the cashier. This accountability transfer and cashier verification process must take place in the count room. Each type of unverified count funds (table games, kiosk and slot) are segregated, secured, counted and accepted individually. The cashier verifies the total by independently piece counting the funds. Under no circumstance will funds be commingled and funds must be maintained in separate locked cabinets/racks prior to verification and acceptance by the cashier, if the cashier does not immediately accept the funds.

The cashier's count of the table games, kiosk, and slot proceeds consists of the following for each type:

- The cashier will piece count all $100's, $50's and partial straps.
- At a minimum, the cashier will piece count one of every five straps of $20's, $10's, $5's and $1's.
- The cashier will count the remaining funds by strap to arrive at the total being accepted.
- If there are any differences between the cashier's count and the count team's count by strap or in total, the cashier will recount, by piece, all funds until all discrepancies are resolved.

Until the cashier accepts the funds, which is indicated by the completion and signing of all paperwork, at least two count team members must remain with the funds.

To indicate the acceptance of the funds from the count team, the cashier signs the corresponding paperwork. The paperwork for table games funds includes the master games sheet. The paperwork for kiosk funds includes the Kiosk Count Form. The paperwork for slot funds includes the Slot Summary Report, the Count (Weigh)/Wrap Variance Report, and/or the BV Summary. The count funds are recorded on the Daily Cash Summary as applicable. Each count process is complete when the cashier verifies the funds and accepts accountability of the funds. As each count process is completed all documentation from the count, including all tickets and slot coupons, must be **immediately** delivered directly to accounting personnel, or deposited in a locked accounting box by a count team member.

Count Room (Monies not Secured)

If the count room serves as a coin room and the coin room inventory is not secured to preclude access by the drop/count team, an inventory of the monies must be performed prior to the start of drop procedures including preparation time before the official start of the drop and count. The coin room inventory must be counted by at least two persons, one of whom is a member of the drop and/or count team and the other who is independent of the drop and/or count process (typically a cashier). The count is recorded on an appropriate form. Both individuals performing the count must sign the inventory form attesting to the amount counted. Upon completion of the count, the ending coin room inventory must be counted by at least two persons, one of whom is a member of the drop and/or count team and the other who is independent of the drop and count process. This inventory must be compared to the beginning inventory and any discrepancies resolved. The individuals performing the ending inventory of unsecured monies must also sign the inventory form attesting to the amount counted. The inventory form must be included with the count paperwork.

B. TABLE GAMES DROP AND COUNT

Table Games Drop Team Requirements

The drop team consists of:

- Drop team leader, and
- Two team members, one of which must be from security

The table drop team cannot consist of any members from the table count team. At least one drop team member must be independent of table game transactions being dropped.

Table Games Drop Procedures

Drop procedures are performed at the end of each shift and at times which have previously been submitted to the Division on a Drop and Count Schedule. Licensees must have a minimum of one table game shift for each twenty-four hour period. The term “shift” for table games drop and count refers to the licensee’s established shifts, which would be the entire gaming day if only one shift is conducted. Table drops must commence no more than one hour after the scheduled times submitted to the Division on the Drop and Count Schedule.

Access to stored drop boxes, full or empty, is restricted to authorized members of the drop and count teams through appropriate key controls. The gaming manager must authorize access to the drop boxes for the performance of maintenance. Drop box racks for empty and full table and poker jackpot award drop boxes are located in a locked and secured area where access is restricted (in the drop box rack in the count room).

If the drop team accidentally attaches the wrong box to a table, an identification tag showing the correct table number, game type, and shift must be securely attached to the box. This

identification must be left on the drop box until the count of that shift is finished. The incident is also noted on the Table Games Activity Log.

The drop team members obtain the table and poker jackpot award drop box(s) (jackpot drop box(s)), table drop box release keys, the count room key, and the table drop box rack key(s). The drop box rack is the secure enclosure in which the boxes are kept when not attached to the table.

After table inventory procedures are completed, a drop team member must exchange the full drop boxes with empty drop boxes. Another drop team member must physically verify that the empty drop boxes are securely locked into place on the tables.

When the exchange of boxes is complete, the entire drop team transports the table and jackpot drop boxes directly to the table drop box rack. One team member locks the full drop boxes in the rack. Another team member physically verifies the rack is securely locked. Boxes remain in the locked rack until the count takes place.

At the conclusion of the drop, the drop team members, along with a member from security, immediately return the drop keys to the corresponding locked key box(s).

Persons authorized to remove the drop boxes from each table must not have access to table drop box content keys during the transfer of the boxes. The gaming manager must not have access to the table and jackpot award drop box contents key during the drop.

If a drop box cannot be removed from the table during the drop due to mechanical difficulties, all play must stop until the mechanical difficulty is rectified, the box is removed and the drop box for the next shift is put into place. If the table or poker jackpot award drop box cannot be removed from the table and the situation cannot be rectified, the licensee must notify the Division for disposition.

Table Games Drop – Multi-Shift Drop Boxes

A multiple compartment table game drop box may be used when more than one shift is used in a day, which will result in multiple shifts with only one table games drop box removal each day. After table inventory procedures are completed, multi-shift drop boxes are not removed from the table and replaced with a new drop box during shift change (unless it is the last shift of the gaming day). For shift change, the drop team consists of one licensed individual who obtains the table multi-shift drop box shift change key and proceeds to the pit. The drop person cannot participate on the soft count team. The table multi-shift drop box shift change key may not be keyed the same as the table drop box release key or the table drop box content key.

Upon completion of the table game inventory and dropping the closer inventory slip in the appropriate shift compartment, the drop person switches the box to the next shift position using the table multi-shift drop box shift change key. The pit supervisor verifies the correct shift compartment is open by inserting the drop paddle into the slot of the drop box and verifying all remaining slots are closed. The opening inventory slip is dropped into the next shift

compartment of the box. The table multi-shift drop box shift change key is immediately returned to the locked key box upon completion of the boxes being switched.

Normal drop procedures apply for the end of the gaming day drop.

Emergency Drop and Count Procedures

The drop team requirements for emergency drops are the same as for a regularly scheduled drop.

The drop box is tagged with the table number, drop team signatures, the date, shift, and indicating "emergency drop funds". The funds are immediately taken to the count room, secured in the drop box rack and counted with the next scheduled count.

The funds must be secured at all times until counted in accordance with ICMP count procedures.

Early Table Games Drop Procedures

If a licensee is closing the pit early **and** performs the soft drop at a time other than the regularly scheduled time, the Early Table Drop Log must be completed with the following information:

1. Date,
2. Day,
3. Time of the table drop,
4. Time pit closed,
5. Names of team members participating in the drop,
6. Reason for early closing.

The Early Table Drop Log is forwarded to accounting upon completion and at least at the end of the month, whichever occurs first.

Table Games Count Team Requirements

The table games count team consists of:

- A count team leader, and
- Two or more count team members.

The count team members are rotated on a routine basis. Rotation of count team members must be such that the count team does not consist of the same three individuals for more than five consecutive counts.

The count team must be independent of the transactions being reviewed, dropped, counted, and the subsequent accountability of the drop proceeds.

The table count team cannot consist of the same members as the table drop team.

Table Games Count Procedures

Count procedures are performed only at times previously submitted to the Division on a drop and count schedule. Count should commence at the previously designated time; however, count may commence at any time up to one hour after the previously designated time. No such window will be allowed prior to the scheduled count time. Permanent changes to the drop and count times must be submitted prior to the requested change date. Such designation must be made to the Division prior to the gaming day in which changes to drop and count times are to take place. All unscheduled counts (i.e., temporary changes) must be tracked and documented, in writing, throughout the month. See additional instructions on the form at the end of this section. Count team requirements for unscheduled counts are the same as for any regularly scheduled count.

The count team leader, escorted by the gaming manager and security, obtains the count keys. The count keys include table drop box content key(s), count room key, table drop box release key, the table drop box rack key, and table multi-shift drop box shift change key (if applicable). All keys must remain on the count table in full view when not in use.

Each box is individually counted and the funds attributed to the proper table. Under no circumstances shall more than one box be opened or counted at any one time.

For multi-shift drop boxes, the count team may count the contents of each box (graveyard, day and swing shifts, if applicable) prior to proceeding to the next drop box. The count team must ensure the monies for each shift, if applicable, are segregated through out the count process. The count team must ensure the monies counted are documented and attributed to the correct table and shift, if applicable.

The opener unlocks the drop box, empties the funds from the box, and shows the verifier and the camera that the box is empty. The verifier acknowledges that the box is empty. The acknowledgment must be obvious when reviewing surveillance, such as looking into the box and nodding the head. The recorder must be independent of the first count processes.

The opener ensures the proper drop slot on the drop box is open and relocks the box.

Two count team members (other than the recorder) sort the slips, chips and monies from the drop box. The recorder may participate in the sorting of slips; however, he/she cannot participate in the sorting or counting of any currency and/or chips/tokens.

All slips and other forms, other than cash and chips, are given to the recorder to be examined for correctness and recorded on the master games sheet. Cash and chips are placed in the center of the count table, prior to sorting. No sorting may take place until all money and chips are placed in the center of the table.

The total face value of coupons and mobile ATM receipts used must be recorded on the soft count card and included in the drop portion of the Master Games Sheet. Coupons and mobile ATM receipts are treated the same as coupons for drop and reconciliation purposes. Coupons

and ATM receipts must be listed separately under the denomination column on the soft count card.

The total value of non-cashable chips must be recorded on the soft count card and included in the drop portion of the Master Games Sheet.

All currency, chips and tokens are then sorted and independently counted by denomination by two count team members, other than the recorder. The count date and the amounts by denomination are recorded on the soft count card for the table drop boxes, or the poker jackpot count card for the jackpot drop boxes, by the recorder. The total value of non-cashable chips must be recorded on the soft card and included in the drop portion of the Master Games Sheet. No counting may take place until all bills from the drop box are sorted by denomination. However, if a currency counter that discriminates by denomination is used, the team may sort into denominations after the dual count. The total count per count card is calculated and compared to a second total physical count conducted by the second count team member. Any discrepancies between these two amounts must be investigated and corrected. When the two counts agree, the total count of currency, chips, and tokens is recorded as the drop amount for that particular table on the Soft Count Card and the Master Games Sheet by the recorder.

If a licensee has more than one jackpot drop box for a particular award, it must ensure that all boxes are counted and amounts from those boxes are added together to arrive at the incremental change of each respective liability. The increase in the jackpot liability is the total jackpot rake.

A Soft Count Card is required to be completed for each box unless a currency counter produces an individual tape for each box. In this case, the tape may replace the Soft Count Card. Each tape must reflect the same information required on the Soft Count Card and must be signed by the recorder. If the currency counter tape is used in addition to the Soft Count Card, it is attached to the Soft Count Card.

The recorder completes the Master Games Sheet prior to capturing the count team members' signatures. Accounting may complete the AGP and hold percentage calculation on the summary. If accounting completes this information, a different color of ink must be used and the accounting personnel must initial and date next to the appropriate section on the form.

At the end of the count for each shift, two team members independently verify the currency, chips and tokens counted for that shift, one of which can be the recorder. If a currency counter that discriminates and sorts the bills is used, only one count of the currency for the shift is required. If any discrepancies are noted between the final count for the shift and the calculated total for the shift, the funds must be recounted until all discrepancies are resolved prior to transferring the accountability of the count funds to the cashier.

At the completion of the count, all count team members sign the Master Games Sheet attesting to their participation on the count and accuracy of the count funds documented on the paperwork. If count team members leave the room prior to the completion of the count, they must sign the Master Games Sheet attesting to their participation in the count. Additionally, if a currency

counter is used, and it produces a summary page of the count, or is used to verify the total count, all count team members must sign and date this page of the currency counter tape. If count paperwork is not printed until the end of the count and a count team member leaves prior to the end of the count a supplemental log may be used to satisfy this requirement. The supplemental log becomes part of the drop paperwork.

One count team member locks the drop box racks containing the empty drop boxes. Another team member physically verifies the drop box racks are securely locked. When the count is complete, the count team leader must ensure that the count keys are returned to the designated locked key boxes pursuant to standard key check in/out procedures. Refer to the Key Control section for additional information.

At the completion of the count, the count team leader and another team member transfer accountability of the funds to the cashier. The cashier verifies the total by independently counting the funds. The cashier accepting the drop proceeds must not have participated in the count. The cashier signs the Master Games Sheets attesting to the accuracy of the monies received, that it agrees to the count paperwork and immediately returns the Master Games Sheets to the count team leader. The count team leader and another team member are present during the cashier verification process.

If Poker Jackpot Count Cards were completed, the copy (yellow) of the cards must be delivered by a count team member to the cashier who retains them until retrieved by the person designated to update the jackpot liability. Alternatively, a count team member may deliver the copy (yellow) of the Jackpot Count Cards directly to the designated person responsible for updating the liability.

At the completion of the count, the funds are receipted into the cashier cage and the accountability on the Daily Cash Summary is increased. The table games count proceeds may also be secured in the vault and recorded as a vault transfer from the cage to the vault.

At the completion of the count, all keys checked out to complete the count are immediately returned to the corresponding locked key box(s).

All documents from the table drop boxes and all documents generated during the count, except the copy (yellow) of the Poker Jackpot Count Cards, are immediately forwarded directly to accounting by a count team member. This may be achieved by the count team member placing the documentation in an accounting locked box or by delivering it immediately to accounting personnel after the documents are fully completed and all necessary signatures have been obtained. In no case will these documents be accessible to cashier personnel**,** except for the express purpose of providing required signatures on gaming documents, and then only in the presence of the count team leader.

C. SLOT MACHINE DROP AND COUNT

The slot drop and count team members must be rotated on a routine basis. Rotation is such that the teams are rotated a minimum of one drop and one count a month. Rotation is achieved when at least one team member is different. Additionally, at least one team member must be independent of transactions being reviewed, dropped, (i.e., this member cannot participate in jackpot payouts, fills, etc.) and the subsequent accountability of the proceeds.

Slot drops must be conducted at the scheduled times which have been previously submitted to the Division on the Drop and Count Schedule (see form at the end of this section). Slot drop must commence at the previously designated time; however, drop may commence at any time up to one hour after the previously designated time. No such window will be allowed prior to the scheduled slot drop time. Permanent changes to the drop and count time must be submitted prior to the requested change date. Such designation must be made to the Division prior to the gaming day in which changes to drop and count are to take place. All unscheduled drops/counts (i.e., temporary changes) must be tracked and documented, in writing, throughout the month. See additional instructions on the Drop and Count Schedule at the end of this section. Drop and count team requirements for unscheduled drops and counts are the same as for any regularly scheduled drop and count.

Licensees are required to develop, maintain and adhere to a drop plan as defined in Slot Drop Procedures.

The slot count must be performed immediately following the slot drop, allowing for a reasonable amount of time for break purposes.

A drop includes removing and not replacing funds from a slot machine. Any time a drop is performed, all statistical reports must be prepared and must accurately reflect metered to actual information for whatever funds are dropped. BV boxes may be dropped more frequently than the coin drop buckets. For example, drops that include only BV contents must have accurate statistical reports that include a comparison of metered bill/ticket/slot coupon drop to actual bill/ticket/slot coupon drop. All applicable statistical reports must be prepared and the Monthly Slot Revenue Summary updated to include the drop period information. The last drop of the month must include both coin and BV drop.

Emergency Drop and Count Procedures

The licensee must notify the Division that an emergency drop **and count** have been performed by emailing dor_coloradocasinos@state.co.us within 24 hours of the emergency count, including an explanation justifying the need for the emergency **count.** Emergency counts are subject to the Division's review and may not be performed on a routine basis (i.e. more than one in a month **OR** more than twice a year) to replenish the currency used in the daily operations of the casino.

If funds are to be counted immediately after the emergency drop, meters must be taken at the time of the drop and forwarded to accounting, prior to the count, as support for adjustment(s) on

the drop reports. The count team and meter reading requirements, count process, documentation requirements and cashier verification are the same as for a regularly scheduled drop.

The drop team requirements for emergency drops are the same as for a regularly scheduled drop. Additionally, meters are to be captured for each drop, including emergency drops.

Emergency drops in which funds are not immediately counted are reported to the Division on a monthly basis by emailing dor.coloradocasinos@state.co.us.

If the funds are not immediately taken to the count room to be counted, they may be placed in an emergency drop cabinet. The emergency drop cabinet is a single keyed compartment located in the count room, or a two keyed compartment located on the floor under surveillance. If a single keyed cabinet is used, the key is maintained in locked box 1 and/or the Drop Key Box. For a two keyed cabinet, one key is maintained in locked box 1. The second key is maintained in locked box 2 and/or in the Drop Key Box. When these two keys are checked out, two separate licensed individuals must maintain them.

To perform the emergency drop of funds to be placed in the emergency drop cabinet, the drop team checks out the necessary keys, including the emergency drop cabinet key. The coin funds are removed from the machine and placed in a bag. The BV box is also removed from the machine and placed in a bag. The coin bag and BV bag are sealed to prevent unauthorized access. The coin bag and the BV bag are tagged with the machine number, the machine denomination, drop team signatures, the date, and must indicate "drop funds". The tagged coin bag and BV bag are taken to and secured in the emergency drop cabinet.

In the case where the hopper funds are also removed, the hopper funds are bagged and tagged as noted above, except recorded as "hopper funds". Drop funds shall not be commingled with hopper funds.

If the machine remains on the floor and attached to the drop cabinet, the bagged funds may be stored in the drop cabinet and retrieved by the drop team during the next scheduled drop. If the machine is being removed from the floor, the proceeds may be stored in the drop cabinet of a neighboring machine. The funds must be secured at all times until counted in accordance with ICMP count procedures.

Restricted Access to Drop/Count Funds

Access to unverified drop/count funds must be restricted to drop and count team members only. All drop funds must be secured from the beginning of the drop process through the time the cashier accepts the funds. Uncounted drop monies must be secured in the count room. No one is allowed access to the count room during the drop team's and count team's break periods. All BV boxes must have a lock to restrict access to the box contents. This lock must be keyed differently than the BV release key. The drop team secures the uncounted buckets and BV boxes by locking the count room. In addition, BV boxes must be secured in a locked rack.

Meter Readings

Meters must be captured in conjunction with each drop, immediately before or after the drop and before gaming commences on the slot machine being dropped. Licensees who have successfully tested their gaming system and submitted the acknowledgement letter or who have received written approval from the Division for the use of their gaming system may utilize system meter readings. Licensees without an approved system must manually record the meter readings. If the meters are read manually, the licensed employee responsible for reading the meters must be completely independent of the functions related to the generation and subsequent accountability of any slot related transaction or revenue, independent of the entire drop and count function or have only acted as a verifier on jackpots and fills and not a drop or count team member for the associated drop. The meter readings are transferred to accounting immediately after they are completed.

When the casino is open, the person reading and manually recording meters in conjunction with drop for non-communicating machines, system testing, and/or new machine testing, may enter the drop area as defined in the Licensee's drop plan. Refer to Slot Drop Procedures for drop plan component requirements. The person recording the meters must exit the drop area at the completion of that function. The licensee must establish internal procedures to be able to distinguish the person recording meters from the drop team members.

Slot Drop Team Requirements

The slot drop team consists of:

- A drop team leader,
- At least one other drop team member, and
- One or more observers (person who is physically present on the floor and observes but does not participate in the drop except to assist the team with the transportation of the drop cart; this must not interfere with his/her ability to perform the observation function). The observer(s) watches the other drop team members and ensures that all removed drop buckets and/or BV boxes are placed on the cart. The observer(s) guards the cart containing the removed drop buckets and/or BV boxes.

A licensee is responsible for meeting the above requirements and, based upon the operations, must have procedures in place to ensure no access is allowed to the slot drop funds by non-drop team members or patrons.

The slot drop team may consist of the same individuals as the slot count team.

Drop Key Procedures

Drop officially begins when either the slot drop or BV release keys are checked out. The drop team leader escorted by security obtains the drop keys (drop keys do not include the BV content key). The keys must be maintained and secured by the drop team at all times. When the drop is complete or during breaks, the drop team leader must ensure the drop keys are returned to the

designated locked key boxes pursuant to standard key check in/out procedures. Refer to the Key Control section for additional information. The drop keys include the slot machine drop key, count room key, BV rack key, BV release key, and emergency drop cabinet key(s) (if applicable). In order to access the BV box on some slot machines, the drop team needs access to the slot machine door key. The slot drop team may not use the slot machine door key for any reason other than to drop the machines that require this key to access the BV box.

Slot Drop Procedure

All team members must remain within full view of each other throughout the slot drop process including transporting the drop buckets and BV boxes from the floor to the count room. While performing slot drop duties, the team members are precluded from performing any other gaming activities.

A licensee is required to develop, maintain and adhere to a slot drop plan that defines:

- the slot drop area. The slot drop area may be secured with the use of a designated observer(s) and/or distinctly defining the slot drop area with the use of ropes or other such physical segregation.
- procedures to ensure non-drop team members and patrons do not enter the defined slot drop area;
- procedures to adequately and timely secure machines prior to allowing patrons to resume gaming including times when the drop team has been unable to secure the machine;
- procedures for transporting slot drop funds from the machines being dropped to the cart;
- procedures to ensure slot drop funds are secured while being transported from the casino floor to the count room; and
- the process to ensure licensee regularly reviews the slot drop process and records any exceptions or variations to their established procedures.

If a patron is playing a slot machine that is being dropped, the patron must be asked to step away from the slot machine and out of the drop area until the drop of the machine(s) is completed. If a patron is playing a slot machine that is in a bonus round, the licensee may drop that machine at the completion of the bonus round so as to not interrupt the play of the bonus round.

The casino must ensure all coin buckets and BV boxes dropped are associated with the machine in which they are housed. The slot count must immediately follow the slot drop, allowing a reasonable amount of time for break purposes.

Scale Maintenance

The weigh scale located in the count room must be secure, and the calibration module sealed in a manner to prevent tampering and is accessible only by the calibrator. If the seal is broken, the scale must be recalibrated by an authorized technician prior to using the scale for count.

Whenever the calibration module is accessed, such access must be documented and the documentation signed by the manufacturer's representative and maintained by the licensee. The scale must be secured in a manner to prevent unauthorized access. This can be accomplished by using either a pre-numbered seal or a lock and key. If the licensee uses a pre-numbered seal, a log must be maintained and reconciled which lists the seal number, when it was applied, who applied it, when it was removed, who removed it, and the reason for scale access. If the licensee elects to secure the scale with a lock and key, the manufacturer or the manufacturer's representative must maintain the key. Alternatively, the key may be maintained in the locked key box(s), with only the manufacturer or manufacturer's representative having authority to obtain the key. The key control log must be completed each time the key is checked out.

Someone independent of the cashier cage, vault, slot, and count team functions (preferably accounting personnel or internal compliance officer) is required to be present whenever the calibration module is accessed.

The proper operation and maintenance of the weigh scale is the responsibility of each licensee. Employees operating weigh scales must be familiar with the proper operation procedures for their scale. In addition, they must be familiar with factors that may interfere with the accuracy of the scale.

The licensee's internal auditors or someone who is independent of the cashier cage, vault, slot department, and count team, at least on a quarterly basis shall test the weigh scale. The test results must be documented.

Slot Count Team Requirements

The slot count team consists of:

- Count team leader, and
- At least two other count team members. One of the three team members must be the recorder.

One count team member must obtain all the necessary documents to perform the count. At all times during the count, team members must be aware of the actions of the other team members to ensure safeguarding of the assets and reducing the risk of theft. The team members must be in view of each other and the funds. Prior to the count, the count team checks out the necessary keys to conduct the slot machine count. The count keys include the count room key, BV rack key, and BV content key. If emergency drops were conducted during the drop period, the count team may need to also check out the restricted key(s) to the cabinet containing the bags and BV box(s) dropped during the emergency drop(s). If the count team uses "test money", which is a predetermined amount of money and/or tickets, and the test money is maintained in the count room in a sealed compartment for the purpose of testing the currency counter, the count team also obtains the key to access the test money.

Coin Count Procedures

Prior to running each denomination through the count machine, a team member must test the machine with a predetermined number of coins or calibration weights. Another team member records the number of coins or amount/weight used to test the machine, number of coins or amount/weight counted by the machine, and any discrepancies. Both team members sign the Slot Summary Report to document the testing process. In the event that the scale is not functioning properly, the licensee must document the event.

The contents of each slot machine's drop bucket must be counted. The recorder must ensure the funds from the buckets are attributed to the correct machine. The recorder ensures the amount of drop per machine, total for each denomination, and the grand total is documented on the Slot Summary Report. If a weigh/scale tape is produced, the count team members sign and date the tape when the weigh/count is complete.

The coin is wrapped and/or bagged. During this process, at least two team members must be present. When the wrapping or bagging of coins and tokens is complete, the recorder counts all the wrapped or bagged coin and records the results by denomination on the Count (Weigh)/Wrap Variance Report and Slot Summary Report. Variances between the weigh and the wrap or bags count are calculated and documented on the Count (Weigh)/Wrap Variance Report and Slot Summary Report. The count team must investigate variances of 1% or more for coin by denomination and total and the results of the investigation must be documented. At least one team member, in addition to the recorder, must independently recount the wrap and verify the total on the Slot Summary Report.

All team members must sign the Slot Summary Report and Count (Weigh)/Wrap Variance Report as evidence of participation on the count team. If count paperwork is not printed until the end of the count and a count team member leaves prior to the end of the count a supplemental log may be used to satisfy this requirement. The supplemental log becomes part of the drop paperwork.

The count team leader signs the Slot Summary Report as a team member and the count team leader must sign the certification section of the Slot Summary Report, certifying the transfer of the proceeds to the cashier.

Bill Count Procedures

For the purpose of this subsection only, any reference to tickets also includes slot coupons.

The contents of each box must be individually counted and the funds must be attributed to the proper machines. These uncounted funds must be easily distinguishable by surveillance at all times and protected to ensure the funds are not misplaced, lost, misappropriated, or left uncounted. Under no circumstances may the funds from multiple boxes be commingled prior to the individual box count.

The counting of the boxes may be accomplished by:

1. Opening, extracting, and counting the contents of one box at a time, or
2. Opening multiple boxes at one time as long as the funds are physically segregated to prevent commingling of the funds until the contents of each box are individually counted. Examples of adequate physical segregation include:
    a. Rubber banding individual box contents with the box designation,
    b. Utilizing a divided container to hold the funds and the box designation for each box,
    c. Funds placed in a clear container using an automated count machine's header cards to distinguish the contents of each box.

The opener removes the funds from the BV box, and shows the verifier and surveillance that the box is empty. The verifier acknowledges that the box is empty. The acknowledgment must be obvious when reviewing surveillance, such as looking at the box and nodding the head. A count team member other than the recorder performs the first count of the money.

The recorder does not participate in counting the contents of the individual BV boxes. The recorder's duties are to ensure the proper recording of the BV contents and attributing them to the correct slot machine.

The recorder calculates and records the dollar amount of each denomination, and the dollar amount of the tickets (if applicable), on the BV Summary for each BV box. If the currency counter tape is used in addition to the BV Summary, it is attached to the BV Summary form and only grand totals must be entered on the BV Summary.

If a licensee utilizes an automated count machine, one which links the funds to the proper slot machine via scanning a count machine header card, the recorder is the individual that operates the counter and ensures that any rejected bills or tickets are attributed to the correct slot machine.

If a currency counter that discriminates bill denominations is used, a verification of the first count is not required. Otherwise, the verifier performs an independent second count of the bills and tickets for each BV box. The verifier verbally compares this amount with the recorder's amount. If there are any discrepancies between these two amounts, the verifier must recount the bills and/or tickets and the recorder must recalculate the amounts on the BV Summary. This procedure must be performed until all discrepancies are resolved. BV boxes must be secured upon completion of the individual BV box count.

At the end of the individual BV box count, all monies and tickets counted are independently counted by two count team members, one of who can be the recorder. If a currency counter that discriminates bill denominations is used, only one count of all monies for all boxes is required; otherwise, two separate counts must be performed.

If a licensee utilizes an automated count machine that performs a dual count (one by box and one in total) in one pass, then a count in total is not required; however, verification is required to replace the count in total. This is achieved by performing a bulk (brick, strap and loose)

verification and comparing that total to the automated counter grand total. This total is traced to the total on the BV Summary.

If any discrepancies are noted between the counts, the bills, tickets and slot coupons must be recounted until all discrepancies are resolved prior to transferring the count to the cashier.

All team members must sign the BV Summary attesting to their participation in the count. If count team members leave the room prior to the completion of the count, they must sign the BV Summary attesting to their participation in the count If count paperwork is not printed until the end of the count and a count team member leaves prior to the end of the count a supplemental log may be used to satisfy this requirement. The supplemental log becomes part of the drop paperwork.

The count team leader signs the BV Summary as a team member and the count team leader must sign the certification section of the BV Summary, certifying the transfer of the proceeds to the cashier. Additionally, if a currency counter is used, and it produces a summary page of the count, or is used to verify the total count, all count team members must sign and date this page of the currency counter tape.

At the completion of the count, the count team leader and another team member transfer accountability of the drop proceeds (coin and currency) to the cashier. See Cashier Verification Process subsection.

At the completion of the count, all keys checked out to complete the count are immediately returned to the corresponding locked key box(s).

All documents from the count are immediately forwarded directly to accounting by a count team member. This may be achieved by the count team member placing the documentation in the accounting locked box or by delivering it immediately to accounting personnel after the documents are fully completed and all necessary signatures have been obtained. In no case will these documents be accessible to cashier personnel**,** except for the express purpose of providing required signatures on gaming documents, and then only in the presence of the count team leader.

TITO Count Procedures

Tickets and coupons redeemed at the TITO device are dropped and counted as part of the regular slot drop and count procedures. For the purpose of this subsection only, any reference to tickets also includes coupons.

Prior to running tickets through the count machine, the machine must be tested by two count team members with a predetermined number of and/or dollar value of tickets to ensure accuracy of the machine. Each function of the count machine must be tested. If the count machine counts the number of tickets, then the number of tickets is tested. If the count machine counts the dollar value of the tickets, then the dollar value of the tickets is tested. The team members record the

number and/or dollar value of tickets used to test the count machine, the number of and/or dollar value of tickets counted by the count machine, and any discrepancies. This test is documented on the BV Summary Report. Both team members sign the BV Summary to certify the testing process. In the event the count machine is not functioning properly, the licensee must document this event and attempt to resolve the malfunction.

Each BV must be individually counted and the tickets attributed to the TITO device that redeemed the tickets. The tickets and bills from the BV must be separated. This can be done by manually sorting the tickets and bills, or by running the bills and tickets through a count machine that distinguishes between the two. If the count machine can only provide the number of tickets in addition to the bill count for each slot machine, the tickets for each slot machine must be kept separate until counted. This can be accomplished by writing the slot machine number on the last or first ticket for that machine's stack of tickets, placing a divider (with the slot machine number) between each batch of tickets, or in a similar fashion which ensures the tickets are not commingled prior to the count of the tickets.

The count team **must produce a piece count and a dollar amount** of the tickets by TITO device and grand total. The counts by TITO device must be documented and the count team members must sign all such documentation. This can be accomplished by documenting the counts on the BV Summary, a currency counter tape, a calculator tape, or a ticketing system report generated by the count team. The tickets can be counted in the following ways:

- Manually by recording each ticket,
- Manually by utilizing a calculator tape,
- A currency counter machine that can read the ticket's bar code and produce a tape,
- A currency counter machine that can count the number of tickets and produce a tape,
- A scanner that can read the ticket's bar code and produce a tape or report,
- Entering the validation number from the ticket's bar code and producing a tape or report.

NOTE: It may be necessary to combine any of the above to produce both the piece count and the dollar amount.

If the licensee utilizes a count machine that communicates with the TITO system, and compares the tickets the system has recorded with the tickets counted during the count process, the tickets only need to be counted or scanned once by the count team members.

If the licensee does not utilize a count machine that communicates with the TITO system, the count team must perform two independent counts of the tickets. If there are any discrepancies between these two counts, the count team must investigate and document the results.

The recorder verifies the TITO device number and ticket amounts (piece count and dollar amount) were recorded or captured correctly during the first count.

Any problems encountered with the ticket count process must be documented by the count team and forwarded to accounting immediately following the count process.

The count team must produce the system generated Tickets from Slot Device Counted by Count Team Report.

If the count machine is not functioning correctly, the count team must perform a manual count of the tickets. When the tickets are counted manually, two independent counts of the tickets are required, one by the opener and one by the verifier.

All team members must sign all the paperwork produced by the count team regarding the counting of the tickets, i.e. counting machine tapes, system reports, calculator tapes, BV Summary Reports, etc. All ticketing count paperwork and tickets are immediately forwarded to accounting by a count team member at the conclusion of the count.

D. KIOSK DROP AND COUNT

The kiosk drop and count procedures outlined below are in addition to the procedures outlined for the slot drop and count.

Drop

Accounting personnel are prohibited from participating in the kiosk drop and/or count. A minimum of three licensed employees are required to perform the kiosk stacker drop. At least one drop team member must be independent of the kiosk transactions. For the purpose of this subsection only, any reference to tickets also includes slot coupons.

Kiosk stacker drops may be performed in conjunction with the licensee's slot machine drop, or more frequently, at scheduled times that have been previously submitted to the Division on the Drop and Count Schedule (see form in the Drop and Count section). Kiosk drop must commence no more than one hour after the scheduled times submitted to the Division on the Drop and Count Schedule. All unscheduled drops/counts (i.e., temporary changes) must be tracked and documented, in writing, throughout the month. See additional instructions on the Drop and Count Schedule.

Stackers must be dropped and secured in such a manner that access is restricted to authorized members of the drop and count teams through appropriate key controls. Access to the contents of the stacker is limited to the count team until the count is ready to be transferred to the cashier cage. Stacker racks shall be located in a locked and secured area where access is restricted.

Any time a kiosk drop is performed, and prior to any transactions being processed through the kiosk, someone independent of the count must run a kiosk report that reflects the total value of all tickets accepted by the kiosk, referred to as the Total In, and the total value of all payments issued by the kiosk, referred to as the Total Out. This report is immediately forwarded to accounting. This report must not be accessible by the count team.

On at least a monthly basis the cassettes and hopper funds must be removed from the kiosk and counted. Two licensed employees must count the funds. The count may be performed in the

count room or the cage. This count is used for the kiosk reconciliation. Refer to ICMP Section 8, H Ticket In/Ticket Out and Slot Coupons, for ticket redemption kiosk reconciliation requirements. The cassettes and hoppers are then filled or replaced with an imprest amount and placed in the kiosk.

Count

Three count team members are required to perform the kiosk stacker count. The count team members are rotated on a routine basis. Rotation of count team members must be such that the count team does not consist of the same three individuals for more than five consecutive counts.

The count must be completed in the count room. The count can be performed daily or in conjunction with the slot machine counts. See TITO Count Procedures above for ticket counter testing and ticket count procedures.

The count team must produce the system generated Tickets from Kiosk Counted by Count Team Report.

The design of the Kiosk Count Form is at the licensee's discretion; however, at a minimum, the Kiosk Count Form must include the same information that is required on the BV Summary.

E. HOPPER DROP AND COUNT

The standard drop and count requirements discussed above apply to hopper drops and counts, except that a hopper summary report is used instead of the slot summary report.

Proper support for, and documentation of, all hopper adjustments must be maintained. See the end of this section for an example of a Hopper Summary Report that is used to document a hopper count. If the hopper drop and count is performed at the same time a regular drop and count is conducted, then the licensee must not commingle hopper funds with any other funds. The funds, as well as corresponding accountability, must remain separate.

Hopper adjustments must be made:

- When the denomination of the hopper is changed for a machine,
- When the machine's ticket functionality is activated,
- When moving a machine from one establishment to another establishment (i.e., different licensee, off-sight storage, etc.),
- When there is a change in ownership (i.e., when a new license is issued),
- When a business closes, or
- When the machine is removed from the floor.

Refer to the ICMP Section 11 Accounting for a discussion of the accounting treatment for hopper funds.

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 forms meet ICMP requirements.** See General section for further clarification.

Drop/Count, Operating Hours and Gaming Day Schedule

This form is completed each time a permanent change is made to either the drop and/or count scheduled times or days, operating hours or end of the gaming day prior to the requested date change. This form is emailed to dor_coloradocasinos@state.co.us.

Early Table Drop Log

The early table drop log is completed when the licensee is closing the pit early **and** is performing the table drop earlier than scheduled. The log is forwarded to accounting upon completion and at least at the end of the month by depositing the page in the locked accounting box.

Master Games Sheet

The master games sheet is used to record the information obtained during the table games count. Each shift has a separate master games sheet. The "gaming date" recorded on this form represents the actual date the gaming proceeds were generated. The "date counted" represents the actual date the gaming proceeds were counted and recorded.

Master Games Continuation Sheet

The master games continuation sheet is used to record multiple fills or credits to tables. The totals from the continuation sheet are carried forward to the master games sheet.

Poker Jackpot Count Card

The poker jackpot count card is a two-part form used to record the poker jackpot drop from each jackpot drop box during table games count. The total from each card is recorded on the master games sheet as total jackpot drop for that table.

Soft Count Card

The soft count card is used to record the drop from each table drop box during the table games count. The total from each card is recorded on the master games sheet as the drop for that table.

Bill Validator Summary & Continuation Page

This form is used to record the contents of the bill validator boxes. The "gaming date" recorded on this form represents the actual date(s) the gaming proceeds were generated. The "date counted" represents the actual date the gaming proceeds were counted and recorded.

Count (Weigh)/Wrap Variance Report

The count (weigh)/wrap variance report is used to record the slot count wrap and calculate the variance between the count (weigh) and wrap by denomination.

Hopper Summary Report and Continuation Page

This form is used to document hopper counts.

Meter Reading Summary (Bill)

The bill validator meter reading summary is used to record bill meter readings. Bill validator meter readings must be taken just prior to dropping the bill validator boxes, or after the bill validator drop but prior to gaming commencing.

Meter Reading Summary (Soft)

The soft meter reading summary is used to record the soft meter readings which are taken just prior to the slot drop, or after the slot drop but prior to gaming commencing.

Slot Summary Report & Continuation Page

The slot summary report is used to record the slot drop proceeds by slot machine, and the total amount transferred to the cashier cage. The “gaming date” recorded on this form represents the actual date(s) the gaming proceeds were generated. The “dated counted” represents the actual date the gaming proceeds were counted and recorded.

SECTION 6

GAMING SYSTEMS

A. GENERAL

Licensees may use a gaming system to capture required slot machine meters, drop and count information, and/or to generate gaming forms, documents, and required statistical reports as they relate to the reporting of AGP. A licensee must successfully test the gaming system and modules of the system (such as TITO, wireless handheld validation units, Electronic Promotional Credit System (EPCS), kiosks, pit, cage, and third party systems) before it can rely upon the system, or upon any information generated by the system, as it relates to the reporting of AGP. The licensee must test its system following the requirements outlined in Gaming Systems Testing section of the ICMP. The licensee cannot rely upon the system until these requirements have been met.

Generally, only licensed employees may have access to gaming systems. Unlicensed employees whose functions include viewing player points and redeeming applicable points for restaurant or hotel comps through a third party system (i.e., point of sale system), may have access for those functions only. Unlicensed employees cannot have the ability to log into the gaming system.

All gaming systems must have audit reports that provide a chronological list of events, and audit trails that document adjustments or changes to the gaming system. The system generated reports must include, at a minimum, the date, time, user or operator, and a description of the event. These reports are used to support adjustments and overrides and to aid in investigations for exceptions, meter errors and variances. Any necessary adjustment to and/or reconciliation of system reports must reflect the meter data for such machines. The licensee's accounting plan must reflect the appropriate audit and accounting procedures for this requirement.

Each licensee must maintain required documentation for three years. This data must include, at a minimum, revenue (actual) data, meter data, and other pertinent data used to create, investigate, and explain all supporting and required documentation. All documentation must be made available to the Division upon request and in a reasonable timeframe as determined by the Division.

The licensee must notify the Division if a system that reports or affects AGP is down for a total of 12 hours in any 30-day period. For example, if the system is down for one hour 12 times within a 30-day period, the licensee must notify the Division. Notification must be submitted via email to the Division at: DOR_CCBHCasinos@state.co.us or DOR_CrippleCreekCasinos@state.co.us, as appropriate.

Additional information, in the form of technical documents, may be found at the Division's website.

Non Communicating Machines

Licensees must manually read and record all required soft meters, at each drop, for any machines that are not set up to communicate, are not able to communicate properly, or have stopped communicating properly with the gaming system. Anytime the gaming system fails to communicate accurate meters and information the licensee must revert to the manual capture and recording of soft meters, and use the soft meters in the generation of the required statistical reports. On a monthly basis, licensees must prepare and maintain a list of slot machines not connected to the gaming system along with the reason the slot machine is not connected. The list must include all slot machines connected to the gaming system that do not report all of the required meters.

Ticket In/Ticket Out (TITO)

A TITO enabled device can always generate on-line tickets. In addition, depending on the gaming system, it may also generate delayed or off-line tickets when the gaming system is not communicating properly with the ticketing functionality. See CLGR 30-1272(3) for more information regarding these tickets. Licensees must notify the Division, via email, when they are going to enable off-line or delayed tickets.

Licensees are required to complete the TITO device, kiosk, and cage/wireless handheld validation unit checklists anytime a slot machine, kiosk, or cage/wireless validation unit is added to the gaming floor or cage, moved from one location to another on the gaming floor, whenever slot machine options or the asset number are reconfigured in the gaming system, and when slot machines are TITO-enabled. Also, licensees must complete TITO device checklists any time slot machines are converted from one game or denomination to another game or denomination. These machines, kiosks and validation units must pass the checklist requirements prior to being placed into service. A checklist must be completed for every machine, kiosk and unit. Licensees must maintain these forms for Division review.

All slot coupons must be generated using the licensee's approved gaming system. The licensee must follow the configuration guidelines outlined in the manufacturer's specifications to ensure all coupons are cashable. See TITO section in the ICMP for guidelines regarding slot coupons.

Overrides are defined as changes to system information made at the time of the event. Licensees must have appropriate access rights in place to prohibit any changes to system information for tickets or coupons. Any licensed employee granted access to produce slot coupons cannot be granted access to redeem them.

The status of a ticket or coupon that has been redeemed, expired or voided must not be changed. If an active ticket or coupon cannot be properly processed under normal circumstances, a supervisor must provide system and/or written authorization for the completion of the transaction.

TITO tickets must expire 120 days from issuance. Slot coupons must also have an expiration date; however, there are not a specific number of days in which they must expire.

Cage and Pit Systems

In the event the cage and/or pit systems go down, the licensee must revert back to the manual process.

Electronic Promotional Credit Systems (EPCS)

EPCS means a system of components, hardware, software and communication technology that securely transmits credits to and from a slot machine in the form of electronic promotional credits. EPCS are any systems that maintain electronic promotional credits. EPCS allow patrons to play slot machines using a player card with a magnetic strip to download credits to a slot machine. EPCS gaming transactions at the slot machine are entirely electronic.

EPCS must be controlled in a manner that precludes any one individual from fraudulently accessing promotional events and/or electronic credits associated with individual patron's membership information.

B. DOCUMENTATION REQUIREMENTS

In order for the Division to rely on any documentation it will require proof that it was reviewed, completed, checked and/or verified.

General Requirements

Requirements for all documentation include legibility, signatory, retention and accessibility. All documents must be clearly legible, the font must not be broken up or patchy, and lines cannot overlap. Information such as page numbers, dates, headers or footers cannot be illegible or missing. If there is a handwritten note on the original document it must be legible on all copies. When signing or initialing a document the signature/initials must be clear and must not block any information contained in the document. The signature/initials must include legible license number and date. Any time the term signature or initials is used for any document, this always means the document requires a signature or initials, date and legible gaming license number of the individual who completed the document and/or the reviewer who ensured the document was completed and a signature/initial was indicated.

Checklists

The Division will provide checklists to the licensee's ICO along with a completion deadline. Completed checklists must be submitted to the Division by the deadline. These checklists are used by the Division as a tool to help ensure Division requirements are completed on a consistent

basis. They must be filled out completely and the responses must be clearly marked. Responses must be circled in such a way to clearly indicate the intended response (Yes or No).

C. PHYSICAL SECURITY

Keeping the computer room safe from unauthorized individuals is necessary to ensure that computer systems remain uncompromised. Safeguards that prevent employees from accessing the computer room without proper authority and proving their identity must be in place. Logging the timeline and reason the individual entered the computer room is necessary in resolving any issues that may arise.

The computer room must be secured in a manner that only allows authorized access. Methods such as cipher locks, biometrics, badge scanners, or door keys must be used to secure the computer room. The licensee must maintain a list of authorize personnel who are exempt from completing the access log when entering the IT room. Unauthorized individuals who enter the IT room must complete a log that includes date, time of arrival and departure, employee name, and reason for entry. The log must be reviewed, at least monthly, by the IT manager or ICO if the casino has only one IT staff member.

Protecting the computer room from power fluctuations, heat, and other environmental risks helps ensure the availability of the system. Surge suppressors, UPS, battery backups, or line conditioners must be in place to prevent a system failure due to electrical outages, spikes and surges. The gaming system must be able to remain in operation for a minimum of one hour or until the IT staff can bring the gaming system down in a controlled manner.

Network equipment located throughout the casino must be secured in a manner that only allows authorized access. Used or unused network connections must not allow unauthorized access to the casino's network. This may be accomplished with a locking cover, unplugging the cable from the switch, making the port inaccessible or logically disabling the port. An inventory of all ports must be maintained.

D. LOGICAL SECURITY

Logical security is comprised of three areas: account management, password management and security settings. Account management consists of networks and system accounts. Password management focuses on password requirements for the various types of passwords. Security settings are default settings found in hardware and software.

Account management includes user accounts, or accounts that are typically used for business functions. Devices or accounts that timeout must be re-authenticated. Accounts that are members of default groups that are not being used must be removed. If an account is not being used it must be removed or disabled. The licensee must have a formal process that ensures only accounts assigned to individuals are allowed unless otherwise specified. The process must be documented and approved by casino management.

Password management is based upon whether or not the account has elevated privileges. Elevated privileges are typically defined as a set of permissions that are greater than a normal business account. An account with these privileges can usually access the system in such a way that if misused, could harm the system. The IT department must have a documented account and password management policy that includes procedures to handle these accounts. System accounts with elevated privileges must have their passwords changed annually or when a person with knowledge of the passwords is no longer employed by the licensee. Complex passwords must be used unless unavailable due to limitation within the software. System accounts must not be used by a licensee in lieu of his/her assigned user account.

Default settings must be set to a level that ensures data integrity, accuracy, availability and security. Default settings include hardware configuration, accounts and passwords, or a set of enabled functions that might not be needed by the licensee. These settings must be reviewed and configured to best meet the casino's business needs.

E. SEGREGATION OF DUTIES

Understanding the permissions assigned to each gaming system role and account is vital to maintaining segregation of duties. For example, a casino employee should not have a level of access to the gaming system that enables him/her to perform transactions on regulated data across an entire process.

The casino must maintain the segregation of duties matrix (which can be found on the Division's website) and update it annually at a minimum. The casino must provide documentation that clearly demonstrates that all permissions within a gaming system are identified and explained. All employee access must be approved by management before they are given access. All manually documented permissions must be reviewed and compared to a system generated permissions report. An annual review of the permissions and user accounts within the permissions must be completed.

The casino must also understand what access is given at a user account level and ensure that a user account does not have a level of access that may create a segregation of duties violation. Typically this happens as a person changes jobs and (s)he is added to new role without the old role being removed. It can also happen if a person has two jobs within the casino. The licensee must explain and document employee name, assigned positions, why a user account is given the permissions it is assigned and the name and title of the approver. The explanation must also include an analysis of segregation of duties and identify any violations.

The casino must maintain documentation that includes full name, title, Colorado gaming license number (if applicable), and reporting structure for all IT employees, corporate IT, out of state IT personnel, and IT contractors who have access to the gaming system. Employees with IT functions are generally given elevated privileges within the system. Tight controls must be in place for these accounts. The IT personnel must not be able to initiate, perform, override or review any transaction that occurs as a result of gaming activity.

Additionally, employees must follow the minimum standards to ensure that appropriate controls segregate revenue reporting functions (e.g., accounting), from revenue generating functions (e.g., count team). Users involved with the collection of revenue are prohibited from having access to any revenue or reporting capabilities in the system. This is not intended to prohibit count team members from printing the required ticketing report for the purposes of ticket counts. Also, the IT staff must not be able to initiate, perform or override any transaction that occurs as a result of gaming activity with the exception of incidents that are documented in the RAMP log and approved by management for fixes and maintenance (i.e., jackpot transaction assigned to IT manager to fix a problem). The ICO or IT Management must review changes made to IT Staff permissions relating to fixes and maintenance and compare the changes to the RAMP log every month. The review is performed to ensure that all permission changes are logged. The review should also ensure that all permissions that no longer needed are removed. Please refer to the RAMP Log section for additional information.

F. NETWORK TOPOLOGY

Networks are the foundation for a secure computing environment. The correct design is critical to implement an in-depth strategy that minimizes risk. A properly designed network can create an environment of accuracy, security, availability, and data integrity. Licensees are responsible for the security of the casino's network.

Licensees must document their entire network, including the gaming system, using a diagram and indicate how the network is secure. The licensees must indicate if the network operates on a virtual network. Licensees must indicate if their gaming network is segmented from the rest of the network.

The licensee must document the gaming system versions including modules, collection units, third party programs and Slot Machine Interface Board (SMIB) versions. The versions must be verified against the installation/upgrade notification forms that were sent to the Division prior to the installation or upgrade. Any discrepancies must be reported to the Division via email address stated in the General subsection of this section. This full verification of all gaming system hardware/software must be documented and performed at the completion of each installation/upgrade or annually, whichever is sooner.

G. RAMP (Remote Access, Maintenance and Problem) LOG

Licensees must maintain a gaming system log (RAMP log) that documents, at a minimum, system upgrades, modifications, maintenance, problems, and all remote access where the connection is outside the licensee's wide area network (WAN)... Any event indicated on a gaming systems log that requires action must be recorded in the RAMP log.

The system log can be an electronic searchable document (e.g., spreadsheet) or a hard copy that is filled in manually.

The RAMP log must include, at a minimum:

1. The date and time maintenance was performed or date and time the problem was identified.

2. The area of the casino (e.g., accounting, slots, cage, IT) the problem impacts.

3. A detailed description of maintenance performed or of problem identified. For example, maintenance would include rebooting gaming system servers, database maintenance, installing updates, etc.

4. The full name, license number and position of person who identified the problem (N/A if maintenance). This can be the individual who updated the log and forwarded the information to the IT department or it could be an individual from the IT department who updated the log based on the issue (s)he discovered or based on information provided by a casino employee.

5. The full name, license number and position of person who either performed maintenance, problem investigation and follow-up, or remotely accessed the system. If the system was remotely accessed, the log must indicate that remote access occurred. Any individual who remotely access the gaming system must have a valid Colorado gaming license.

6. The system manufacturer's case number if the manufacturer was contacted (N/A if not contacted).

7. The date and detailed explanation of how the problem was resolved (N/A if maintenance) or date and type of modification made to the system (if applicable).

The log must be maintained up to date with every area filled in.

It is acceptable to have a legend on the bottom or top of each page to explain entries such as names or performing system maintenance. If a legend is not used, then all of the required information must be completed in each area of the log.

The following are a few examples:

Example for log item #1 above – Maintenance is performed every month to archive redeemed tickets. The person entering information into the log would enter the date in the field for 1 above and then write/type Archive in area 3 above. The legend would tie back to the word Archive by stating "Archive" = Archiving redeemed tickets in the gaming system to prevent duplicate validation numbers due the SMIB's buffer getting full.

Example for log items 3 & 4 above - Mortimer Sneed is usually the individual that identifies the problems and/or performs maintenance on several of the various entries. The log for 4 above would have Mortimer in 3 above. The legend would tie back to the word Mortimer by stating "Mortimer" = Mortimer Sneed, IT Director, license number xxx.

The log must be reviewed by the IT Manager/Director on a regular basis to ensure the log is being prepared correctly and to identify on-going issues.

H. DATABASE SECURITY

It is the responsibility of the licensee to maintain data integrity of all gaming system. Direct access to the database that contains revenue data represents a risk to the accuracy, security, availability and integrity of the gaming environment.

Software upgrades and updates as outlined in the ICMP must be submitted to the Division via email on the required Installation/Upgrade/Test Notification form located on the Division's website.

Licensees must maintain a secure control environment of their information technology network. This includes, but is not limited to, logical and physical controls of software, hardware, tapes, backups, disk, etc., application controls as well as any additional controls deemed necessary to protect the integrity of all networks, applications, databases and data.

Any changes to data within the gaming system database must be performed through the gaming system vendor's application or gateway. Read only access to the gaming system database is permitted for business purposes. The only time user and administrator accounts with elevated privileges, may access the database without prior notification to and acknowledgment from the Division is for IT functions such as maintenance, repair, or upgrades. The licensee must ensure that the RAMP log is updated for all maintenance, repairs, or upgrades. If the casino is under a maintenance agreement, the vendor must still be contacted in accordance with the maintenance agreement prior to initiating the maintenance, repair or upgrade.

Accounts with elevated permissions in the database environment must be unique for each user and must not be shared among the casino employees. Passwords for system accounts that allow software packages access to the database and have the ability to modify the database or objects within the database must never be shared. The accounts must only be used by the system and never by a casino employee in lieu of his/her personal account. System accounts must always have their default password changed at install or system upgrade.

Third party software is defined as any software that impacts the gaming system that did not come from the gaming system vendor. This can mean purchased software from an outside source such as a company or contractor, or software developed in-house. Third party software programs must use the gaming system's gateway. Licensees using third party software that does not go through a gateway must request a variance and receive approval from the Division prior to use. This must be accomplished by submitting a variance request to the Division and receiving the Division's approval. System accounts used by the third party software must be documented and the accounts must not be used by individuals in place of their assigned account.

System Disruption

When an unanticipated incident occurs that causes a significant disruption in the collection, accuracy, integrity, or availability of the gaming system, the licensee must immediately contact the appropriate IT resources, such as local IT staff, IT contractor or gaming system vendor, to begin the troubleshooting process. The licensee must add an entry to the RAMP log, and inform the Division as soon as practically possible via e-mail. The e-mail must include, but is not limited to, the following:

- a detailed description of the problem,
- why they think the problem occurred,
- if the manufacturer was contacted to assist in or to resolve the issue and if not, why not,
- the time it was identified,
- a brief statement about where the casino/vendor is in the troubleshooting process, and
- the manufacturer's case number (if applicable).

The Division does not require that the licensee wait for an approval from the Division before proceeding with the solution.

After the problem has been resolved, a follow up email must be sent to the Division within 48 hours of resuming normal operations. The email must include a description of and resolution to the problem.

I. WIRELESS

The Division recognizes wireless local area networks (WLAN) as an approved technology for limited applications. Original gaming data, other than wireless TITO ticket validation, cannot travel across a wireless segment. Casinos are not authorized to utilize a WLAN for activity that can, or has the potential to, impact gaming transactions, gaming system transactions or the calculation and/or reporting of adjusted gross proceeds (AGP) unless specifically allowed in the ICMP.

Casinos with the same ownership or casinos with an unattached business office may establish a wireless bridge to transmit a copy of gaming data. The casino must follow all rules for segregation of data between same ownership casinos, for example ticketing data. Subsequent to the data being written to the gaming system's database, a copy of the gaming data is permitted across the WLAN. This includes results from queries, reports, or copies of the database itself. It is the licensee's responsibility to ensure the security of all data traveling in the WLAN. The licensee must submit the notification form prior to installing a WLAN. All WLAN system components must be physically secured. The WLAN must be segmented from the rest of the network by a firewall that meets current computer industry standards, such as stateful packet inspection, authentication and encryption. The version of encryption used must be the most current version that the equipment is capable of and has not been compromised.

Authentication requirements include using strong passwords, changing default passwords, and minimizing the number of people who have access to accounts with elevated privileges. Accounts with elevated privileges must have their passwords changed at intervals not to exceed 90 days by the IT Department. The changing of passwords, not the actual password, must be documented and reviewed by the ICO. A system generated report that indicates when the password has been changed will suffice.

Due to cryptographic strength being crucial to a secure a WLAN, encryption versions must be current with industry standards and pre-shared keys must be managed, documented and changed whenever a person with knowledge of the keys has left, a security incident occurred, or at least annually.

All WLAN components such as access points, wireless management systems, firewalls and Intrusion Detection Systems (IDS) must be physically secure. Access points must be mounted using tamper proof mounting hardware in an area that does not allow for easy physical access or secured in a locked cabinet or room. The other WLAN infrastructure components must be in a secured room that is locked at all times.

All default settings must be changed before implementation. Changes to the default settings must be documented.

Parameters that should be changed include but are not limited to:

- Default pre-shared key
- SSID
- SNMP community strings
- Encryption Keys
- Passwords
- Disable any unnecessary ports, protocols, broadcasts or other options
- Change clock settings to synchronize with the casino's time system
- Set a session timeout (to prevent hijacking of abandoned authentication sessions)
- Disable WPS

All default passwords must be changed before implementation, such as the default password for the administrator account. Default configuration parameters must also be changed, such as the default Service Set Identifier (SSID) Changes to the default settings must be documented and reviewed by the ICO.

The WLAN must be documented in a network diagram. The diagram must include all components of the WLAN as well as the path to the wired network. The data moving in the WLAN must be documented within the diagram. The diagram must include near field communication protocols (like Bluetooth) except for input devices on endpoint workstations

such as wireless keyboards and/or mice. The network diagram must be updated when there is a change to the network.

Wireless handheld validation devices/systems must be tested and approved in accordance with the ICMP Gaming System Testing section of the ICMPs. In addition, process requirements related to handheld wireless devices can be found in the TITO section of the ICMP.

J. BACKUP AND RECOVERY

A successful backup and recovery strategy allows a business to recover data when a data loss event occurs. Events can include hardware failure, intentional deletion, natural disasters, accidental loss or data corruption. The strategy should include contingency plans, media management, backup schedule and, verification and testing of the backup system.

The licensee must create a written backup and recovery plan. The plan must include, at a minimum, the following:
1. How often backup will be performed, type of backup that will be performed each time (full, deferential, incremental); the type and location of media storage.
2. What information will be saved in order to comply with CLGR 30-1607.,
3. What the licensee will do if the backup interferes with business operations.
4. How the licensee will ensure that saving gaming data while a system is writing to the files does not compromise the integrity of the backup
5. If two backups in a row or four non-contiguous backups in any calendar month are missed or non-usable, an IT staff member or person responsible for the IT function in the casino must take immediate corrective action. The problem and corrective action must be documented on the RAMP Log.
6. Backup and recovery testing must be performed at least twice a year. The results of a completed restore must be detailed with supporting documentation. The restore must include gaming data and be usable by the gaming system. The testing must continue until a successful restore has been completed. The summary of the results of every restore must be recorded on the RAMP Log.
7. How the casino will physically manage the media to ensure that no gaming data is lost, including the tracking of the media so data does not leave the business in an unauthorized fashion.

When decommissioning an old backup system, the licensee must ensure it meets the three year retention requirements as stated in CLGR 30-1607. If the licensee is using media from the old system to meet the requirement, the media must be usable and the data recoverable within the requested timeframe of the Division.

K. SLOT MACHINE MANAGEMENT

Slot machine testing must be performed on slot machines when they are added to the gaming floor or when communication has been broken and the machine must be reconfigured to establish communication. This includes new machines, machines moved to the gaming floor from

storage, machine conversions and any other situation that would qualify under slot machine management. The licensee must have written procedures in place that list the type of slot floor additions and changes that would result in the testing of the slot machines, the name of the spreadsheet or worksheet that will be used to support the required information for option 1 or option 2 listed below.

There are two options for slot machine testing after the licensee has received permanent approval to rely upon its gaming system:

Option 1
The meter reader(s) must record the beginning and ending soft meter readings for coin in, coin out (for non-ticketing machines), coin drop and/or bill in, ticket in, ticket out, CEP In, NCEP In or NCEP Out depending on the functionalities enabled. For example, if the licensee does not have ticketing enabled on the slot machine the casino would not need to record the ticket in or ticket out meters. Likewise, if the licensee does have ticketing it does not have to record the coin out meter. The licensee must have an in-house form, which at a minimum, includes:

- beginning and ending soft meter readings,
- beginning and ending system meter readings,
- machine number, and
- date, time and signature of individual(s) who recorded the meters readings.

In addition to the previous requirements, all documentation must meet the Division's documentation standards. The licensee can attach a print out or screen shot of the beginning and ending system meter readings in lieu of recording them on the form. If a print out or screen shot is attached, the in-house form must refer to the print out; for example, a statement that says "see attached screen shot" in the system meter reading area would suffice. This area cannot be left blank.

The licensee must use the in-house form, stated above, to complete a Meter Comparison Report (MCR) which compares the soft and system meter reading incrementation for each meter. A sample of the MCR can be found in the ICMP forms area. In the MCR example there is a summary recap box; it is not necessary to include the summary recap box on the bottom of the page. In the event the meters do not pass testing, the licensee must resolve the issue, continue to take meters and update the MCR until the meter(s) have passed. The completion of MCRs must continue until the issues have been resolved, there are no variances between the soft and system meter incrementation, the MCR is signed and dated.

Option 2
At the time the slot machines are ready for patron play, the licensee will begin the testing process using the reports from the first drop period. The statistical reports (Drop, Ticket In, Ticket Out, CEP In, NCEP In and NCEP Out) must be reviewed within 24 hours of the completion of the physical drop. The licensee must have some type of documentation that indicates the date the machine went live (e.g., internal spreadsheet when a machine is converted or added) to support

that the reports were printed or viewed within 24 hours of the completion of the drop (e.g., printed report with the date the reports were printed).

Any statistical reports that indicate variances for any machines require accounting personnel to record all applicable slot machine soft meters and corresponding system meters for any machine with a variance. Meter testing must begin immediately by recording the soft and system meters and completing a MCR which compares the soft and system meter reading incrementation. A sample of the MCR form can be found in the ICMP forms area. In the MCR example there is a summary recap box; it is not necessary to include the summary recap box on the bottom of the page. In the event the meters do not pass testing, the licensee must resolve the issue, continue taking meters and update the MCR. The testing must continue until all applicable meters have passed testing, and the MCR is signed and dated.

Regardless of the option selected, the statistical reports must be accurate. If the variance was caused by a *clerical* error, it must be corrected and supported by the appropriate documentation. If the variance was caused by a *non-clerical* error or the meter fails testing, it must be investigated and the results of the investigation documented.

L. EMPLOYEE CONFIRMATION & TERMINATION

Licensees are responsible for controlling access with regards to enabling and disabling users from their gaming systems. Licensees are required to ensure that all employees, active and terminated, are listed on the Division's monthly list per CLGR 30-404. Currently, licensees use Revenue Online (www.colorado.gov/revenueonline) for this monthly reporting. Casinos with like ownership must ensure that Revenue Online is updated for all licensees even if the same employees work for each of the casinos.

All casino employees, licensed and unlicensed, must be listed and updated in Revenue Online at least monthly. The licensee must also ensure that employees with access to gaming system(s) have their access disabled by either locking, inactivating or deleting the user from the gaming system within three days of the employees actual termination date. The three day window begins when the casino has constructive knowledge, either by the casino initiation or by the employee initiation that the employee is no longer working at the casino. The actual termination date is when the casino notified the employee that he/she is terminated (three day window begins immediately), or the employee notified the casino of his/her last day (the three day window begins at the end of the shift on the last day). The licensee must have system reports that list both active and disabled users from the gaming system(s).

The following must be performed on at least a quarterly basis:

1. Reconciliation of the report(s) generated from the Human Resources (HR) department that provides a list of terminated employees along with the date of termination compared to the end date listed in Revenue Online. It will be necessary to download and print or save the Revenue Online database.

2. Reconciliation of the gaming system generated report(s) (printed and/or saved) that indicates the name (user or employee number) and date that employees were disabled from the gaming system database(s) compared to the end date listed in Revenue Online.
3. Reconciliation of the active employee report(s) generated from the HR department (printed or saved) compared the active employees listed in Revenue Online.
4. Reconciliation of the active employee report generated from the HR department compared to the employees that have access to the gaming system databases.

Any differences in the reconciliations must be identified and further investigation must be performed. A detailed explanation of the reason for the difference must be included. All the documents stated above must be printed or saved to support the reconciliation processes. Evidence of the reconciliations must be reviewed at least quarterly by someone independent of this process.

If the casino identifies employees that have not been removed within three days, the process listed below must be completed. For employees whose access was not disabled within three days, a review of all system generated logs must be performed to confirm that the user did not access any part of the system between the HR termination date and the system termination date. This review must be documented.

The licensee must notify the Division via the relevant email address stated in the General subsection of this section with, at a minimum, the following information:

1. employee name(s),
2. date of HR termination,
3. date of system report termination,
4. which gaming system(s), user names, and/or modules/databases the employee was not disabled from within three days,
5. reason the employee was not disabled from the gaming system(s), and
6. if the employee did in fact access any of the gaming system(s) between the two dates.

A copy of the emails must be maintained with the system generated logs. Self-reporting after the fact is not a substitution for the proactive monitoring of the process of disabling access within three days of an employee's termination.

FORMS

Following is a description of the forms discussed in this section. In some cases, sample forms are provided and all of the forms are located on the Division's website at www.colorado.gov/revenue/gaming. **It is the licensee's responsibility to ensure that all required forms contain the minimum required information and meet ICMP requirements.** See the General section for further clarification.

RAMP (Remote Access, Maintenance and Problem) Log

This log is used by licensees to document all remote access to the gaming system, any system maintenance performed as well as any system-related problems, issues, upgrades. If, for example, a system vendor (or other authorized user) is on the licensee's premises and logs onto the system from the licensee's terminal to perform system maintenance and/or to perform some "fix", this log is used to document this action.

Installation/Upgrade/Test Notification (notification form)

Licensees are required to complete and notify the Division, in writing, of the intent to install, modify or upgrade any system a minimum of 30 days prior to the anticipated installation, testing and/or go-live date. The system notification form is located on the Division's website.

TITO Device Checklist

Licensees are required to complete the TITO device checklist for all TITO devices. These machines must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a TITO device being placed into service. Any issues must be logged on the RAMP Log. A copy of the checklist is located on the Division's website.

Kiosk Checklist

Licensees are required to complete the Kiosk checklist for all TITO devices. Kiosks must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a Kiosk being placed into service. Any issues must be logged on the RAMP Log. A copy of the checklist is located on the Division's website.

Cage/Wireless Handheld Validation Unit Checklist

Licensees are required to complete the Cage/Wireless Validation Unit checklist for all Cage Validation Units and Wireless Handheld Validation Units. These units must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a validation unit being placed into service. Any issues must be logged on the RAMP Log. A copy of the checklist is located on the Division's website.

SECTION 7

GAMING SYSTEMS TESTING

A. GENERAL

A gaming system (system) is a system which captures required slot machine meters, drop and count information, and/or generates gaming forms, documents, and required statistical reports. A licensee must successfully test the gaming system and modules of the system (such as TITO, wireless handheld validation units, Electronic Promotional Credit System (EPCS), ticket redemption kiosks, pit, cage, and third party systems) before it can rely upon the system, or upon any information generated by the system, as it relates to the reporting of AGP. The licensee must test its system following the guidelines outlined later in this section. All testing requires notification to the Division.

Licensees are required to notify the Division, in writing via the Installation/Upgrade/Test Notification Form (notification form), of the intent to install, modify or upgrade any system a minimum of 30 days prior to the anticipated installation, testing and/or go-live date. The notification form is located on the Division's website. A notification form(s) must be submitted for installation, upgrade and testing of gaming systems, ticketing functionality, EPCS functionality, pit systems, cage systems, and third party systems if they capture any information as it relates to the reporting of AGP. The form must include the software version and any other versions (e.g., modules or functionality) that are a part of the host system. The licensee must include an electronic copy of the independent testing laboratory certification letter for the product, which is provided by the manufacturer, along with the notification form. Licensees are responsible for all system upgrades and system modifications, and for the accuracy and integrity of system data subsequent to any installation, upgrade or modification.

All required notifications and submittals in relation to system installation testing and/or upgrades must be submitted via email to the Division at: DOR_CCBHCasinos@state.co.us or DOR_CrippleCreekCasinos@state.co.us, as appropriate. Hereafter, any statements throughout this section which require the casino to contact the Division via email will use the appropriate email address stated above.

Licensees are required to complete the TITO device, ticket redemption kiosk, and cage/wireless handheld validation unit checklists anytime a slot machine, ticket redemption kiosk, or cage/wireless validation unit is added to the gaming floor or cage. Also, licensees must complete TITO device checklists any time slot machines are converted from one game or denomination to another game or denomination. These machines, ticket redemption kiosks and validation units must pass the checklist requirements prior to being placed into service. A checklist must be completed for every machine, ticket redemption kiosk and unit. Licensees must maintain these forms for Division review.

All testing and upgrades are subject to the document retention requirements mandated in CLGR 30-1607.

B. TESTING REQUIREMENTS FOR GAMING SYSTEMS (Slots, TITO, EPCS)

General

Most gaming systems are subject to two phases of testing: Phase I (independent lab certification) and Phase II (casino testing). Phase I is conducted prior to system installation. Phase II is performed by the licensee after the system has been tested by the lab and certified. System installations and upgrades cannot be performed until the approved testing laboratory has issued a Colorado Certification (certification) letter.

Upon completion of testing and certification by an independent certified testing lab, the test facility issues a certification letter to the system manufacturer and the Division. Licensees must review this letter, a copy of which may be obtained from the system manufacturer, to ascertain the significance of any inherent weaknesses and limitations in the system which were known prior to or identified during lab testing. Licensees must include any system limitations in the notification form and any report, reconciliation, or processes that do not meet the ICMP requirements. Additionally, licensees must implement compensating controls for all disclosed and/or subsequently identified system limitations. It is the licensee's responsibility to understand what the system can and cannot do.

It is important to note that Phase II testing is performed in a live environment. A live environment is not replicated in its entirety in a lab. The independent testing facility performs specified test procedures; however, due to the multitude of variables inherent in any system, the test facility may not test all variables. Many variables are specific to the age of the slot machines found in a casino and/or to the manner in which the licensee configures and uses the system. The certification letter issued by the lab certifies the system passes the lab's tests. It should not be construed to mean that the system meets all of the Division's internal control and/or statistical reporting requirements.

Once a system has been lab certified and subsequently installed in the casino, the licensee must perform Phase II testing of the system.

System test results must be maintained by the licensee and are subject to the document retention requirements mandated in CLGR 30-1607. These documents must be made available to the Division upon request.

Testing Objectives

The licensee's test of its system is intended to meet four main objectives:

1. The system has met the specified accuracy requirements;

2. Controls over the system are effective (e.g., physical and logical security controls, and application controls);
3. An adequate audit trail exists;
4. All required statistical reports and supporting reports are accurate, and may be used to support the revenue reporting required by the Division (e.g., tax returns); and
5. The system is configured and communicating correctly.

Testing Requirements

System meter incrementation must be compared to soft (machine) meter incrementation to ensure that system meters are incrementing at the same rate as the soft meters.

System statistical reports and gaming forms reflecting system information must be compared to the Meter Comparison Reports (MCR), supporting reports and supporting forms reflecting manually captured information to verify the accuracy of the system information.

Testing requirements are as follows:

1. A testing project plan must be submitted, reviewed and approved by the Division at least 30 days prior to the start of testing. This plan must contain sufficient detail and must include:
    a. testing procedures for slot machines, ticket redemption kiosks, cage/wireless validation units and interfaces
    b. number of drops necessary to pass all meters,
    c. the manner in which test data and results will be documented,
    d. error correction procedures,
    e. a process for verifying the mathematical accuracy of appropriate reports (e.g., MCR, statistical reports, supporting reports, etc.) will be verified,
    f. a process for the ensuring the validity, accuracy and formatting of <u>all</u> data reflected on the statistical reports required by the ICMP. This process must ensure that the required statistical reports can be generated in hard copy format as well as in an electronic database format (e.g., spreadsheet, relational database, etc.), and the type of database format,
    g. the process by which the licensee will indicate that a reconciliation of the statistical reports, MCR and supporting reports will be performed, and,
    h. a description of the reconciliation process for MTD and YTD information on the reports.

2. Soft meter readings must be recorded using the Soft Meter Reading Summary form found in the ICMP. The system meter readings must be captured upon installation of the product for all machines and for each subsequent drop until the machine meters pass testing. Once a signed System Testing Acknowledgement Letter (acknowledgement letter) and documents have been submitted to the Division, soft meter readings must be recorded at the end of the month in conjunction with the last drop of the month.

3. For *each drop* in the test period, licensees must manually read and record soft meter readings at the machine for the required meters. The licensee must also generate and save system meter readings reports. Licensees must compare the soft meters to the equivalent system meter. It is important to remember that older versions of slot machines may have different meters than the meters presently required by the Division. It is the licensee's responsibility to ensure the appropriate meters are used for each machine for ICMP reporting requirements.

4. A MCR must be completed which compares applicable soft meter incrementation to system meter incrementation for all the following required meters for each machine:
   - coin in,
   - coin out,
   - voucher in,
   - voucher out,
   - coin drop,
   - bill in,
   - cashable electronic promotion in (CEP-In),
   - non-cashable electronic promotion in (NCEP-In),
   - non-cashable electronic promotion out (NCEP-Out),
   - machine paid progressive payout,
   - attendant paid jackpots,
   - attendant paid cancelled credits,
   - attendant paid progressive payout*,
   - machine paid external bonus payout (if applicable), and,
   - attendant paid external bonus payout (if applicable).

*Attendant paid progressive payout meter testing does not follow the same testing requirement. A comparison of soft meter incrementation to system meter incrementation for a drop period is required for the attendant paid progressive payout meter the first time the progressive(s) hits and requires an attendant payout. The licensee is to submit the meter incrementation documentation to the Division within one week after the progressive win.

NOTE: For devices that are ticket enabled and do not use a hopper, coin out meter readings are not required. Additionally, a MCR must be completed for month end for the same time frame as the MTD column on the statistical reports.

5. Meter comparisons must be performed every drop period until 99% accuracy by meter by machine is attained. Voucher in, voucher out, CEP-In, NCEP-In and NCEP-Out meters must be 100% accurate by meter and by machine. Explanations that substantiate any variances must be included in the testing documentation. Differences between soft and system meter incrementation of 1% or more, by machine, must be identified. Zero meter incrementation is a failed machine. If the variance was caused by a *clerical* error, it must be corrected and supported by the appropriate documentation. If the variance was caused by a *non-clerical* error, it must be investigated and the results of the investigation

documented. The related machine/meter must continue to be tested until 99% accuracy is attained. The voucher-in, voucher-out, CEP-In, NCEP-In, and NCEP-Out meters must continue to be tested until 100% accuracy is attained. The variance explanation must state if the soft or system meter incrementation is accurate.

6. Licensees **may only change original soft meter readings or system meter incrementation** if it can be justified with adequate support.. An explanation of the adjustment and a copy of the system report (if applicable) must be included with the testing documentation.

7. Changes to any meter reading(s) (soft and/or system), must be documented and must include:
   a. the procedures used to investigate the cause of the errant meter reading,
   b. results of the investigation, and
   c. detailed action taken to correct or monitor the meter including supporting system reports (i.e., audit trail and/or exception reports) that support any adjustments made, if applicable.

8. Record soft meters and capture system meters for each drop period, the last drop of the testing month and the last drop of the previous month or whenever testing began (if after the first of the month). System reports are generated using system meters captured through the gaming system and actual information reported by the count team, jackpot/fill slips and tickets, and downloaded and uploaded credits processed through the gaming system.

9. Prepare system generated statistical reports. The system reports must be prepared on a drop-to-drop basis and must include MTD and YTD information. All reports must ensure that MTD and YTD totals are properly calculated and accurate data rolls from drop to drop. A reconciliation of the following reports must be completed. Evidence of the reconciliation must be indicated. The reconciliations must be prepared and reviewed, and variances explained as stated in item 6 above:
   a. The meter column of all applicable statistical reports must be compared to the MCR meter delta for each machine, each meter, every drop period; and the last drop of the month for the MTD meter column for each machine, and meter. Any variances must be explained. Further testing may be necessary as a result of the variance investigation(s).
   b. The amounts from the actual count documentation from the count team, the physical jackpot/fill slips, the ticket reports and the credits downloaded/uploaded activity must be compared to the actual amounts reflected on the system-generated statistical reports for each machine, each meter, and for every drop period.
   c. A reconciliation of the MTD and YTD rollover from one drop to the next, including the last drop of the month and the first drop of the next month, must be performed.

d. A reconciliation of the flow of the applicable supporting reports to the applicable statistical reports through to the MSRS must be performed. Any discrepancies must be explained.

10. Continue testing until all the accuracy requirements are met.

11. If a weigh scale interface, currency counter interface, or ticket counter interface is utilized, the licensee must perform testing and document the results to ensure that the interface is working adequately and the amounts are transferring into the gaming system accurately. Additionally, the licensee must have a written contingency plan that addresses the manner of reconstructing drop/count data in the event the interface malfunctions or fails. This plan must include procedures for the reconciliation of the interface amounts to the applicable system reports.

12. The RAMP log must be used to document ALL issues identified during testing. See the Gaming Systems section for an explanation of the RAMP log. The RAMP log must be sent via email to the Division on a weekly basis at the beginning of gaming testing until the completion of the test and submittal of the acknowledgment letter. The licensee must always maintain the RAMP log; however, after the submission of the acknowledgement letter the licensee no longer needs email it to the Division on a weekly basis.

13. Slot (coin-in, coin-out, drop (coin & currency), jackpot, fills, and cancelled credits meters) and TITO testing can be performed separately or concurrently. EPCS testing cannot be performed concurrently with slot or TITO testing.

Approval of the System

It is the licensee's responsibility to review the MCRs for all meters and the related documentation to verify the reports indicate a 99% accuracy rate for at least 95% of machines tested, (100% accuracy for TITO and EPCS) including explanations that substantiate any variances for voucher or EPCS meters if those modules are utilized. Additionally, it is the licensee's responsibility to ensure the statistical reports prepared using system information are 100% accurate. Once the licensee has determined it has met the testing and accuracy requirements, and submitted the signed acknowledgment letter, it is permitted to only take soft meters on a month end basis and the licensee may discontinue generating MCRs. The licensee must continue to record and use soft meter readings each drop period until the acknowledgment letter is submitted. For those machines/meters that did not successfully pass testing, the licensee is required to continue comparing system to soft meter incrementation, evidenced on a MCR, for each drop period and use the correct meter values for preparing the statistical reports.

Licensees are required to manually read and record required soft meters at the machine for the last drop of the month, for every machine. Licensees must continue to record the month end meter readings until the Division grants approval to rely on the system.

System approval is contingent upon the Division's review of the licensee's system test results and verification that at least 95% of tested machines are 99% accurate (100% for TITO & EPCS). This includes explanations that substantiate any variances; the statistical reports are 100% accurate; and the licensee has adequate controls in place. Upon successful completion of the Division's review of this testing, the Division will issue a written approval letter to the licensee. At that point, the licensee will be allowed to rely upon the system.

Licensees must continue to rely on soft meter information for failed machines/meters until these machines successfully pass testing. Furthermore, anytime the gaming system fails to communicate accurate meter values, licensees must revert to the manual capture and recording of soft meters and use the soft meter readings in the generation of the statistical reports.

Insufficient Testing

The licensee is ultimately responsible for the proper reporting of statistical information and if the Division determines that the licensee did not conduct sufficient testing, relied on system data prior to successful completion of its test documented by the acknowledgment letter, or improperly reported information on the gaming tax return, the licensee accepts the possibility of tax adjustments and/or administrative sanctions. The Division may also require the licensee to conduct additional testing, which may include the manual capture of soft meters and manual preparation of statistical reports using the soft meters. Examples of insufficient testing include, but are not limited to, failure to provide all required information and documents by specified deadlines, failure to maintain documentation, and failure to perform all required test procedures.

Submitting Test Results

Once the licensee determines at least 95% of tested machines have met the 99% accuracy requirement (100% accuracy for TITO or EPCS), the licensee must submit its test results to the Division. This includes:

- A written narrative documenting the results of the test, including procedures used to ensure the accuracy of the MCRs and system statistical reports. The written narrative must include:
    - a description of the reconciliation between the MCRs, actual documentation and the statistical reports,
    - number of machines tested,
    - number of machines that passed testing,
    - list of machines that did not pass testing. The licensee must state if these machines will not be able to communicate with the system; therefore, the casino will manually capture the information and update the gaming system. The written narrative must include what the casino is going to do to ensure that all reports are accurate.

- The acknowledgement letter, signed by the licensee's Chief Executive Officer and the Chief Financial Officer, stating that the licensee has met the required testing criteria. The letter is located on the Division's website.

- The MCRs for all drops of the test period including the last drop of the month and the first drop of the next month.

- Evidence of the following reconciliations:
    - A reconciliation of the meter column on the applicable statistical reports to the corresponding MCR for every machine and meter tested for each drop period.
    - A reconciliation of the "actual" column to the corresponding supporting reports for every machine and meter tested for each drop period.
    - A reconciliation of the MTD meter column on the applicable month end statistical reports to the MTD MCR for every machine and meter tested.
    - A spreadsheet supporting the accuracy of the current, MTD and YTD rollover amounts from one drop to the next for each drop period. This must include month end and the first drop of the next month.

- Soft meter readings and system meter readings for each drop in the test period including the initial readings, and end of month-end readings. In order to prepare an accurate MTD MCR the licensee must include the meter readings that support the MTD information.

- The results of the currency/ticket interface testing in the count room.

- Division checklists must be completed. The checklists address issues surrounding system security, system usage policies, training, contingency plans, data integrity controls, etc., and they must be completed in their entirety. Division Checklists will be emailed to the licensee's point of contact at the start of the licensee's testing.

- The number of machines included in the system testing. A schedule reconciling the number of machines tested to the number of machines reported on the monthly gaming tax return.

- Any system limitations or issues that impact the ICMP accounting section requirements, and the licensee's procedures regarding these issues.

- Any other documentation and information required by the Division or stated in the acknowledgement letter.

C. CONVERTING FROM ONE GAMING SYSTEM TO ANOTHER

If the licensee is changing over from one gaming system to another, the licensee must submit, at least 30 days in advance, the notification form found on the Division's website along with a

detailed test plan. The plan must be submitted, reviewed and approved by the Division prior to the start of testing. Additionally, the casino must close for the changeover and remain closed until the following requirements have been met and the Division has received written notification from the licensee that the casino is ready to open for patron play.

Minimum requirements for shutting down of the old system:

- Final drop performed.
- Audit of all statistical and supporting documentation and reports.
- Completion of variance investigations and system adjustments, if applicable.
- Final meter readings printed and/or saved.
- Any additional Division requirements.

Minimum requirements for new system installation:

- If converting data from the old system to the new system, the licensee and the manufacturer must ensure the accuracy of the data transferred into the new system.
- The licensee must document a reconciliation of the final meter readings of the old system to the new system meter readings.
- The licensee must provide documented evidence that the MTD and YTD information from the old system's statistical reports reconciles to the new system's statistical reports.
- The licensee must complete the required system log must be completed for any and all system issues during this process.
- Machine moves may not occur until the licensee has performed a minimum of two drops of the entire premises and the above requirements have been met.
- Any additional information/documents that the Division may require.

Once the casino is ready to re-open for patron play, the licensee must follow its approved test plan and follow the guidelines addressed in subsection B above.

D. TESTING REQUIREMENTS FOR PIT SYSTEMS

Licensees are required to notify the Division, in writing via the notification form, upon intent to use a pit system. The notification form must list the elements of the pit system that will be used by the licensee. For example: Opener/Closer Slips, Fill/Credit Slips, Master Game Summary Report, etc. This notice must be submitted a minimum of 30 days prior to the anticipated installation.

Prior to relying on a pit system, the licensee must test the system to ensure the system is properly communicating, functioning correctly and the information provided by the system is accurate and reliable. Testing of the system includes the following:

1. Running the system parallel to the manual process for three consecutive days, and

2. Reconciling the system generated forms to the manually generated forms for accuracy.

Once the licensee verifies the system generated information accurately reconciles, in detail and in total, to the manually generated documentation for three consecutive days, the licensee may rely on the pit system.

The licensee must ensure only approved users have access to the pit system at appropriate levels to be consistent with a manual system.

In the event the pit system goes down, the licensee must revert back to the manual process.

E. TESTING REQUIREMENTS FOR CAGE SYSTEMS

Licensees are required to notify the Division, in writing on the required notification form, upon intent to use an on-line or off-line cage system. An on-line cage system is an integrated module of a gaming system. An off-line cage system is independent of and does not directly interface with the gaming system. The notification form must list the elements of the cage system that will be used by the licensee. For example: Daily Cash Summary, Miscellaneous Receipts, on-line cage system, off-line cage system, etc.

Prior to relying on a cage system, the licensee must test the system to ensure the system is properly communicating, functioning correctly and the information provided by the system is accurate and reliable. Testing of the system includes the following:

a. Running the system parallel to the manual process for three consecutive days, and

b. Reconciling the system generated slips/forms to the manually generated slips/forms for accuracy.

Once the licensee verifies the system-generated slips/forms agree 100% to the manually generated slips for three consecutive days, the licensee can rely on the cage system.

If any slips need to be voided in the system, a cage supervisor or gaming manager is required to authorize the void in the system. If the system does not print or generate a “void” slip, the slip must be voided using the void procedures detailed in the General Section.

Once the licensee verifies the system generated information accurately reconciles, in detail and in total, to the manually generated documentation for three consecutive days, the licensee may rely on the cage system.

The licensee must ensure only approved users have access to the cage system at appropriate levels to be consistent with a manual system.

In the event the cage system goes down, the licensee must revert back to the manual process.

F. TESTING REQUIREMENTS FOR WIRELESS HANDHELD VALIDATION UNITS

A cage/wireless handheld validation unit checklist for each validation device must be completed and maintained. The checklist is available on the Division's website at www.colorado.gov/revenue/gaming.

The licensee must ensure that the validation device has been tested by the independent test lab and certified for use with the licensee's specific gaming system. The licensee must ensure that its device has been certified to the gaming system version.

The licensee must submit a letter in conjunction with the notification form, outlining any limitations indicated on the certification letter or identified by the licensee, and an explanation as to how the licensee will address or compensate for the limitations. If no limitations are indicated or identified, the letter should state so.

The tickets used to test each of the validation units must be traced to their corresponding Tickets Redeemed by Cashier Report Produced by Cashier report. Any variances must be explained and a new test performed. The checklist, copies of the tickets and the cashier report must be maintained by the licensee as evidence of the testing that was performed.

Please see the Gaming Systems ICMP section for wireless ongoing requirements.

G. TESTING REQUIREMENTS FOR JACKPOT PAYOUT/ FILL SLIP TESTING

If the gaming system generates the required meter values on the jackpot payout/fill slips, and the licensee wants to rely upon those values, some limited test procedures must be performed to ensure the accuracy of the meters prior to relying on the data.

Test procedures must be determined, performed, and documented by the licensee to provide assurance of the accuracy of the meters printed on the slips. If the licensee chooses to rely upon the validity of the meters printed on the slips, the test and results must be documented to include the machine number, type of machine, denomination, the soft meter value, system meter value, any difference between the soft and system meter incrementation, and explanations for any differences in any of the values being compared.

When the licensee has validated the required meter values on the bottom of the jackpot/fill slips are accurate for two drop periods, the licensee can rely on these meter values.

FORMS

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

Installation/Upgrade/Test Notification (notification form)

Licensees are required to complete and notify the Division, in writing, of the intent to install, modify or upgrade any system a minimum of 30 days prior to the anticipated installation, testing and/or go-live date. The system notification form is located on the Division's website.

TITO Device Checklist

Licensees are required to complete the TITO device checklist for all TITO devices. These machines must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a TITO device being placed into service. Any issues must be logged on the RAMP Log. A copy of the TITO device checklist is located on the Division's website.

Ticket Redemption Kiosk Checklist

Licensees are required to complete the ticket redemption kiosk checklist for all TITO devices. Kiosks must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a ticket redemption kiosk being placed into service. Any issues must be logged on the RAMP Log. A copy of the ticket redemption kiosk checklist is located on the Division's website.

Cage/Wireless Handheld Validation Unit Checklist

Licensees are required to complete the Cage/Wireless Validation Unit checklist for all Cage Validation Units and Wireless Handheld Validation Units. These units must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a validation unit being placed into service. Any issues must be logged on the RAMP Log. A copy of the cage/wireless checklist is located on the Division's website.

Meter Comparison Report (MCR)

A MCR must be prepared for each drop period to document the comparison of soft meter incrementation to system meter incrementation for all required meters. A separate MCR must be prepared for each drop period, and for each meter. The header of the report must include the report name, casino name, beginning and ending dates of the entire test period, and the meter tested. The report must clearly identify meter variances by machine and is used by the licensee during the test period to investigate and resolve these variances. This report is also used to document a licensee's annual system test.

RAMP (Remote Access, Maintenance and Problems) Log

Licensees are required to document all system problems, remote access to the system, any system maintenance performed as well as any system-related issues and/or problems encountered during, and

subsequent to, the test period. If, for example, a system vendor (or other authorized user) is on the licensee's premises and logs onto the system from the licensee's terminal to perform system maintenance and/or to perform some "fix", this log is used to document this action. During the test period and until the submittal of the acknowledgment letter, this log must be emailed **to the Division at: DOR_CCBHCasinos@state.co.us or DOR_CrippleCreekCasinos@state.co.us, as appropriate** on a weekly basis.

System Testing Acknowledgement Letter (acknowledgement letter)

Licensees are required to complete and sign the System Testing Acknowledgement Letter upon completion of the required system testing. The required documentation, as stated in the System Testing Acknowledgement must accompany the signed acknowledgement letter. This letter documents the licensee's test results and compliance with the test plan. A copy of the acknowledgement letter is located on the Division's website.

SECTION 8

TICKET IN/TICKET OUT AND SLOT COUPONS

A. GENERAL

Refer to Rule 12 in the Colorado Limited Gaming Regulations for regulations related to ticketing and slot coupons.

Ticket In/Ticket Out (TITO) refers to slot machines equipped with a ticket printer and interfaced with a gaming system, which has a centralized ticket validation module. Slot machines so equipped and interfaced will hereafter be referred to as TITO devices. TITO devices are able to dispense an encoded paper ticket to a patron, which can then be inserted into a TITO device, inserted into a self-service ticket redemption kiosk (kiosk), validated and redeemed via a wireless handheld validation unit or redeemed at the cashier's cage. Slot coupons (hereafter, coupons) are coupons printed by the gaming system that can be inserted into a TITO device, inserted into a kiosk, validated and redeemed via a wireless handheld validation unit or redeemed at the cashier's cage. The licensee may choose to limit the method of redeeming coupons (e.g., coupons can be redeemed only at slot machines). The coupon must contain a description of any restrictions on the redemption of the coupon. The licensee may not require the patron to make a wager in order to redeem the coupon.

Licensees that want to offer TITO and/or slot coupons must receive written approval from the Division. Please see the Gaming Systems Testing section in the ICMP for notification and testing requirements. Additionally, system requirements related to system access, contingency plans, backup and recovery, etc., are in the Gaming Systems section of the ICMP.

Tickets and coupons may only be accepted at the casino from which they were issued. Tickets and coupons shall only be redeemed at the cashier cage, via a wireless handheld validation unit, kiosk or TITO device to ensure the system verifies the transaction at the time of the redemption. For example, a ticket or coupon must not be accepted at a table game.

A redeemed ticket or coupon is defined as a ticket or coupon validated by the system and paid manually by the cashier, validated via a wireless handheld validation unit and paid by a licensed casino employee, validated by the system and paid by a kiosk, or validated at a TITO device and credits issued onto the device.

<u>On-Line Tickets and Delayed Tickets</u>

A TITO device can generate on-line tickets, and depending on the system and set up, can also generate either delayed tickets or off-line tickets. Please refer to CLGR 30-1272(3)

and the Gaming Systems section of the ICMP for more information on delayed and off-line tickets.

The licensee is responsible for having detailed written procedures in the cashier cage which indicate which type of method is going to be used when the system is non-communicating (delayed or off-line tickets), which include procedures for validating off-line tickets, payment of delayed tickets by cashier, the process required to ensure the tickets are redeemed through the system once communication has been restored, and any applicable reports. Delayed and off-line tickets can only be honored and redeemed through the cashier cage.

Tickets or Coupons as Tips

Licensees that allow their employees to accept tickets or coupons as tips must adhere to the following:

1. Ensure that the ticket or coupon was accepted as a tip, and not removed from an unoccupied machine, found on the gaming floor, or disbursed from a slot machine as a result of machine testing.
2. Tip tickets or coupons may only be redeemed at the cashier's cage.
3. The cashier's cage must segregate tip tickets and coupons from non-tip tickets and coupons, and indicate as such on the Daily Cash Summary.

Tickets or Coupons Redeemed for Patrons

Licensed employees may redeem tickets or coupons for patrons. The ticket or coupon must only be redeemed at a cage or via a wireless handheld validation unit. The ticket or coupon may not be redeemed at a kiosk or slot machine. If the licensed employee takes the ticket or coupon to the cage for redemption, the patron must initial and date the back of the ticket or coupon. See Wireless Handheld Validation Unit Section of the ICMP for procedures regarding the redemption of patrons' tickets using a wireless handheld validation unit.

Expiration

Tickets expire 120 days after issuance. Expired tickets are not valid for gaming tax purposes. If the licensee chooses to honor an expired ticket, the payment shall be considered promotional and is not deductible for gaming tax purposes. Evidence of payment for an expired ticket must be visible on the upper right hand corner of the expired ticket. An example of this is writing "Paid Expired" or "PD Exp", etc.

Coupons must have an expiration date. Coupon payments are considered promotional and not deductible for gaming tax purposes.

Retention

All tickets must be retained until the Division has issued approval to rely upon the ticketing module. After receiving approval, tickets and redeemed coupons in the possession of the licensee must be retained for at least 60 days from date of redemption, expiration or void. **Coupons may not be used in the casino until permanent approval by the Division has been granted.** Tickets and coupons must be destroyed in a manner that precludes them from being used inappropriately. Non-licensed gaming employees may perform the ticket destruction.

TITO Reports

There are two TITO statistical comparison reports that must be prepared. The Ticket Out Comparison Report and the Ticket In Comparison Report.

There are nine TITO reports that are used to support the accuracy of the above TITO statistical comparison reports. Any of these reports that are affected by coupons must have a separate column that segregates the coupon redemptions from the ticket redemptions.

For the description of each of these reports refer to the Accounting section.

B. FLOOR OPERATIONS

Prior to offering TITO devices for patron play, a TITO device checklist must be completed for each TITO device. The checklists must be maintained by the licensee and made available to the Division upon request. The checklist is located on the Division's website.

Ticket paper stock used for TITO devices shall be stored in a secure location to prevent unauthorized access, tampering, or theft.

The licensee must have procedures in place to ensure that tickets are loaded correctly to avoid a blank ticket being issued. In the event of a blank ticket, alternative procedures must be in place to ensure accurate accountability for the ticket.

The licensee must ensure that TITO devices do not issue any other type of ticket (e.g., jackpot ticket). In the event that the TITO device produces any other type of ticket, the licensee must immediately investigate the machine, disable this functionality, and contact the Division.

The slot department must ensure that new devices added to the floor that are not ticket enabled do not accept tickets.

Rejected Tickets

Tickets or coupons rejected by a TITO device should be investigated by using the following criteria:

- Review the ticket event log/history log of the issuing device (this does not apply to coupons),
- Review the status of the ticket or coupon at the cashier cage, and
- Research ticket or coupon event information provided by the system (performed by someone with supervisory authority).

Voided Tickets

If the device prints a voided ticket in the course of normal gaming activity, the ticket must be forwarded to accounting. The slot attendant must sign the back of the ticket prior to dropping the ticket in the locked accounting box.

Non-Value/Non Valid Tickets

Following printer tests, power loss/surges, loss of communication, etc., the printing devices may print tickets that are not valid. These tickets may contain the notation "void", "void demo", "demo", or some other wording to indicate the ticket is not a valid ticket. These tickets have no value even if there is a dollar amount printed on the ticket. The licensee must have procedures in place to ensure these tickets are adequately disposed of to ensure they are not included in the calculation of AGP. If a valid ticket is issued after one of these events, the ticket is processed as normal.

Ticket Jams

In the event of a ticket jam, where the ticket fully printed and did not eject from the printer, the ticket may be removed and handed to the patron.

In the event of a ticket jam, where the ticket is partially printed, the ticket must be taken to the cashier cage for redemption. If the ticket cannot be redeemed at the cage, further procedures must be performed to ensure the ticket is valid.

Ticket jams are considered a defined event; therefore, the slot machine access log must be completed when accessing the machine.

Duplicate Tickets

In the event of a duplicate ticket being printed, the slot attendant must write "DUPLICATE" on the ticket and take the ticket to the cashier cage to be forward to accounting. Only the one copy of the ticket should be redeemed and paid. The "Duplicate" ticket should not be redeemed and is not deductible for gaming tax purposes.

Duplicate Validation Numbers

In the event a ticket is produced with a validation number that was previously issued it should not be able to be redeemed in the system. The ticket validation number should be researched (e.g., review of the game ticket history, a system report that provides confirmation of the validation number, sequence number and amount, etc.) prior to payment of the ticket to ensure the ticket is valid. If the ticket is found to be valid but cannot be redeemed in the system the ticket may be paid to the patron and the amount of the ticket deducted in the calculation of gaming revenue. All documentation including the research performed that supports the deduction must be maintained as support for the payment and provided to the Division upon request.

Loss of Communication

If the TITO device does not generate a ticket for the last ticket out transaction due to loss of communication, the last ticket out transaction and all subsequent cash out attempts must result in a hopper pay or a hand pay to the patron until communication is restored. The slot department must pay the patron per jackpot payout/fill procedures as outlined in the Slots section of the ICMP. In the event a ticket is printed after communication has been restored, the licensee must ensure that this ticket is not a duplicate ticket. If the delayed or off-line ticket functionality is enabled, the licensee must ensure that the manufacturer specified procedures are followed and the tickets are redeemed through the system.

C. CASHIER CAGE

Validation and Redemption Procedures

Casinos offering TITO devices must have at least one validation unit that must be located in a cashier's cage.

If two or more cashiers share a validation unit, the validation unit must be configured to specify each cashier's identification by requiring all cashiers who redeem and pay tickets or coupons to sign onto the unit before processing any tickets or coupons, so that each ticket or coupon is associated with a specific cashier.

If each cashier is assigned to a separate validation unit, the cashier may log onto the validation unit for a discrete session or work shift, and validate tickets or coupons for the duration of the session. Under these circumstances, no other individual may use the validation unit without first terminating the existing cashier's session, and logging in separately. Multiple cashiers may have access to the same validation unit as long as each cashier redeems his/her tickets or coupons under his/her login for his/her session. AT NO TIME may a cashier or supervisor use any other cashier's session or login.

When a supervisor is performing cashier duties and he/she processes a ticket or coupon transaction that requires an additional level of access, the supervisor who initiated the transaction cannot be the same person who completes the transaction. For example, if a ticket or coupon is in a pending/locked status and requires a supervisor to enter his/her user name and password to redeem the ticket or coupon, the supervisor who initiated the transaction may not complete the transaction. If the system does not provide this differentiation, the licensee must have written procedures in place to provide for this segregation of duties.

Prior to paying a ticket or coupon, the cashier must verify the validity of the ticket or coupon through and in the system.

To redeem a ticket or coupon, the validation number is entered into, or the bar code scanned into, the validation unit. If the ticket or coupon is valid for redemption, the cashier pays the patron the appropriate amount and retains the redeemed ticket or coupon for cage accountability. In the event the ticket or coupon is not redeemable, the cashier must notify the gaming manager.

In the event of system failure, the licensee must have written procedures in place to verify the validity of any tickets or coupons and the subsequent payment of such tickets and coupons.

Tickets or coupons paid during a period of system failure without system validation must have its status in the system changed from active to redeemed/inactive when the system resumes operation; however, no later than the end of that cashier's shift. These tickets or coupons must be segregated from the redeemed tickets and coupons until such time as the tickets or coupons have been redeemed through the system. If the system does not resume functionality by the end of the cashier's shift, the cashier must segregate the tickets and coupons and enter the amount on the Daily Cash Summary as "paid unredeemed tickets or coupons" and forward the tickets and coupons with the paperwork to accounting. For systems that do not provide for a means to change the status of a ticket from active to redeemed, the licensee must have procedures in place to establish the validity of the ticket before payment is made. The licensee must maintain documentation to support the validity of these tickets. **If during this process it is determined that a duplicate ticket or invalid ticket was paid, the amount paid must be considered promotional funds and cannot be deducted from AGP.**

Cashiers that are presented with a ticket or coupon that an employee has received as a tip must review it to ensure that it has been issued from their casino. Upon verification of the ticket or coupon, it is redeemed through the system. Tickets or coupons received as tips must be segregated and indicated as such on the daily cash summary.

Payment of lost, stolen, or mutilated tickets or coupons that cannot be validated by the system requires the involvement of supervisory personnel to investigate the validity of the ticket or coupon.

If a taxable jackpot is won as a result of a wager on a TITO device, a jackpot slip is completed in accordance with normal jackpot procedures.

Found Tickets or Coupons

Found tickets or coupons are receipted into the cage and documented on a miscellaneous receipt form or a ticket tracking/coupon tracking log. Documentation on the form/log must include the date and time the ticket was found, the location, the amount of the ticket or coupon, as well as the signatures required on a miscellaneous receipt form. However, tickets or coupons with a $1.00 value or less may be summed and included on one miscellaneous receipt or one line on the tracking log with the location of "various". Found tickets or coupons are forwarded to accounting and documented on the daily cash summary as a miscellaneous receipt and miscellaneous disbursement to accurately account for all found tickets or coupons. The status of the ticket or coupon must remain unredeemed until claimed by the patron or until the ticket or coupon has expired. Found tickets cannot be used for testing devices.

Void Tickets or Coupons

To void tickets or coupons, the cashier clearly marks "VOID" on the ticket or coupon. The cashier and slot attendant sign and date the ticket or coupon and the cashier submits them to accounting for retention and accountability. Voided tickets or coupons must be segregated from other tickets and coupons and must be submitted to accounting with the cage paperwork. At no time will cashiers or slot attendants void or expire a ticket or coupon in the system. Accounting is the only department with the authority to perform this function.

Duplicate Tickets

The cashier shall not redeem duplicate tickets. A patron will not be able to redeem his/her valid ticket if a duplicate of that ticket was previously redeemed. The validity of the ticket must be researched prior to payment to the patron. If the ticket is found to be valid it is deductible for gaming tax purposes; however, if the ticket is paid and later found to be invalid the payment is considered promotional. The cashier submits the duplicate ticket to accounting for retention and accountability.

Test Tickets

Money is disbursed from the cage on a miscellaneous disbursement form when the slot department performs machine testing for variance investigations, new machine testing and possible machine malfunctions. It is appropriate for test tickets, from the testing of the TITO device, to be redeemed at the cage. When test tickets are receipted back into the cage, a "miscellaneous receipt" form must be completed. This will allow the cage to balance as no money is leaving the cage at the time test tickets are redeemed. Tickets

redeemed as a result of testing are segregated and forwarded to accounting with the cage paperwork. Found tickets cannot be used for testing devices.

Tickets or Coupons as Tips

In the event a cage cashier accepts tickets or coupons as tips during his/her shift, a supervisor must be present at the time the cashier redeems them and must also sign and date them. The cashier's cage must segregate tip tickets and coupons from non-tip tickets and coupons and indicate as such on the daily cash summary.

Status of Manually Redeemed Tickets or Coupons

Licensees must have adequate controls/procedures for changing the status of tickets or coupons that have been manually paid at the cage, but are still reflected as active/unredeemed in the system. The status of such tickets or coupons must be changed from active/unredeemed to inactive/redeemed. These must be controlled and processed in a manner that precludes any individual(s) from fraudulently initiating and/or completing a redemption request, fraudulently obtaining the funds, and misappropriating the funds. At no time shall the licensee change the status of the tickets or coupon from expired, void, inactive/redeemed to active/unredeemed. Any expired, voided, or inactive tickets the licensee chooses to manually pay may be paid from promotional funds. However, they are not deductible for gaming tax purposes.

Reporting

At the end of each cashier's shift, a report must be printed that details the tickets and coupons redeemed by that cashier during his/her shift. The cashier will use this report to reconcile to the cash drawer. The cashier forwards this report to accounting with the cage paperwork including all tickets and coupons for that shift.

D. COUNT PROCEDURES

See Table Games and Slot Drop and Count Procedures ICMP section 5 for the count procedures.

E. ACCOUNTING PROCEDURES

The licensee must review the Accounting section in the ICMP for ticketing and coupon information, reports and reconciliation processes.

Meters

TITO devices must have a "Voucher Out" or "Ticket Out" meter that accumulates the total value of all tickets issued by the device.

TITO devices must have a "Voucher In" or "Ticket In" meter that accumulates the total value of all tickets and slot coupons redeemed by the device.

It is accounting's responsibility to ensure that appropriate and adequate meter readings are available to generate statistical reports.

Void Tickets and Coupons

Tickets or coupons to be voided from the cashier cage are forwarded to accounting for retention and accountability. Accounting must verify these and ensure they are properly signed and dated. Only after accounting has determined that the ticket or coupon should be voided can accounting proceed to void them from the system.

If the machine prints a voided ticket in the normal course of gaming activity, the ticket must be forwarded to accounting by being dropped in the locked accounting box. Accounting must verify the reason for the voided ticket and ensure the ticket is voided from the system.

Accounting must ensure that voided tickets are not deducted for gaming tax purposes.

Non-Value/Non Valid Tickets

Following printer tests, power loss/surges, loss of communication, etc., the printing devices may print tickets that are not valid. These tickets may state on them "void", "void demo", "demo", or some other wording to indicate the ticket is not a valid ticket and the ticket has no value even if there is a dollar amount printed on the ticket. The licensee must have procedures in place to ensure these tickets are adequately disposed of to ensure these tickets are not included in the calculation of AGP. If a valid ticket is issued after one of these events, then the ticket is processed as normal.

Found Tickets

Found tickets are not deductible for gaming tax purposes until claimed by a patron and redeemed. Accounting must ensure that found tickets are not deducted for gaming tax purposes until these criteria are met. Found tickets remain a liability for the casino until they expire after 120 days from issuance or claimed by the patron. Found tickets or coupons cannot be used to perform machine testing.

Ticket or Coupon Overrides

Overrides are defined as changes to system information made at the time of the event. Licensees must have procedures in place to prohibit any changes to system information for tickets or coupons. The status of a ticket or coupon that has been redeemed, expired

or voided must not be changed. If a ticket or coupon cannot be properly processed, a supervisor must provide authorization to allow for the completion of the transaction. Accounting must review all override reports to ensure no unauthorized overrides for tickets or coupons have occurred.

Adjustments

Adjustments are defined as changes to system information made subsequent to the time of the event. Any corrections and/or adjustments made to ticket or coupon information must be supported by adequate documentation. In the case where reports are reprinted to reflect any corrections and/or adjustments made by accounting personnel (e.g., "final run" reports), corrected and/or adjusted information reflected on these "final run" reports must be reviewed by someone other than the individual who made the correction/adjustment. The reviewer's initials and date of the review must evidence this review.

Test Tickets

Test tickets are issued when the slot department performs machine testing for variance investigations, new machine testing and possible machine malfunctions. It is appropriate for test tickets to be redeemed. Test tickets may be included in "Tickets Redeemed" reported on the gaming tax return. Accounting must ensure accurate reporting for test tickets. Found tickets or coupons cannot be used to perform machine testing.

Expired Tickets and Coupons

Unredeemed tickets expire 120 days after issuance. Expired tickets are no longer valid for gaming tax purposes. If the licensee chooses to honor an expired ticket, the payment shall be considered promotional and is not deductible for gaming tax purposes. Evidence of payment of an expired ticket must be visible on the upper right hand corner of the expired ticket. An example of this is writing "Paid Expired" or "PD Exp", etc.

Coupons must have an expiration date. Coupon payments are not deductible for gaming tax purposes.

Removal of TITO Devices

Licensees are responsible for ensuring that all unredeemed tickets from a TITO device that have been removed/disabled are accurately tracked for patron redemption, proper reporting and liability purposes until expiration.

Record Retention

All documents discussed in this section must be retained in accordance with the Division's rules and regulations.

All tickets must be retained until the Division has issued written approval to rely upon the ticketing module. After receiving written approval, tickets in the possession of the licensee must be retained for at least 60 days from date of redemption, expiration or void. Coupons cannot be used in the casino until permanent approval of the TITO module, by the Division, has been granted. Tickets and coupons must be destroyed in a manner that precludes them from being used inappropriately. Tickets and coupons containing signatures or other evidence of internal control procedures must have all of the information contained on the ticket or coupon documented on a separate report or log in order to destroy the ticket after the 60-day retention period.

F. ISSUANCE OF SLOT MACHINE COUPONS

Paper stock used for the generation of coupons shall be stored in a secure location to prevent unauthorized access, tampering, or theft.

All coupons must be generated using the casino's approved gaming system. The licensee must follow the procedures outlined in the manufacturer's specifications to ensure all coupons are cashable. The casino or outside vendors will be permitted to print or distribute coupons.

The licensee may have the ability to offer separate coupon programs for different events. Several coupon programs can be offered concurrently; however, each program must be separate and distinct from any other program.

Coupons must be printed in a secure location, but may not be printed in the cage. Only licensed supervisors (e.g., marketing manager, gaming managers, etc.) are authorized to generate the various programs and approve the printing of the coupons. Licensed employees granted access to produce slot coupons, cannot be granted access to redeem them.

When using an outside vendor to print and distribute coupons the vendor must:

1. Provide to the licensee proof of security of stock paper storage location, printing location, and data file workflow.
2. Not be allowed any access or privileges whatsoever to the licensee's gaming system.

Other:

3. Processing the data for a coupon event may be completed with an external application and imported into the gaming system for printing.
4. Transfer of data to/from the vendor can be transmitted through File Transfer Protocol (FTP) or put on another type of compatible media.
5. Access to the FTP site is limited to the licensee's supervisors authorized to generate coupons and the vendor's personnel.
6. FTP site passwords must be changed monthly.
7. Final printed data file must be removed from the FTP site as soon as it is retrieved by the authorized vendor. Any data media file must be returned to the licensee.

8. All coupons must be printed to paper or to final data file.
9. Final data file must be printed to a secure network location. Only individuals authorized to generate coupon events will have access, and no access may be granted to individuals who have rights to redeem coupons.

The following procedures apply whether the licensee is printing or having coupons printed:

1. All coupon series shall be issued in sequential order having a unique validation number.
2. Upon printing the coupons, the system must produce a report that, at a minimum, lists the name and description of the program, validation numbers, number of coupons printed, date and time coupons were printed, name of the individual that printed the coupons, station or location that printed the coupons, the dollar amount of each coupon, and total dollar amount of all coupons. This report may be maintained electronically in the same manner as other supporting reports.
3. The licensee must have procedures in place and is ultimately responsible for ensuring correct amounts are printed, serial numbers are in sequence, and no duplicate coupons were printed or issued.

A licensee must prepare and maintain in its gaming system, for the time period during which the coupon is valid, a listing of all patrons to which a coupon(s) was mailed. The list shall include, at a minimum, the following information:

1. The patron name,
2. The patron address, and
3. The coupon(s) amount(s).

G. TICKET REDEMPTION KIOSKS

General

A ticket redemption kiosk (kiosk) is a device, which uses bi-directional communication to the ticketing system to validate/redeem tickets or coupons in exchange for cash. It may also serve as a currency changer.

A kiosk must not issue tickets or coupons.

Audit procedures of system data in relation to the use of the kiosk, including the reconciliation process, must be documented by the Accounting Department (typically in the required written accounting plan). The reconciliation process must include reviewing kiosk overages and shortages, dispensing errors and the status of printed kiosk receipts. Uncashed kiosk receipts cannot be included in the tickets redeemed deduction for calculation of taxable AGP.

A kiosk access log must be maintained inside each kiosk. Each person who accesses the 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 stacker (accepts currency, ticket and coupons) and cassette (dispenses currency) jams,
- Tilt resets,
- Hopper (dispenses coin) and cassette fills,
- Drops (removal of stacker to be counted),
- Troubleshooting error conditions, and
- Kiosk test activity.

Kiosk(s) must be under surveillance coverage.

Any overages or shortages of $1,000 or more that occurs on a kiosk that is not resolved within seven days are accumulated for the month and reported in writing to the Division's Audit Section by the 5th of the following month. Include a list of the overages/shortages along with the circumstances and results of the investigation for each case. If an overage or shortage involves theft or any indication of unlawful activity, it must be reported to the Division immediately.

All system related problems must be documented on a RAMP log. See the Gaming Systems section for further details regarding documentation of system maintenance, system-related problems, and remote access. A copy of the log is located on the Division's website.

If the kiosk is housed in the same cabinet as an ATM, the two functionalities must be segregated. These cabinets are considered gaming equipment and as such any person accessing the cabinet for any reason must possess a gaming license. Reports from both the kiosk and the ATM are used by accounting to perform the reconciliation.

Key Control

A kiosk must have the following restricted keys:

1. Kiosk door key is maintained in the Gaming Manager locked box 2. In the event two locks are utilized, the second key to access the kiosk is maintained by Security in locked box 1.
2. Stacker release key is maintained in the Security locked box 1.
3. Stacker content key is maintained in the Gaming Manager locked box 2.
4. Stacker rack key is maintained in the Security locked box 1.
5. If only one key is required to access the kiosk; a separate and different key is required to access the cassettes. The kiosk cassette release key is maintained in Security Locked box 1.

See Key Control ICMP section regarding specific key control requirements for the kiosk restricted keys.

Fills

See Cashier ICMP section for the TITO fill procedures.

Drop and Count Procedures

See Tables Games and Slot Drop and Count Procedures ICMP section for kiosk drop and count procedures.

Accounting Procedures

See Accounting ICMP section for kiosk accounting procedures.

H. WIRELESS HANDHELD VALIDATION DEVICE

Wireless handheld validation devices (hereafter referred to as validation devices) use bi-directional communication to the ticketing module or integrated part of the gaming system to validate/redeem tickets in exchange for cash on the gaming floor.

Validation devices may only be used at the casino where they were obtained and on the casino gaming floor where gaming activity is performed. All validation device transactions must be under surveillance coverage.

Audit procedures of system data in relation to the use of the validation device, including the reconciliation process, must be documented by the Accounting Department (typically in the required written accounting plan).

Any documentation that results from the use of the validation device must be maintained by the licensee and is subject to the document retention requirements mandated in CLGR 30-1607. These documents must be made available to the Division upon request. All tickets or slot coupons must be retained for at least 90 days from date of redemption, expiration or void date.

Physical Access Controls

Physical access to validation devices is limited to authorized individuals only. Validation devices must be maintained in a secure location within the casino. The key to the device storage cabinet must be maintained in Locked Box 1 and may be checked out for the entire shift. The individual accessing the cabinet must be independent of the related validation device transactions. The individual accessing the cabinet and the individual checking out the device must both be present when the cabinet is accessed.

The issuance of validation devices on the gaming floor is controlled through a wireless device control log secured with the validation devices. This log must be completed whenever a validation device is checked in or out. The licensed individual that will be using the validation device must complete the log. The log must include, but is not limited to, casino name, gaming license number, date and time of check out, signature and license number of individual assigned the device, position of individual, validation device identifier (a number or name associated with that specific validation device), nature of access (gaming transactions, maintenance functions, test activity, returned to manufacturer, etc), date and time of check in, and the signature and license number of the employee returning the device. Another licensed employee must initial and provide his/her license number on the log attesting to the access and accuracy of the log each time a device is checked out or in. The log must be forwarded to accounting no later than the first day of the month for the prior month. Validation devices must remain on property unless they are being returned to the manufacturer or authorized repair center. Individuals authorized by the system access listing and key control logs may allow the removal of wireless devices needing off site service or repair. Additionally, validation devices removed from the licensed gaming property for repair, upgrades or other reason must be disabled while off premises.

Validation and Redemption Procedures

Only one associated user shall use a specific validation device during a session; another user may not use the same validation device during the established session. The authorized user must log onto the validation device for a discrete session or work shift, and validate tickets or slot coupons for the duration of the session.

In the event that the validation device user goes on break, the casino must have written procedures in place to secure the bank and validation device to prohibit another individual from using the bank or device. The intent is to allow for breaks without closing the session when the system only allows one session or one log in per person per day.

To redeem a ticket or slot coupon, the floor person must review the ticket or slot coupon to ensure it is valid. The ticket or slot coupon bar code must be scanned or the validation number entered into the validation device. The floor person must verify the amount on the ticket or slot coupon agrees to the amount indicated on the validation unit and validates the ticket or slot coupon in the system. If the ticket or slot coupon is valid for redemption, the floor person pays the patron the appropriate amount and retains the redeemed ticket or slot coupon to represent the cash paid from the bank. In the event the ticket or slot coupon is not redeemable or the amount on the face of the ticket or slot coupon is different from the amount returned by the validation device, the ticket or slot coupon must be retained for further investigation by the key on duty at the cashier's cage.

If communication is lost between the system and the validation device, the floor person must return the ticket or slot coupon to the patron. No tickets or slot coupons may be

redeemed by the floor person when communication is lost. In lieu of returning the ticket or slot coupon to the patron, the floor person may redeem the ticket or slot coupon at the cage for the patron. In this case follow procedures in the TITO section.

Requests for payment of lost, stolen, expired or mutilated tickets or slot coupons may not be processed by the floor person with the validation device. Mutilated tickets or slot coupons, in this context, are tickets or slot coupons where the entire validation number is not visible. The floor person must contact a person of supervisory authority or direct the patron to the cashier's cage to resolve the situation.

Tickets and slot coupons validated using a validation device may be paid by following pouch procedures. Please refer to the Slots section for pouch pay procedures.

The written accounting plan must include the reconciliation of all tickets redeemed through the use of a handheld device, and the inclusion of these tickets on the applicable supporting and statistical reports. See Accounting ICMP section for wireless accounting procedures.

FORMS

Following is a description of the forms discussed in this section. In some cases, sample forms are provided and all of the forms are located on the Division's website at www.colorado.gov/revenue/gaming. **It is the licensee's responsibility to ensure that all required forms contain the minimum required information and meet ICMP requirements.** See the General section for further clarification.

Kiosk Checklist

A checklist must be completed for each kiosk and licensees must have procedures in place to ensure that the checklist have been completed and maintained.

Installation/Upgrade/Test Notification (notification form)

Licensees are required to complete and notify the Division, in writing, of the intent to install, modify or upgrade any system a minimum of 30 days prior to the anticipated installation, testing and/or go-live date. The system notification form is located on the Division's website.

TITO Device Checklist

Licensees are required to complete the TITO device checklist for all TITO devices. These machines must be tested thoroughly prior to being placed into service. Licensees must maintain these forms for Division review. Any problems must be addressed prior to a TITO device being placed into service. Any issues must be logged on the RAMP Log. A copy of the TITO device checklist is located on the Division's website.

SECTION 9

CASHIER

A. GENERAL

Cage Requirements

The cashier area is the repository for all gaming revenues. These revenues must be taken into the cashier accountability and recorded as increases on the daily cash summary and general ledger.

Each cashier in the cashier cage is responsible for ensuring that any transactions involving gaming assets or paperwork received or distributed through the cage windows are displayed in the transaction square in such a manner so the transaction can be easily verified by means of surveillance review.

The cashier is custodian of the restricted keys. The keys are maintained in locked key boxes and must have accompanying key access logs. The cashier must review the manual key logs prior to the end of each shift to ensure the accountability of restricted keys. This is achieved by the cashier ensuring the proper return of restricted keys. The gaming manager must be notified of any keys that have not been properly returned. If the licensee utilizes an automated key tracking system (AKTS), the system is the custodian of the restricted keys. See Key Control section for further clarification.

Persons inside the cashier cage are not allowed to have any personal currency on his/her person. Extraneous items such as magazines, books, purses, personal currency, boxes, hats, promotional merchandise, etc., are not allowed in the cage. A reasonable amount of supplies necessary for printing and issuing player cards (e.g. blank player card stock, embossers, ink ribbons, etc.) and a reasonable amount of promotional paper supplies (e.g. prize vouchers, scratch tickets) will be permitted in the cage. At no time may these supplies be commingled with cashier funds or block surveillance coverage. Sweaters or coats are allowed only if they do not obstruct the view of any surveillance cameras or interfere with the cage operations. These items, if not worn, must be placed away from the cage drawers so that an overt action by the cashier is necessary to retrieve the item.

If cashiers have beverage containers or trash cans in the cashier cage, management must ensure that appropriate written policies and controls are in place to prevent any theft of monies utilizing any such containers. Cashiers must be aware of the written policies.

The cashier cage must remain locked at all times. The owner/operator or his/her designee, and cashier personnel maintain the key(s) to the cashier cage.

Procedures must be in place to prevent the recycling of both promotional and slot coupons. When promotional coupons are redeemed by patrons and accepted into the cashier cage, they

must be voided in such a manner as to eliminate recycling of the coupons. When slot coupons are presented at that casino's cage, kiosk or similar validation point, these coupons must be validated and redeemed through the system.

A cashier must be on duty and on premises at all times when the casino is open for gaming business.

Equipment

The Division recommends that all coin and currency counting devices (e.g., jet sorts, coin wrappers, currency counters, etc.) be tested at the beginning of each shift. This procedure will help detect problems with counting devices, which may be overpaying or underpaying patrons.

The licensee must ensure dissimilar coins are not commingled in fill bags. For coin counting machines that have an overflow mechanism to capture odd denominations, this overflow amount must be included in the cage inventory. The overflow mechanism can contain dissimilar coins. Some coin counting machines do not have an overflow mechanism to capture odd coin denominations, such as pennies and dimes. In this case, the odd denominations may be co-mingled with other denominations (i.e., the nickel bag), however, if this occurs, the licensee must have procedures to correct this situation. For example, bags can be run through another counter to separate the dissimilar coins.

Coinage

The wrapping of loose coin is performed at a time and location that does not interfere with the slot machine count and wrap process or the accountability of that process. If a variance is noted when bagged coins are wrapped, a count (weigh)/wrap variance report must be completed. The cashier notes the variance, date, and circumstance (e.g., wrapping of two 5-cent bags) on the report. For all variances, the cashier and the gaming manager, or gaming manager designee, must sign the count (weigh)/wrap report attesting to the variance.

Bagged coin coming off a jet sort machine must be immediately sealed or wrapped. If the bags are not color coded or the denomination cannot be determined visually (clear bags), the bag must be tagged with the denomination. Also, any bagged coin that does not contain a standard fill amount, as defined by each licensee, must be tagged with the amount contained in the bag. A list identifying which color bag corresponds to which denomination, and the standard fill amounts, must be maintained in the cashier cage. Bagged coin attached to the jet sort machine at the end of the gaming day, if the casino closes, must be secured to preclude access to the contents of the bags.

Forms

All gaming forms must be completed in ink. 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.** See General section for further clarification.

Tips

Tips received by a cashier are deposited into a container clearly marked "tips" or distinguishable as a depository for tips. Tips received by a cashier are not combined with the casino's monies.

Dealer tips receipted into the cage may impact cage accountability depending upon how they are distributed, and therefore must be reflected accordingly on the daily cash summary.

Breaks

The gaming manager may provide coverage of the cashier cage in order to allow the cashier to leave the cage for breaks. When in this capacity the gaming manager may not initiate a transaction on the floor or authorize an override transaction. The gaming manager while acting as a cashier is limited to processing gaming transactions as a cashier. The gaming manager may not have access to the cashier keys to Security locked box #1 (box 1) or Gaming Manager locked box #2 (box 2).

Automated Cage Systems

See Cage Automated Systems in the Gaming Systems Testing section.

Gambling Payment Intercept (GPI)

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

Jackpot Payout and Fill Procedures

Jackpot/Fills processed and paid by cashier
The jackpot/fill slips are processed at the cashier cage using a manual process, a gaming system or an automated cage system. The Gambling Payment Intercept registry must be verified before a payment is made to the patron. The cashier processes the slip at the cage and provides the slip and funds to the licensed employee for payment.

If a gaming system is utilized for processing jackpots and fills, the jackpot/fill information is sent directly to the cashier cage. The jackpot/fill slip is printed at the cashier cage. The cashier reviews the slip for accuracy and continues to process the slip.

If an automated cage system is utilized for processing jackpots and fills, the jackpot/fill information can be entered into the system by the cashier or licensed employee at the cashier cage. The jackpot/fill slip is automatically printed at the cashier cage; the cashier reviews the slip for accuracy and continues to process the slip.

Jackpot/Fills processed at a workstation and paid by cashier
Licensees with a gaming system may process jackpot/fill slips at a secure jackpot/fill workstation on the casino floor. The jackpot/fill slip is printed at the cashier cage or at the workstation. The

licensed employee preparing the slip reviews the slip for accuracy and takes the slip to the cashier cage. The cashier reviews the slip for accuracy and continues processing the slip; please refer to ICMP Section 4 Slots, I for jackpot processing procedures. A workstation must be secured through the use of appropriate system access permissions.

Jackpot/Fills processed at a workstation and paid via a pouch pay
The jackpot/fill slips are processed outside the cashier cage. Licensees with a gaming system can process jackpot/fill slips at a secure jackpot/fill workstation on the casino floor and pay the jackpot via a pouch pay. Only jackpots less than $1,200 may be paid via a pouch pay. Jackpots of $1,200 or more, jackpots which require an override or additional payouts must be paid from the cashier cage. A workstation must be secured through the use of appropriate system access permissions.

Processing jackpot/fills when the system is down
If the gaming system or automated cage system goes down, the licensee reverts to the manual process for processing jackpots and fills, which means all jackpots and fills are processed through the cage using the three part jackpot/fill slips. See Locked Dispensing Machines later in this section.

Unclaimed Jackpots

Please refer to ICMP Section 4 Slots, M for unclaimed jackpot procedures.

B. KEY AUTHORIZATION LOGS OR SIGNATURE CARDS

A separate key authorization log must be maintained for each restricted key located in either box 1 or box 2. Any employee authorized to check any restricted key(s) out of or into box 1 or box 2 must be listed on the key authorization log. If an employee requests a restricted key and he/she does not have the proper authority according to the key authorization log, the cashier must deny access.

Each key authorization log must include the following information:
1. Key number and key description,
2. Employee name (printed),
3. Employee gaming license number,
4. Employee's department (i.e., pit, slots, etc.),
5. Employee's position/job title (i.e., slot technician, pit supervisor, blackjack dealer, etc.),
6. Employee's signature,
7. An owner's or owner designee's signature authorizing the employee's authority, and
8. The date the employee's authority became effective and/or was removed.

Any time there is a change, such as a change of job duties, name change, termination, etc., the key authorization log(s) must be immediately updated to reflect the change. A copy of the key authorization logs is sent to the accounting office for its use in verifying proper signatory authority.

Alternatively, licensees may choose to use signature cards authorizing an employee's authority to access restricted keys. If this method is chosen, each gaming employee must have a signature card on file. The original signature card must be kept in the cashier cage and used by the cashier to verify the employee's key signature authority. A copy goes to the accounting office for accounting's use in verifying proper signatory authority.

Signature cards must include the following information:

1. Employee name (printed),
2. Employee gaming license number,
3. A list of all restricted keys the employee can access,
4. Employee's department (i.e., pit, slots, etc.),
5. Employee's position/job title (i.e., slot technician, pit supervisor, blackjack dealer, etc.),
6. Employee's signature and initials,
7. An owner's or owner designee's signature authorizing the employee's authority, and
8. The date the employee's authority became effective.

Any time there is a change, such as the employee changing job duties, employee name change, etc., the signature card must be immediately updated to reflect the change or a new signature card must be completed. When an employee is terminated, the signature card must be immediately removed from the cage and forwarded to accounting.

The licensee is responsible for ensuring that licensed employees only sign gaming forms commensurate with his/her job duties.

C. TRANSFERS TO/FROM VAULT

If the licensee has a separate coin room, a vault may not be necessary. The vault is a secure area where duplicate keys and reserve supplies of monies, chips, and tokens are stored. Items stored in the vault are not used in the daily course of business; therefore access to the vault must be dual controlled (i.e., two individuals, each with a unique key or lock combination). It takes both the owner/operator and the gaming manager to access the vault. Both persons are required to be present when the vault is accessed. No one else has access to the vault area. If the owner/operator is not available then he/she may assign access ability to a designee (i.e., cashier). If access to the vault is dual keyed, the two keys to the vault may also be kept in the two key locked boxes, with one key in box 1, and the second key in box 2. If access to the vault includes a combination lock, the combination to the lock must be changed on a regular basis (at a minimum every 6 months) and immediately when there is a change in or termination of personnel who have knowledge of the combination. If the combination lock is not used to satisfy the dual lock requirement for the vault, the combination does not need to be changed.

The following procedures are performed for vault transfers:

1. The owner/operator or gaming manager decides when a transfer of funds shall be made to/from the vault.

2. A vault transfer sheet is prepared showing the amount of monies to be transferred to/from the vault, and is signed by the owner/operator or gaming manager. If the amount is from a specific process (e.g., table games, kiosk, slot count) this must be noted on the memo portion of the vault transfer sheet.

3. The transfer of monies takes place.

4. The cashier verifies the amount of the transfer and signs the vault transfer sheet attesting to the transaction.

5. The gaming manager immediately forwards the original (white) copy to accounting. The cashier keeps the copy (yellow) with the paperwork for that shift. The copy (pink) must be given to the owner/operator or gaming manager who places it in the vault as documentation of the transfer and it is later used when the licensee reconciles the inventory of the vault.

6. The cashier makes the appropriate entry to the daily cash summary and vault inventory reconciliation.

The vault must be inventoried and a documented reconciliation performed at least once a day by two people independently verifying the inventory. The reconciliation must be performed by taking the beginning inventory, adding vault transfers in, subtracting vault transfers out, to arrive at the ending vault inventory. This figure must agree to the inventory amount physically counted. At the completion of the reconciliation, all paperwork, including the pink copies of the vault transfer sheet and vault inventory sheet are forwarded to accounting.

D. COIN ROOM

Additional monies, chips, and tokens are stored in the coin room. Unlike the vault, these monies, chips, and tokens shall be used by the cashier in the daily course of business and must be accounted for by the cashier.

Note: If the separate room is not adjacent to the cashier cage and/or it does not contain monies, chips, and tokens used in the normal course of business, then the room is not a coin room and shall be considered a vault.

The coin room must be secured at all times. The cashier maintains the key to the coin room. The cashier may enter the coin room to obtain additional monies, chips, and tokens when necessary to perform normal daily functions (e.g., hopper fill, table fill, etc.).

The coin room inventory must be independently counted by two cashiers at the beginning and at the end of each shift. All contents of the coin room shall be recorded on the cash inventory sheet. Both cashiers must sign the cash inventory sheet indicating the accuracy of the paperwork

after verifying the total inventory. If a second cashier is not available, the gaming manager or gaming manager designee may perform this function.

E. STORED CHIPS AND TOKENS

Unused and excess chips and tokens may be stored in a secure location, which is a dual locked area, or secured in such a way that access to the chips and tokens would be evident. The storage location must be under surveillance. Since these stored chips and tokens are not used in the normal course of business, they are not required to be inventoried on a daily basis. Instead, they are inventoried each time they are accessed. A separate documented inventory is completed by the two licensed individuals accessing these chips and tokens. If these chips and tokens are secured at all times and not accessed the last known inventory count can be used for the quarterly chip and token reconciliation and used in conjunction with the minimum bankroll calculation described in the Accounting section. See the Accounting section for details regarding chip and token inventories. Chip and token inventory documentation is immediately delivered to accounting or dropped in the locked accounting box. Additionally, a log is maintained with the chips and tokens and the log must be completed each time they are accessed. The date, individuals accessing the chips and tokens and the reason for accessing the chips and tokens are recorded on the log.

If the unused and excess chips and tokens are stored in a dual locked area, one key is maintained in box 1 and one key is maintained in box 2. An AKTS may be utilized to maintain these keys.

F. NON-GAMING TRANSACTIONS

The cashier may accept monies and disburse funds as appropriate for other non-gaming operations of the licensee.

Revenues accepted shall be noted by type on the daily cash summary, for example bar revenue, restaurant revenue, etc. All items receipted into the cashier cage must have proper supporting documentation to support the receipt (i.e., a receipt voucher).

All expenses are noted by detailing the individual disbursement on the daily cash summary. All items paid out of the cashier cage must have documentation to support the disbursement, (i.e., a disbursement voucher).

No loans or payroll advances to employees or any other person can be made from the cashier cage.

G. INVENTORY COUNT

If the casino is open for more than 12 hours during a gaming day, at least two shifts must be conducted. All required gaming documents must be maintained for each shift.

Following are the steps cashiers must follow for the cage inventory:

1. At the beginning of the first shift, the on-coming cashier counts down the cash, coin, token and chip inventory, as well as all imprest banks or drawers. The inventory must be documented on the cash inventory sheet indicating that it is the "open" count for the first shift. Imprest banks must be documented on either the cash inventory sheet or an imprest bank inventory form and attached to the cash inventory sheet.

2. A second cashier independently counts the cash, coin, token and chip inventory, as well as all imprest banks or drawers. After verifying the amount with the on-coming cashier, both cashiers sign the cash inventory sheet. If a second cashier is not available, the gaming manager or gaming manager designee may perform this function.

3. At the beginning of the second shift, the off-going cashier counts down the cash, coin, token and chip inventory, as well as all imprest banks or drawers. The inventory count must be documented on the cash inventory sheet indicating that it is the "close" count for the first shift.

4. The on-coming cashier independently counts the cash, coin, token and chip inventory, as well as all imprest banks or drawers. This inventory count must be documented on a separate cash inventory sheet indicating that it is the "open" count for the second shift.

5. Once the two cashiers independently verify each other's inventory count and the amounts agree, both cashiers sign each cash inventory sheet.

6. At the end of the second shift, the off-going cashier counts down the cash, coin, token and chip inventory, as well as all imprest banks or drawers. The inventory must be documented on the cash inventory sheet indicating that it is the "close" count for the second shift.

7. A second cashier independently counts the cash, coin, token and chip inventory, as well as all imprest banks or drawers. After verifying the amount with the off-going cashier, both cashiers sign the cash inventory sheet. If a second cashier is not available, the gaming manager or gaming manager designee may perform this function.

8. If there is a third shift, the procedures documented in steps 3 through 7 above are completed for the third shift of the gaming day.

All bundled (straps and bricks) currency must be recounted (piece count) at least weekly. When the bundled currency is recounted, the cashier initials and dates the straps indicating the piece count was completed.

Note: The Division suggests wrapped coins and tokens are stacked in such a manner that missing rolls are apparent to the person(s) taking the inventory. If wrapped coins and tokens are not stacked in this manner, they must be physically verified during the inventory count on a weekly basis.

H. IMPREST BANKS

An imprest bank is a bank that contains a pre-determined and constant dollar amount of chips, tokens, and/or cash. At any point in time, the total of the contents in the imprest bank must equal the pre-determined dollar amount. Overages and shortages must be documented on an overage/shortage slip.

Imprest Banks That Are Part of Cage Accountability

Imprest banks that are part of the cage accountability include all imprest banks in the cage and can include imprest banks on the floor. These banks must be reflected on a cash inventory sheet under miscellaneous banks and independently inventoried twice each shift (open & close) by two cashiers or one cashier and the gaming manager during the gaming day. Transactions for this bank include slot machine transactions such as jackpot payouts, hopper fills, ticket redemptions, slot coupon redemptions, table games transactions (fills, credits, jackpots) and making change for customers.

Imprest banks maintained in the cashier cage must be inventoried prior to the imprest bank being used. An imprest bank which is not operational for that gaming day must be independently inventoried at least once during the gaming day. If an overage or shortage is noted, an investigation is conducted into the discrepancy. The results of the investigation must be documented.

Imprest Change Banks That Are Not Part of Cage Accountability

Imprest change banks that are not part of the cage accountability are only used to make change for customers, and not used for any other transactions such as jackpot payouts, hopper fills, ticket redemptions, slot coupon redemptions and table games transactions. A documented inventory for imprest change banks is optional. The licensee must have a written policy to safeguard the imprest funds if a documented inventory is not performed.

I. CHANGE PERSON PROCEDURES

For imprest change banks used on the gaming floor that are part of the cage accountability, the following procedures apply:

Each change person maintains an imprest change bank. Each change bank must be securely kept in the cashier cage until it is checked out to a change person. When the change person checks out the change bank from the cashier cage:

1. The cashier counts the change bank and completes the imprest bank inventory form.

2. The cashier gives the change person the change bank and the imprest bank inventory form.

3. The change person recounts the bank. If there are no discrepancies, both the cashier and change person sign the imprest bank inventory form. The cashier maintains the inventory form.

4. When the bank is checked back in, the change person completes a new imprest bank inventory form.

5. The cashier verifies the amounts and if there are no discrepancies, both the cashier and change person sign the form. The inventory form must be maintained by the cashier and forwarded to accounting with the cage paperwork for that shift.

6. If an overage or shortage occurs, the change person involved is required to fill out an overage or shortage slip, and the supervisor investigates these overages/shortages.

7. If an overage occurs, the excess amount from the change person's bank is given to the cage cashier who records the overage on the daily cash summary.

8. If a shortage occurs, a shortage slip must be prepared and given to the cage cashier. The cage cashier issues the amount necessary, as noted per the shortage slip, to replenish the change bank. The cage cashier records the shortage on the daily cash summary.

If discrepancies occur when change banks are checked in or out, both the cashier and the change person must recount the contents until discrepancies are resolved.

When the imprest bank needs to be replenished with chips, tokens, bills, and/or coins (funds), an exchange for funds is made using a change bank exchange form.

1. The change person completes the change bank exchange form, a one part form maintained in the change bank, with the following information:
   a. Licensee name,
   b. Date,
   c. Time,
   d. Bank number,
   e. Amount of funds turned into cage by denomination, and
   f. Amount of funds requested in exchange for the amount of funds, by denomination, turned into the cage.

2. The change person signs the change bank exchange form indicating proper completion of the form and removal of the funds from the bank.

3. The change person gives the funds and form to the runner. If the imprest bank is mobile or if the bank can be locked and secured while the change person is absent, the change person may perform these procedures at the cage and no runner is needed.

4. The runner verifies the funds in the presence of the change person. If the change person performs an even money exchange with the cashier and a runner is not involved, it is not necessary to complete a change bank exchange form. If a change of accountability occurs (i.e., use of a runner), when exchanging funds, a change bank exchange form must be completed.

5. The runner takes the funds and the change bank exchange form to the cashier cage to purchase the appropriate amount of funds.

6. Upon receipt of the funds and the change bank exchange form the cashier verifies that the funds agree to the change bank exchange form. The cashier exchanges the funds for the amount of funds as requested on the change bank exchange form and signs the form indicating receipt of and disbursement of the funds as indicated on the form.

7. The runner verifies the funds and compares them to the change bank exchange form to ensure they agree and signs the form in the presence of the cashier indicating the amount agrees to the funds requested and receipt of the funds.

8. The cashier gives the funds and the change bank exchange form to the runner. The runner transports the funds and the change bank exchange form to the change person.

9. The change person verifies the amount of funds received is the amount requested in the presence of the runner. Upon verification, the change person initials next to the total amount received on the change bank exchange form indicating receipt of the funds. The change person then places the funds in the change bank and immediately places the change bank exchange form in the locked accounting box. It is acceptable to have the runner place the change bank exchange form in the locked accounting box on the change person's behalf.

Even money exchanges between the change banks and the cashier cage must be monitored by surveillance. The monitoring must be of such quality that the transaction cameras are able to differentiate between bill denominations, and between chip, token, and coin denominations. The amount of chips must be identifiable by the color and/or design of the chips.

J. POUCH PAY BANK CHECK OUT AND IN PROCEDURES

Please refer to the Slot section for Pouch Pay bank procedures.

K. TICKET IN/TICKET OUT VALIDATION AND REDEMPTION PROCEDURES

Please refer to the Ticket In/Ticket Out section for ticket validation and redemption procedures.

L. RECORDING TRANSACTIONS

All transactions increasing or decreasing the inventory are documented on the daily cash summary. All entries on the daily cash summary must have supporting documentation. The cashier and another employee involved in the transaction must sign the miscellaneous receipt/disbursement form.

Jackpot payouts or hopper fills are recorded on the daily cash summary under "jackpot payouts" or "hopper fills". For jackpots with additional payouts, the amount deducted on the daily cash summary is only the amount paid, not the amount awarded. For example, if a patron wins a $100 jackpot, and a T-shirt with a cost of $10, the amount deducted on the daily cash summary would be $100 (i.e., the amount of cash paid to the patron from the cage).

Ticket payouts are recorded on the daily cash summary as "ticket payouts."

Table fills are recorded on the daily cash summary as "table fills." Table credits are recorded on the daily cash summary as "table credits."

The cashier maintains all paperwork until the end of the shift.

At the end of the shift, the off-going cashier reconciles the beginning cash inventory to the ending cash inventory by accounting for all transactions on the daily cash summary.

Bills receipted into the cashier cage from bill validator malfunctions must be recorded as such on the miscellaneous receipt form along with the machine number. These funds could be part of the slot drop.

The off-going cashier determines that the opening inventory plus revenues minus expenses minus deposits equals the ending inventory. Any overage or shortage must be listed on the daily cash summary.

Any overages or shortages of $1,000 or more, per shift, that are not resolved within seven days are tracked for the month and reported to the Division by the 5th of the following month. Include a list of the overages/shortages along with the circumstances and results of the investigation for each case. If an overage or shortage involves theft or any indication of unlawful activity, it must be reported to the Division immediately. The amount of the overage or shortage, the investigation performed to determine the reason for the overage or shortage, and disposition must be included in the information emailed to the Division at dor_coloradocasinos@state.co.us. If the reason for the overage or shortage is not determined prior to sending the notification to the Division, a follow-up letter is required upon resolution of the investigation. All overages and shortages must be documented, but only unresolved overages and shortages of $1,000 or more that are not resolved within seven days must be reported to the Division. **Pursuant to CLGR 30-402, each licensee must immediately notify the Division of the discovery of a violation or of a suspected violation of article 30 of title 44, C.R.S., or the rules and regulations promulgated thereunder.**

The off-going cashier immediately forwards all paperwork generated during the shift to accounting personnel or deposits it in a locked accounting box. This includes the Cash Inventory Sheets, Daily Cash Summary, all Fill/Credit Slips, Request for Fill/Credit Slips, Jackpot Payout/Fill Slips, tickets, and all other documents relating to that shift.

M. LOCKED DISPENSING MACHINES

Licensees must have a locked dispensing machine for processing slot machine and table games transactions and for use in the event of any system failure. The locked dispensing machines are located in the cashier cage.

1. When the locked dispensing machine(s) is empty, the cashier calls accounting. Accounting personnel obtain the next numerical sequence from where the forms are secured and complete the forms control log.

2. The accounting person requests the key for the locked dispensing machine from the cashier through the gaming manager.

3. On a periodic basis, frequent enough to detect unusual transactions on a timely basis, but at least once each slot drop period, an accounting person obtains the pink copies of the jackpot payout/fill slips, fill/credit slips, and table games jackpot payout slips from the dispensing machine(s) and refills the dispensing machine(s) with the next numerical sequence.

4. The key is returned to the cashier through the gaming manager and the accounting person transports the pink copies to the accounting department.

5. In the event the dispensing machine(s) runs out when the accounting department is closed, the cashier will request the owner/operator or the gaming manager to open the dispensing machine(s) in order to fill it. When this occurs, the pink copies are left intact in the machine until the following day when accounting personnel retrieve the pink copies from the dispensing machine.

6. The gaming manager may refill the locked dispensing machine or fix jams. In the event the dispensing machine(s) is full of pink copies, <u>and</u> the accounting department is closed, the gaming manager may remove the pink copies in the presence of another licensed employee, preferably from security. The gaming manager must <u>immediately</u> deposit the pink copies into the locked accounting box. When delivering the pink copies to the locked accounting box, the gaming manager must be escorted by another licensed employee, preferably from security. The entire transaction must be under surveillance. Furthermore, 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.

N. CHECK CASHING

Pursuant to Section 44-30-103, C.R.S., the definition of adjusted gross proceeds precludes the deduction of bad debt when calculating adjusted gross proceeds for gaming tax purposes. Although licensees may cash checks for patrons, any resulting bad debt is not deductible for gaming tax purposes.

Pursuant to Section CLGR 30-1308:

1) Checks for participation in limited gaming by patrons may be accepted at the cage or authorized ticket redemption kiosk.

2) All checks receipted or accepted shall be considered received for participation in limited gaming, unless documented and accounted for separately as non-gaming funds (including, but not limited to, food and beverage, hotel, service and product sales). **The objective of the documentation is to provide an audit trail that clearly distinguishes checks accepted for non-gaming purposes.**

3) Once receipted or accepted, checks may only be repurchased by the maker thereof after the check has been dishonored by the maker's financial institution.

4) Checks are not accepted under conditions, terms, or agreements, which render them not payable on demand. Such circumstances include, but are not limited to, post-dating of checks, unsigned checks, and holding checks out of the next deposit made after acceptance of the check.

5) No licensee will accept a check issued for participation in limited gaming from any patron under the following circumstances:

   a. When the maker or endorser of a third party check has previously issued or endorsed a check to the licensee for any purpose, and the licensee has actual notice, or 24 hours constructive notice, that the previously issued check has been dishonored, and the claims of the licensee against the maker or endorser of the check have not been satisfied in full (whether by accord and satisfaction, payment, or liquidation of judgment).

      i. Accord and satisfaction requires the debt to be satisfied through an agreement whereby something has been given to, or done for the licensee to satisfy the debt. Accord is the agreement and satisfaction is the consideration given.

      ii. Liquidation of judgment includes a court-ordered payment of an amount determined to be due to the licensee.

      iii. An exception to 5) a. above, is when a licensee utilizes a third party check processor, including but not limited to a check guarantee company, who

absolves the licensee of any and all risk in the event the check is dishonored. In this case, the licensee may accept such check even if the licensee is aware of any previously dishonored checks for which the licensee pursued, or is pursuing, collection efforts.

b. When the licensee, through the exercise of reasonable diligence, should have known that the check being considered for receipt into or acceptance at the cage might be dishonored.

c. When action taken by the licensee has rendered a debt uncollectible in an effort to circumvent the extension of credit rules pursuant to CLGR 30-1308.

Licensees must have detailed written procedures regarding check cashing policies and procedures including checks that are accepted at a ticket redemption kiosk.

O. KIOSK FILL PROCEDURES

At a minimum, three licensed employees are required to complete a kiosk fill. The three employees must include a cashier, one employee independent of the cashier cage (verifier) and another licensed employee. When the kiosk needs a fill, a two-part kiosk disbursement form is used to record the transaction. The casino name, date, time, kiosk identification number, and amount by denomination must be recorded on the disbursement form. The design of this form is at the licensee's discretion. The cashier and the licensed employee independently count the fill monies. The cashier completes the disbursement form. The cashier and the licensed employee sign the two-part kiosk disbursement form attesting to the funds leaving the cage. The cashier dispenses the funds and the original copy of the form to the licensed employee. The cashier maintains the second copy of the form.

The licensed employee and verifier (independent from the cage) proceed to the kiosk with the original copy of the disbursement form and the funds. The funds are placed in the kiosk and the verifier signs the disbursement form attesting to the placement of the funds in the kiosk and the completion of the transaction. The licensed employee must print the kiosk report that details the dollar amounts required to fill the kiosk.

The original copy of the disbursement form and the kiosk report that details the dollar amounts required to fill the kiosk must be immediately forwarded to the accounting office or dropped into the locked accounting box by the independent verifier.

If the licensee chooses to prepare kiosk cassettes prior to being requested, two cashiers must be present at the time the cassettes are filled. Each cashier must perform an independent count of the funds going into the cassette. If a second cashier is not available, the gaming manager or gaming manager designee may perform this function. Alternatively, two cashiers are present and place the monies in the currency counter, verify the amount and denomination, place the monies in the cassette, and seal or lock the cassette. The currency counter tape is considered the second count as long as there are two cashiers running the counter. The currency count tape is signed by

both cashiers involved. The licensee may replace two count members for the cashier duties stated above if fills are being completed in the count room during the count.

P. CURRENCY TRANSACTIONS RECORD KEEPING

The licensee shall maintain a log as required by 31 CFR 103.36. For further information, please refer to http://www.fincen.gov/ or call 1-800-767-2825 (this reference is current as of November 2013).

If the patron's information required to complete this log is not available through casino records and the patron does not provide the required information, the transaction must be stopped.

The form used to log the currency transactions may also be used to log additional transactions as required under Federal law at Title 31 of the United States Code at sections 5311-5323 sections 5316-5332 (31 USC 5311-5323 and 31 USC 5316-5332), Code of Federal Regulations at 31 CFR 103 and related regulations pertaining to casinos.

More information on Federal requirements is available at https://www.fincen.gov/.

FORMS

Following is a description of the forms discussed in this section. In some cases, sample forms are provided. The samples do not include all casino chips approved for use in Colorado. The casino will need to adjust the form to fit its operation. **It is the licensee's responsibility to ensure that all forms meet ICMP requirements.** See the General section for further clarification.

Cash Inventory
The cash inventory sheet is used to record the inventory of the cashier cage by shift.

Change Bank Exchange Form
This form is used for change persons needing to buy currency, coins, tokens, or chips from the cashier.

Daily Cash Summary
The daily cash summary is used to record the cashier cage activity by shift. The daily cash summary form may be printed on an envelope, in which all forms and documents associated with that shift may be placed.

Imprest Bank Inventory Form
The imprest bank inventory form is used to record the inventory of imprest banks used in the casino (i.e., slot change banks, poker imprest banks, floor banks, pouch pay banks, etc.).

Key Authorization Logs
A separate key authorization log is maintained for each restricted key located in either box 1 or box 2, or maintained in the automated key tracking system (AKTS).

Signature Card
Signature cards are completed and maintained for any gaming employee who has authority to check out restricted keys, when licensees choose to use the signature card method instead of the key authorization logs.

Vault Inventory Form
This form is used to record inventories of chips, tokens, coins, and currency maintained in the vault.

Vault Summary
The vault summary is used to record the vault activity by shift. The vault summary form may be printed on an envelope, in which all forms and documents associated with that shift may be placed.

Vault Transfer Slip

The vault transfer slip is used each time a transfer is made to/from the vault.

SECTION 10

KEY CONTROL

A. GENERAL

Keys to restricted areas are kept in two-keyed locked boxes. These locked boxes are securely attached in the cashier cage and clearly visible by surveillance. The cashier is the custodian of the two-keyed locked boxes and the restricted keys maintained within. The cashier is responsible for ensuring only authorized employees are allowed to check out restricted keys. This is achieved by verifying the employee's authority listed on the key authorization log or signature card. The cashier is also responsible to ensure restricted keys are returned in a timely manner and all keys are properly accounted for at the end of his/her shift. The cashier performs a review of the key logs at the end of each shift to ensure all restricted keys accessed throughout his/her shift, which are not currently in use (e.g., by the drop or count teams, on-shift employees, slot machine repair, BV repair, etc.) have been returned to the appropriate locked boxes. In the event the keys have not been returned, the cashier is to notify the gaming manager. Unless otherwise indicated in the ICMP, all restricted keys must be immediately returned to their applicable restricted key box once the licensee has completed the task for which the keys were originally checked out.

For the purposes of this section, premise is defined as the gross building area, as reflected on the casino's gaming map. Restricted gaming keys are not allowed off the premises; however, the slot door and kiosk door keys may be carried anywhere, with the exception of an off-site storage facility, in conjunction with the individual's regular responsibilities while on duty. Slot tech keys (including the slot door key) may be taken to a sister casino if the casinos are connected by a doorway or pass-through. If slot tech keys need to be taken to an off-site storage facility, the licensee must send an email notification to DOR_CCBHCasinos@state.co.us or DOR_CrippleCreekCasinos@state.co.us, as applicable, including a detailed summary of what keys were taken off-site, the names of the three licensed individuals (one of whom is from Security) who accompanied the keys and how long the keys were off-site. The email notification must be received within 24 hours of the keys being taken off premises. Restricted keys are NOT allowed to be taken off premises when the individual is not on duty. If it is suspected there was unauthorized use of a restricted key, suspicion of criminal activity in regard to restricted keys, or if a restricted key is missing, the Division must be immediately notified. Additionally, the key control log must indicate any such activity.

For commonly owned casinos physically connected by a wall with an opening between the casinos, employees may go between the casinos with the restricted keys on his/her person in order to perform his/her job duties. This is allowed as long as the employee does not leave the building or go outside.
Locks requiring the use of restricted keys must be keyed differently in order to maintain an adequate control environment. Examples include:

1. The key used to access the slot machine door may not be the same as the key used to access the drop door.
2. The key used to release the slot machine bill validator (BV), (BV Release Key) may not be the same as the key used to release the kiosk stacker (Kiosk Stacker Release Key).
3. The key used to access the contents of the slot machine bill validator (BV Content Key) may not be the same as the key used to access the contents of the kiosk stacker (Kiosk Stacker Content Key).

Restricted and non-restricted keys may not be keyed the same. For example, the BV Release Key may not be keyed the same as the Belly Glass Door Key. The intent is to ensure adequate segregation of access to restricted areas and funds. One person may not have the BV Release Key and the BV Content Key at the same time.

A minimum of two locked boxes for restricted keys are required to establish an adequate control environment. Locked box #1 (box 1) is referred to as the security locked box and locked box #2 (box 2) is referred to as the gaming manager locked box. Non-restricted gaming keys are not allowed to be kept in box 1 or box 2, unless specifically allowed by ICMP.

The Division recommends that general (non-restricted) gaming keys be maintained in a separate locked box #3 (box 3). Two locks are <u>not</u> required on box 3. If general, non-restricted gaming keys (e.g., pit podium key, table tray key, change bank key, progressive controller, etc.) are maintained in box 3, they may be checked out at the beginning of each shift, for the entire shift. The licensee must have procedures in place to ensure the accountability of the keys maintained in the non-restricted locked box.

Between shifts, restricted and non-restricted keys may be transferred to the individual responsible for the keys during the following shift by having that individual sign the key log. The cashier does not need to initial the log or physically transfer the key to the following shift individual. The control objective is to secure these keys when they are not being used, to prevent unauthorized access to or use of the keys and to document existing possession/responsibility for the keys.

Restricted keys must be inventoried at least twice a year. This includes **all** locked boxes containing restricted keys. The restricted key inventories may be accomplished in conjunction with the completion of the compliance checklists by the internal compliance officer. Evidence the inventory was performed must be documented and must include, at a minimum, the names, signatures and license numbers of the individuals performing the inventory count, the date the inventory was performed, and the results of the inventory. Any restricted keys missing or unaccounted for must be immediately reported to the Division. The Division will determine if it is necessary for all the associated locks to be replaced or re-keyed. An accurate detailed inventory listing is maintained in association with each restricted key box at all times.
To ensure an appropriate key control environment, a person may not have access to more than one key box. For example, if one employee is considered the gaming manager and is also acting as security, this person may not have both the gaming manager's key and security's key which

are used to access boxes 1 and 2. The gaming manager's key and security's key used to access boxes 1 and 2 must be maintained by two different licensed individuals.

No keys are to remain inserted into the locks of boxes that provide access to restricted keys. The cashier, gaming manager, and security must maintain control over their respective key at all times.

Licensees may utilize an Automated Key Tracking System (AKTS) to maintain their key control environment. An AKTS replaces the cashier's custodial functions in regard to the two-keyed locked boxes and the restricted keys that are maintained within. Licensees using an AKTS must achieve the same level of controls and safeguards as described for a manual key control environment.

Boxes 1 and 2 are securely attached to an area clearly visible by surveillance in the cashier cage. Locked boxes utilized for an AKTS must be securely attached to an area clearly visible by surveillance. Access to keys or areas accessed through the use of restricted keys is limited to only authorized individuals. Key authorization is granted through the use of key authorization logs or signature cards for a manual key control environment and utilization of an AKTS. The AKTS must accurately reflect the authorization reflected on the log or signature cards.

B. KEY CONTROL ENVIRONMENT

The following diagram represents the key control environment. The diagram reflects the restricted keys maintained in box 1 and box 2 and the licensed positions that control the access to the keys maintained in the boxes. The diagram also reflects which keys may be accessed by one person and which keys must be accessed by two people.

❶ = 1 person required to log into the AKTS to access the key.

❷ = 2 people required to log into the AKTS to access the key. Regardless of the key control environment (manual or AKTS) keys listed with ❷ next to them must always be accompanied by two (2) people; the person using the key to complete a procedure and a second person to escort the key and observe the procedure in which the key is being used. Unless otherwise indicated, the second person does not need to be the person who authorizes access to the key.

Where the diagram below reflects a ❶, one person is required to access a restricted key from the AKTS. This person does not need authorization by the gaming manager or a member of security each time the key is obtained. For example, the Slot Machine Door Key can be accessed by any authorized casino employee should his/her job function dictate the use of said key.

Where the diagram below reflects a ❷, two people are required to access a restricted key from the AKTS. One (1) of the two (2) people must either be the gaming manager or a member of security based on which box the key would be maintained in, if a manual key control environment was being utilized. For example, the Count Room Key is accessed using a member of security and another authorized licensed individual because this key would normally be kept in box 1 in a manual control environment; likewise, the Table Drop Box Content Key(s) is

accessed using the gaming manager and another authorized licensed individual because this key would normally be kept in box 2 in a manual key control environment.

Locked Box #1			Locked Box #2		
		Keys to access locked box #1 First key – Cashier Second key – Security The following keys are kept in locked box #1:			Keys to access locked box #2 First key – Cashier Second key – Gaming Manager The following keys are kept in locked box #2:
❷ ❷ ❶ ❶ ❶		Table drop box rack key Table drop box release key(s) Table multi-shift drop box shift change key Card cabinet key Dice cabinet key (primary & secondary storage)	❷		Table drop box content key(s)
❶	*L	Security key to table games progressive controller	❶	*L	Gaming Manager key to table games progressive controller
❷ ❷ ❷ ❷	*B	Slot Machine drop key Bill validator rack key Bill validator release key Emergency BV drop cabinet key	❶ ❷	*A	Slot Machine door key, may have meter keys on the same ring Bill validator content key
❷ ❶ ❶ ❷	*C	Kiosk stacker release key Security Kiosk door key Kiosk cassette release key Kiosk stacker rack key	❷ ❶	*C	Kiosk stacker content key Gaming Manager Kiosk door key
❶		Handheld validation unit cabinet key			
❷ ❶ ❶ ❶ ❶ ❶	*D *E *F *G *H *I *K	Count room key Owner/Operator/Designee vault key Calibration module key Security key to duplicate key locked box Security duplicate key to the two keyed Drop Key Box Security key to BV release two keyed locked box Security key to unused excess chips & tokens	❶ ❶ ❶ ❶ ❶ ❶ ❶ ❶	 *E *F *G *H *I *J *K	Locked dispensing machine key Gaming Manager vault key Calibration module key Gaming Manager key to duplicate key locked box Gaming Manager duplicate key to the two keyed Drop Key Box Duplicate of slot tech key to BV release two keyed locked box W-2G reset key Gaming Manager key to unused excess chips & tokens

***[A]** The slot tech key rings containing the slot door keys, meter reset keys, and other non-restricted keys, can be maintained in a separate dual locked box (e.g., slot tech locked box) in addition to box 2. This separate box must be under surveillance and may be located in the slot supervisor's office, gaming manager's office, surveillance room, security office or similar secure area. Access to the box is restricted to the slot tech and gaming manager. Both individuals maintain control of his/her respective key and both must be present to access the box. Keys from the box are checked out and checked in on the key access log located near the box. The log is forwarded to accounting once a page is completed.

***[B]** The licensee may have someone from security check out the BV Release Key for the entire shift. Two licensed individuals, one of which is security, must be present when the BV Release Key is used.

***[C]** Access to the kiosk stacker requires a minimum of two individuals. An adequate key control environment must be established to ensure compliance with this requirement. For kiosks that require two door keys, one key must be maintained in box 1 and the other in box 2. The door keys may be checked out for the entire shift by two separate individuals. Both individuals must be present when the kiosk is accessed. The Kiosk Stacker Release Key may be checked out for the entire shift by one of the individuals maintaining one of the door keys. For kiosks that require one door key and one Kiosk Stacker Release Key, these keys may be checked out for the entire shift by two separate individuals. For kiosks that require only one door key the Kiosk Door Key is maintained in box 2. Whether the kiosk utilizes one or two door keys, at no time may one individual access the kiosk funds alone.

***[D]** The Count Room Key must be immediately checked in once the licensee has completed the task for which the key was originally checked out. When accessing the count room for purposes other than drop and count, it is not required for a second person to escort the person receiving the key, provided there are no unsecured funds in the count room.

***[E]** Access to the vault requires dual access (i.e., two individuals, each with a unique key or lock combination). One key or lock combination is kept in the possession of the owner/operator (or his/her designee) and the other in the possession of the gaming manager. Alternatively, the two keys to the vault may be kept in the two-keyed locked boxes, with one key in box 1, and the second key in box 2. If access to the vault includes a combination lock, the combination to the lock must be changed on a regular basis (at a minimum every 6 months) and immediately when there is a change in or termination of personnel who have knowledge of the combination.

***[F]** If the licensee elects to secure the weigh scale with a lock and key, the key is maintained by the manufacturer or manufacturer's representative. Alternatively, the key may be maintained in either box 1 or box 2, with only the manufacturer or manufacturer's representative having authority to obtain the key. The manufacturer or manufacturer's representative must sign the key access log when checking the key out.

***[G]** Dual locks are required for the duplicate key box. If the licensee does not have a vault, the

duplicate keys must be stored in a two-keyed locked box in the accounting office, in the security office, or in another secure area limiting access to authorized personnel only. One key to the locked box for the duplicate keys is maintained in box 1. The second key to the duplicate key box is maintained in box 2. The duplicate key box must be in a secure location and must be under surveillance coverage.

***H** The licensee may establish a Drop Key Box, which is a two-keyed locked box. The Drop Key Box must be under surveillance and must be secured to prevent unauthorized access. The objective is to preclude access to the Drop Key Box by one individual. Two separate licensed individuals must each maintain one key to the Drop Key Box. The drop/count team leader maintains one key to this box. A duplicate of the drop/count team leader's key is maintained in box 2 in case any drop keys need to be checked out and the drop/count team leader is not present. The second key to access this box is maintained in box 1 or by another drop team member. If the (security) key to the Drop Key Box is not maintained by another drop team member, it is checked out from the cage or AKTS. It takes two licensed people to access the Drop Key Box and a key log must be maintained to document key check out and key check in. The key log is forwarded to accounting once a page is complete. For any break taken either prior to or during the drop and count, all keys should be checked back into the Drop Key Box. At the conclusion of the break, all keys should be checked out again pursuant to standard key check out procedures. Alternatively, the keys may be maintained by at least three count team members who are required to stay together and are under surveillance at all times. Access to the keys in the Drop Key Box is pursuant to standard key check out and check in procedures.

In order to access the BV stacker on some slot machines, the drop team needs access to the Slot Machine Door Key. The Slot Machine Door Key may also be kept in the Drop Key Box.

If the count team uses "test money", which is a predetermined amount of money and tickets, and it is maintained in the count room in a sealed compartment for the purpose of testing the currency counter, the key to access the test money may also be kept in the Drop Key Box.

If the kiosk drop and/or count are performed at a time when the cashier is not present, the keys needed to conduct the kiosk drop and/or count can be maintained in the Drop Key Box or another key box with the same control features.

Keys needed to conduct the table count can be maintained in the Drop Key Box or another key box with the same control features. Note that the table drop box release keys are NOT allowed to be maintained in the Drop Key Box.

Only the keys needed to perform the specific function (e.g., slot drop) are checked out of the Drop Key Box. Upon completion of the function (e.g., slot drop), the keys are checked back into the Drop Key Box.
The drop and count teams must obtain only those keys that are necessary to perform their respective function (e.g., the drop team is not allowed to have the BV content key). Drop and count functions may proceed simultaneously; however, the restricted keys must be maintained by

the respective teams. The checking out of the Slot Machine Drop Key(s) or BV Release Key(s) signifies the beginning of the slot drop function. The kiosk count team can only check out the keys to conduct the kiosk count. All keys checked out are returned to the Drop Key Box immediately upon completion of the function for which the keys were checked out.

***[I]** The licensee may establish a BV Release Key Box, which is a two-keyed locked box. The slot tech maintains one key to this box and security maintains the other key. A duplicate of the slot tech's key is maintained in box 2. Security's key is maintained in box 1. The controls and procedures for checking out the BV Release Key are the same as for checking out any restricted key. It takes two licensed people to access the box and a key log must be maintained to document key check out and key check in. The BV Release Key is checked in and out of the key box as repairs are needed. The BV Release Key Box must be under surveillance and must be secured to prevent unauthorized access.

***[J]** Some slot machines allow patrons who have won credits greater than the hopper lock out 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 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 in the same proximity as the jackpot reset key switch). The casino must replace the lock shipped with the machine with a casino specific lock and 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.

***[K]** If unused and excess chips and tokens are stored in a dual locked area, one key is maintained in box 1 and one key is maintained in box 2.

***[L]** Each table's progressive controller box must be housed such that access to the controller requires dual access, which may not necessarily be accomplished through the use of two keys.

<u>Other Key Control Procedures</u>

The Slot Machine Door Key, the BV Release Key Box Key, BV Release Key (see requirements noted above), Kiosk Door Key, Kiosk Stacker Key, Handheld Validation Unit Cabinet Key and Table Games Progressive Key may be checked out at the beginning of each shift for the entire shift. In between shifts, the keys may be transferred to the authorized individual on the following shift by having that individual complete the key log. The cashier does not need to initial the log or physically transfer the key. Licensees utilizing an AKTS may not transfer keys between individuals. Keys must be returned to, and checked out of, the AKTS. The control objective is to secure these keys primarily if the casino is closed and to document who has control and responsibility for the keys.

All BV boxes must have a lock to restrict access to the box contents. This lock must be keyed differently than the BV Release Key, as well as the Slot Machine Door Key. All table game drop boxes must also have a lock to restrict access to the box contents, which must be keyed

differently than the key to release the box from the table.

If slot count and table games count are performed in two separate rooms, each room must be keyed differently so that slot count team members may not gain unauthorized access to the table games count room and vice versa.

Broken keys, or keys for locks that have been changed, may be destroyed and discarded at the licensee's discretion, or given to a locksmith to destroy. If a duplicate key is issued in place of a broken key, the duplicate key control log must indicate this as the reason for removal of the key from the duplicate key locked box.

C. KEY CONTROL LOGS

Regardless of whether a manual or an AKTS environment is in place, access to all restricted keys must be documented.

Key control logs must be located near the associated key box. The entire transaction of checking keys out/in and recording of such is captured by a single surveillance camera.

In a manual environment, key logs are used to document key access. A key control log is kept for each locked box and is completed every time a key is checked out or in. The key logs, with exception of the Duplicate Key Control Log, are forwarded to accounting for review once a page is complete, but at least monthly. The Duplicate Key Control Log should be forwarded to accounting once a page is completed but at least annually. Key logs must include the following information: (It is recommended that the same controls be used for non-restricted gaming keys.)

1. Date of issuance.
2. Time of issuance.
3. Signature and gaming license number of the individual receiving the key (the person receiving is the person who will be using the key to complete a procedure).
4. Key number.
5. Reason for removal of key (e.g., perform table games drop, perform slot drop, etc.). The description must be detailed so a reviewer can determine what the key was used for.
6. Initials of cashier issuing key (if manual system is used).
7. Initials of gaming manager or security employee witnessing issuance of key.
8. Date of return.
9. Time of return.
10. Initials of individual accepting the return of key (i.e., cashier) if manual system is used.

When a key is requested in a manual environment:

1. The employee requests the key from the cashier. The cashier verifies that the person requesting the key has authority. If the person does not have authority, the cashier denies

access.

2. If the employee has the authority, the key log is completed, noting the time and date out and the reason for removal (e.g., table games drop, slot count, etc.). The cashier records the key number, initials the log, gives the key to the authorized person, and the key log is signed by the employee taking responsibility for the key. The person signing the key control log is the person ultimately receiving the key (e.g., drop/count team leader).

3. When restricted keys are signed out, the gaming manager or security employee who authorizes the key check-out by providing the cashier with his/her locked box key also initials the log. The gaming manager or security employee must be present and observe the key check-out and key check-in processes.

4. When the key is returned, the cashier accepts custody and responsibility for the key by recording the time, date in, and initialing the key control log.

5. The cashier immediately places the key back into the key box, locks the box, and removes the access keys.

Accounting personnel review the key logs to ensure only authorized individuals accessed restricted keys, the length of time the key was checked out is appropriate for the function being performed, and that the log was properly completed.

D. TABLE GAMES AND PIT PODIUM KEY CONTROL

The Table Drop Box Release Keys maintained in box 1 may be keyed the same for Blackjack, Poker, Craps and Roulette. The Table Drop Box Content Keys maintained in box 2 may be keyed the same for Blackjack, Poker, Craps and Roulette. However, the Table Drop Box Release Keys must be keyed differently than the Table Drop Box Content Keys.

The Table Drop Box Release Key used to drop either the drop box or the poker jackpot award drop box can be the same key. The key to access the contents of either the table drop box or the poker jackpot award drop box can be the same key. However, the Table Drop Box Release Key for the drop box and poker jackpot award drop box must be keyed differently than the Table Drop Box Content Key.

The keys to the pit podium and table trays may be, but are not required to be, kept in box 1 or box 2. Access to the pit podium and table tray keys is limited to the pit supervisor, table games manager or gaming manager. If a pit podium bank is utilized, it must be keyed separately. Access to the pit podium bank is limited to the employee responsible for maintaining control over the assigned bank.

The Card Cabinet Key may be the same as the Dice Cabinet Key (primary and secondary

storage), as long as adequate inventory controls are established for cards and dice.

Primary storage must be established by the licensee for extra dice. This area shall have two separate locks with one key maintained in box 1 (security) and the second key maintained by the table games manager or pit supervisor. A secondary dice storage area is optional and the two locks may be keyed the same as the two locks on the primary storage area.

E. AUTOMATED KEY TRACKING SYSTEM

An Automated Key Tracking System (AKTS) is defined as a system that controls access to restricted gaming keys through the use of passwords, bio-readers and/or other means whereby the cashier is not the primary key custodian.

Non-restricted keys may be maintained in the same AKTS boxes as the restricted keys; however, access to non-restricted keys should not adversely impact the regulation and control of restricted keys.

System Administration

The system administrator(s) must be a **KEY** licensed employee. This person(s) shall appropriately configure the AKTS to ensure proper authorization and access to restricted keys.

Examples of appropriate configurations include, but are not limited to, such things as providing access to restricted keys only to licensed employees that are appropriate for his/her job duties, setting time parameters as applicable for the length of time for key check out, and setting alarm features to monitor when keys are not returned within the set time parameters.

The AKTS access permissions must be configured in order to distinguish a key licensed employee performing in the capacity of the system administrator from the same individual accessing the system to perform his/her normal job functions (e.g., gaming manager).

Key authorization logs or signature cards must be maintained for an AKTS. The system permissions must accurately reflect the authorization reflected on the log or signature cards. In the setup of the AKTS, no access shall be granted that would allow any one individual sole access to restricted keys identified with a ❷ in the key inventory diagram presented above. Access to the keys must be controlled through appropriate access permissions. This may include, but is not limited to, the use of passwords that provide access to the keys.

To preclude unauthorized access, system access for terminated (voluntary or involuntary) users must be removed as soon as possible but no later than 72 hours after the effective termination date.

Any time the system administrator allows access to the AKTS locked boxes to perform maintenance, cleaning of the keys or any other purposes, the person accessing the keys must be accompanied by security personnel during the entire time of access. This access must be documented with the name of the individual accessing the keys, security personnel name and license number observing the access, the date and time of access and the reason for access.

System Operation

An AKTS must be monitored on a daily basis to ensure an appropriate key control environment. The AKTS must provide reports that detail each event for, or in relation to, key access in order to adequately monitor and review key control.

At the end of each gaming day the gaming manager or security personnel must generate AKTS reports documenting any restricted keys currently not stored in the AKTS. A review of the reports must be performed to ensure all restricted keys accessed throughout the gaming day which are not currently in use (e.g., by the drop or count teams, slot repair, on-duty employees, etc.) have been returned to the AKTS. Evidence of this review is forwarded to accounting after the review is complete. If any keys have not been returned, an investigation must be immediately initiated. The investigation must be documented and include, at a minimum, the key description, last person accessing the key, investigation performed and by whom, and the results of the investigation. This documentation is immediately forwarded to accounting. Accounting reviews the AKTS report and investigative reports for missing keys to determine the appropriateness of the keys checked out and any impact on gaming documents or variances noted on the statistical reports. Accounting's review is evidenced on the AKTS and investigative reports by the signature of the reviewer and date of review.

System Accountability

The AKTS must be monitored and reviewed by personnel who are independent of the AKTS administrator functions. The licensee must maintain a list, which includes the name, license number, and title of each AKTS administrator.

Accounting personnel are responsible for reviewing the following AKTS reports, in addition to reviewing the AKTS report generated at the end of each gaming day referenced above.

Key Transactions
Accounting personnel perform a review of reports generated by the AKTS that document key transactions. This review is performed on a timely basis (as defined in the written accounting plan) to ensure all restricted keys are returned within a reasonable amount of time pursuant to the completion of the task that created the need for the key(s) removal and to ascertain if any unusual key removals or key returns have occurred. Timely investigations must be performed for any missing restricted keys, improper transactions, and/or unusual occurrences. The investigation results must be documented. This review is evidenced by the reviewer's signature and date of review. The Division is immediately notified if it is suspected there was unauthorized use of a

restricted key, if there is suspicion of criminal activity in regard to restricted keys, if a restricted key is missing, if there is a system failure that requires the AKTS to be manually accessed, etc.

System Administrator Transactions
Accounting personnel perform a review of reports generated by the AKTS that document transactions performed by system administrators. This review is performed on a timely basis (as defined in the written accounting plan) to determine whether the transactions completed by the system administrators provide adequate control over access to restricted gaming keys. This review is to determine whether the system administrator's transactions were proper, reasonable, and authorized. Documentation forwarded to accounting, identifies the system administrator accessing the keys, security observing the access, the date and time of access and the reason for access. This information is compared to the system report which details the administrator's access. This review is evidenced by the reviewer's signature and date of review.

Any time persons are added to or removed from the system, accounting personnel compare the key authorization logs or signature cards to the system information to ensure that key access within the system is appropriate.

Any time inappropriate access is discovered or suspected, the surveillance coverage of the AKTS and any related areas must be reviewed. This surveillance coverage must be maintained until such time there is a resolution to the investigation.

AKTS Failure

The licensee must have procedures in place that adequately address key control in the case of an emergency or an AKTS failure. These procedures must ensure access to restricted keys requires the physical involvement of the gaming manager and security personnel. The key control logs used in a manual environment are used in this situation.

An emergency release access function is a function of the AKTS that allows an authorized person, through the use of specific log-in procedures or an Emergency Release Key, to access all keys maintained within the AKTS. If at any time the emergency release access is utilized, the gaming manager and security personnel must be present to access the keys. Each occurrence must be documented and the Division must be notified immediately in writing. The notification must include the date and time of access, the reason for the access, and the name and license number of all personnel involved in the access.

AKTS Installation/Upgrade

Installation and upgrades of an AKTS must be performed by licensed individuals.

F. DUPLICATE KEYS

Duplicate copies of all restricted keys are locked in the duplicate key box located in the vault and are only accessible by the owner/operator and/or gaming manager along with another licensed employee (i.e., no one person can access duplicate keys alone). The Division requires dual locks for the duplicate key box. Additionally, the duplicate keys to the vault must be properly secured in a manner that limits access to authorized personnel only.

If there is no vault, the duplicate keys are stored in a two-keyed locked box, under surveillance, located in a secure area limiting access to authorized personnel only. One key to the duplicate key locked box is maintained in box 1. The second key to the duplicate key locked box is maintained in box 2.

One duplicate key control log sheet must be used per restricted key. Each time a restricted duplicate key is received from the locksmith, or removed and/or replaced, an entry is made on that key's respective duplicate key control log. When the individual duplicate key logs are full, the licensee must take the current inventory amount and carry it over to the new log in the area labeled (number of keys from previous page).

Duplicate restricted keys must be inventoried at least twice a year. This may be accomplished in conjunction with the internal compliance officer completing the compliance checklist. The inventory must be documented. This documentation must include at a minimum the names, signatures, license numbers of the individuals performing the inventory count, the date the inventory was performed and the results of the inventory.

Upon receiving/removing any duplicate keys, the duplicate key control log must always include the following information:

1. Date/Time
2. Number of Keys
3. Number of Keys Remaining

Upon receiving duplicate keys from a locksmith, or making duplicate keys in-house, the duplicate key control log must be completed with the following information (see columns labeled A on the duplicate key control log in Forms section):

1. Signature and license number of individual receiving key.
2. Number of keys remaining.

If a duplicate key is removed or checked out to an authorized employee for any reason, the duplicate key control log must be completed with the following information (see columns labeled B on the duplicate key control log in Forms section):

1. Signature and license number of individual issuing key.
2. Signature and license number of individual receiving key.
3. Reason for removal of key.

4. Number of keys remaining.

If a duplicate key is permanently removed to replace a broken key, the duplicate key control log must indicate this as the reason for removal of the key, and the columns labeled C on the log will be noted as "N/A".

When the duplicate key is returned, the duplicate key control log must be completed with the following information (see columns labeled C on the duplicate key control log in Forms section). If the duplicate key is transferred to another authorized individual before checking the key in, this must be noted on the log:

1. Signature and license number of individual returning the key.
2. Signature and license number of individual accepting the key.
3. Number of keys remaining.

G. KEY PROCEDURES FOR NON-OPEN HOURS

If a licensee is not open twenty-four (24) hours a day and utilizes a manual key control environment, the keys to access the restricted two-keyed locked boxes must be secured in a manner that precludes access to the restricted key boxes by any one individual. The licensee must document and have knowledge of where all of the keys to the two-keyed locked boxes are at all times. This could be accomplished through the use of a key log. The key to access the non-restricted key box must also be securely stored in a manner that precludes access by unauthorized individuals.

If a licensee is not open twenty-four (24) hours a day and utilizes an AKTS environment, it must be ensured that all restricted keys which are not in use (e.g., by the drop or count teams, slot repair, etc.) have been returned to the AKTS at the close of the gaming day.

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 forms meet ICMP requirements.** See the General section for further clarification.

Bill Validator Release Key Access Key Log

The Bill Validator Release Key Access Key Log is completed each time a key is removed or checked in from the Bill Validator Release Key Box. The log is forwarded to accounting once a page is completed but at least monthly.

Drop Locked Box Access Key Log

The Drop Key Box Access Key Log is completed each time a key from the Drop Key Box is removed and checked in. The log is forwarded to accounting once a page is completed but at least monthly.

Duplicate Key Control Log

The Duplicate Key Control Log is completed each time a restricted duplicate key is received, removed, and/or replaced. The log is forwarded to accounting once a page is completed but at least annually.

Security Locked Box Access Key Log

The Security Box 1 Access Key Log is completed each time a key in box 1 is checked out or checked in. The log is forwarded to accounting once a page is completed but at least monthly.

Gaming Manager Locked Box Access Key Log

The Gaming Manager Box 2 Access Key Log is completed each time a key in box 2 is checked out or checked in. The log is forwarded to accounting once a page is completed but lat least monthly.

Non-Restricted Keys Locked Box Access Key Log

The Non-restricted Keys Locked Box 3 Access Key Log is completed each time a non-restricted key is checked out or checked in. This log is optional, but recommended. The log is forwarded to accounting once a page is completed but at least monthly.

SECTION 11

ACCOUNTING

A. GENERAL

Accounting's Responsibilities

The accounting department is responsible for the complete analysis and reporting of all gaming revenue to the required city, county, state, and federal taxing authorities. Accounting is responsible for reviewing, analyzing, comparing, reconciling, filing, and maintaining all source documents. Additional responsibilities include preparing statistical and supporting reports and analyzing and documenting variances noted as a result of reviewing these statistical and other reports, as required by ICMP, to ensure the correct and supported reporting of AGP.

Pursuant to CLGR 30-106(14), all persons who perform daily accounting functions, services or duties for any retailer's or operator's business involving the handling, processing, manipulating, or generating of gaming documentation or funds must possess a gaming license. A gaming license is not required for those persons who perform solely payroll and payable services that do not have access to gaming documentation or funds, or those persons who perform independent audits.

Accounting personnel may not participate in any gaming transactions or activities (i.e., drops, counts, fills, cashiering, shift manager functions, etc.) other than reading and recording slot machine meters and table games progressive meters.

Written Accounting Plan

The licensee must develop a detailed written accounting plan which outlines its methodology, processes, and procedures regarding the preparation, review, analysis, and maintenance of the statistical and supporting reports for both manual and/or system generated documents and reports. The objective of the plan is to provide sufficient detail for each member of the casino's gaming accounting staff to adequately perform his/her job. This plan includes at a minimum:

1. Job positions responsible for preparing the reports, reviewing the reports, investigating variances, correcting errant information, and ensuring corrective action has been taken to correct the problem.

2. List of source documents used to obtain meter information, actual information, and the process used to prepare all reports.

3. Establishing thresholds for variance investigations that are not already specified in the ICMP, and include documentation on how the threshold was established. Thresholds used to:

a. Initiate the investigations.
b. Determine events that signal and initiate a different level of review or investigation.
c. Define large or unusual day to day Table Games fluctuations.
d. Determine historical hold or expected hold used in Table Games Statistical Reports variance investigations.

4. Procedures for:
   a. Preparing and reconciling the source documents to the reports (cage, table, and drop/count documents). This includes ensuring the accuracy of downloaded information and an adequate audit trail that documents any changes made to the system.
   b. Reviewing the reports for accuracy and ensuring an adequate audit trail documents any changes made to data. This includes performing the secondary level of review of the reports and any adjustments made to the reports including supporting documentation. Secondary level of review on any required statistical reports must be completed prior to tax return submission.
   c. Investigating variances that exceed the allowable threshold, and method of documenting the review and investigation. Correcting errant information.
   d. Identifying and communicating noncompliance issues to employees.
   e. Written contingency plan for reconstructing all data in the event of a manual or system failure or other event resulting in data loss including handheld meter capturing devices, weigh scale and/or currency counter equipment and interfaces.
   f. Escalating month-end reviews for table game types performing at unusual hold percentages for two or more consecutive months.

5. Written contingency plan for reconstructing all data in the event of a manual or system failure or other event resulting in data loss. This applies to handheld meter capturing devices, with scales and/or currency counter equipment and interfaces.

6. Time frames for each step of the processes (e.g., reports are prepared and reviewed within “number of” days of a drop, variances forwarded to the slot/pit department for investigation are due back to accounting within “number of” days, etc.).

7. Definition of the 24 hour period that constitutes the licensee’s gaming day.

8. If the licensee operates table games, provide the number of shifts and length of each shift that will be utilized during the 24 hour gaming day. Also include how the shift(s) will be named on gaming documents.

9. Written procedures for the applicable gaming departments/employees affected to ensure compliance with the Gambling Payment Intercept Act and Regulations.

Adequate Explanation Criteria

The results of all reviews and investigations must be documented in writing (adequate explanation criteria) as evidence that required procedures have been performed. Adequate explanation criteria must include:

- The variance being investigated,
- Date or drop period the variance is associated with,
- Date the request for investigation was sent to the floor personnel to investigate,
- Date the results of the investigations are due back to accounting,
- The detailed procedures used and steps taken to investigate the variance,
- The date the investigation was performed and the name of the person performing the investigation,
- The results of the investigation, and
- The date and name of accounting personnel who reviewed the investigation procedures and results.

Licensees must implement a process to identify continued variances on the same gaming device from drop to drop in order to initiate a different level of investigation (e.g., an investigation by a more experienced gaming employee, performance of different tests, contact slot manufacturer, contact the Division, etc.). The point at which a different level of investigation should be initiated is specific to each licensee (depending upon the frequency of statistical report generation) and must be incorporated into the licensee's written accounting plan, which is discussed above.

It is the licensee's responsibility to ensure machine problems and thefts are detected in a timely manner. Licensees are taxed on the dollar loss associated with theft from machines and machine malfunctions. Losses as a result of theft or machine malfunctions are not deductible in the calculation of AGP for gaming tax purposes.

Licensees must have a process in place to escalate month-end table games variance reviews for game types performing at unusual hold percentages for two or more consecutive months. The procedures employed must be included in the licensee's Written Accounting Plan.

System Overrides

Licensees must have written procedures that adequately address overrides to system-generated information on any jackpot payout/fill slip. 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 exception of rounding up to the next denomination or dollar. Independently authorizing a system override includes the supervisory or management employee visually verifying the correct amount on the slot machine and providing his/her approval in the system. **Procedures must be in place to prohibit one individual from initiating and overriding the same transaction.** 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.

Secondary Level of Review

To ensure an adequate control environment and proper segregation of duties, all required statistical and supporting reports must have an independent (secondary level) review. The person who prepares the required statistical and supporting reports must be someone other than the person who performs the secondary level of review of the reports. All reports, and adjustments made to the reports, must receive a secondary level of review. The secondary level of review is an independent review performed by another person who is knowledgeable of the information being reviewed. Secondary level of review is performed to ensure the reports are properly prepared, documented, and accurate. This includes reviewing all supporting documentation for all adjustments made to the information reflected on the reports. The first and final run of the reports must reflect the preparer's initials and date of preparation. The final run of reports must reflect the initials of the person performing the secondary level of review and the date of the review.

Any corrections by the accounting department to gaming documents, forms, reports, etc., must be made with red ink. These corrections and any noncompliance items identified by accounting are further processed in accordance with the licensee's written accounting plan. At a minimum the person making the change initials and dates each correction or the person making the change initials and dates, the top or bottom of each page containing any corrections. In the case where reports are reprinted to reflect any corrections and/or adjustments made by accounting personnel (e.g., "final run" reports), corrected and/or adjusted information reflected on these "final run" reports must receive a secondary level of review by someone other than the individual who made the correction/adjustment as noted above. The first run and the final run of reports are considered gaming documents and must be maintained for the required time period.

Gaming Forms and Documents

The accounting department is responsible for accessing and removing gaming documentation from the locked accounting box. This box is to be located in a secure location, under surveillance, somewhere other than inside the cashier cage. In conjunction with each drop period, or more frequently, accounting personnel access and remove gaming documentation. Only accounting personnel have access to this box.

If the licensee generates any 3-part Jackpot Payout/Fill slips, Table Games Jackpot Payout slips, and/or Fill/Credit slips, accounting must obtain the third (pink) copies of these slips from the locked dispensing machines. This must be done on a periodic and timely basis, frequent enough to detect unusual transactions and to prepare statistical reports, and at least once each drop period.

Gaming forms supporting taxable transactions (i.e., Request for Fill/Credit slips, Fill/Credit slips, Request for Table Games Payout/Fill forms, Table Games Payout/Fill forms, Jackpot Payout/Fill

slips, Slot Tournament Prize forms, Unclaimed Jackpots, etc.) that have not been properly completed in accordance with the ICMP are subject to disallowance in calculating AGP for gaming tax purposes.

All records and forms must be maintained in the State of Colorado and are subject to the document retention requirements mandated in CLGR 30-1607. Licensees may store these records by other means such as electronic imaging. If licensees choose this option, they are still required to maintain the original document if it contains a signature on it, unless authorized otherwise by the Division. These documents can be stored off site, such as in a storage unit, as long as the location is secure and in the State of Colorado. Licensees must be able to provide all requested documents to the Division in a timely manner. Licensees must also have adequate written backup and recovery policies and procedures to ensure the timely restoration of data (onsite and offsite) in order to resume operating after a hardware or software failure. See Electronic Imaging Systems and Gaming Systems sections.

Under no circumstances shall any gaming document, slip, statistical report, etc., be shredded or destroyed in any manner as long as it is still subject to the document retention requirements mandated in CLGR 30-1607. Gaming documents are all source documents, all documents supporting the monthly gaming tax return, all documents used to analyze gaming activity, and all documents showing the accounting review process.

All gaming forms must be completed in ink. Errors on gaming documents must be lined through and the correction written near the error. 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 at least two count team members. If an error is made to the grand total amount transferred to the cashier from the count, the cashier must also approve and initial 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 properly made. Any noncompliance items identified on gaming forms and documents by accounting are processed in accordance with the licensee's written accounting plan.

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/Fill 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. One gaming employee involved in the transaction forwards the original and copies to accounting for retention and accountability.

At the end of each shift and at the conclusion of the count, all documents and supporting forms are immediately forwarded to accounting, either by depositing documents and forms in the locked accounting box located outside the cashier cage, or by delivering them directly to accounting personnel in such a manner as to limit access to authorized licensed individuals only.

B. TABLE GAMES

Accounting personnel perform the procedures detailed below and sign gaming forms where appropriate as evidence that accounting procedures have been performed.

1. Accounting matches all copies of Fill/Credit slips and:
   a. Verifies that all information matches,
   b. Accounts for the numerical sequence from shift-to-shift,
   c. Determines that no slips are missing or unaccounted for,
   d. Examines the slips for proper signatory authority. For licensees utilizing a manual process, the original (white) Credit slip will have four original signatures, the cashier, runner, dealer and the pit supervisor, and the copy (yellow) will have the copy of the cashier's and the runner's signatures. For licensees with an automated pit system, the original (white) Credit slip will only have three original signatures, the runner, dealer and the pit supervisor, and the copy (yellow) will have the cashier's signature and the copy of the runner, dealer and pit supervisor's signature.
   e. Checks mathematical accuracy, and
   f. Ensures proper completion in accordance with ICMP.

2. Accounting matches all copies of Request for Fill/Credit slips and:
   a. Agrees the slips to the Fill/Credit slips,
   b. Verifies that all information matches,
   c. Accounts for the numerical sequence from shift-to-shift,
   d. Determines that no slips are missing or unaccounted for,
   e. Examines the slips for proper signatory authority,
   f. Checks mathematical accuracy, and
   g. Ensures proper completion in accordance with ICMP.

3. Accounting matches all copies of the Table Games Jackpot Payout slips and:
   a. Matches the slips with pictures from surveillance of the winning hand (if applicable),
   b. Verifies that all information matches,
   c. Accounts for the numerical sequence from shift-to-shift,
   d. Determines that no slips are missing or unaccounted for,
   e. Examines the slips for proper signatory authority,
   f. Checks mathematical accuracy, and
   g. Ensures proper completion in accordance with ICMP.

4. Accounting matches all copies of the Request for Table Games Jackpot Payout slips and:

a. Agrees the slips to the Table Games Jackpot Payout slips,
b. Verifies that all information matches,
c. Accounts for the numerical sequence from shift-to-shift,
d. Determines that no slips are missing or unaccounted for,
e. Examines the slips for proper signatory authority,
f. Checks mathematical accuracy, and
g. Ensures proper completion in accordance with ICMP.

5. Accounting matches all copies of the table games unclaimed jackpot receipts and:
   a. Agrees the slips to the corresponding Table Games Jackpot Payout slips,
   b. Verifies that all information matches,
   c. Accounts for the numerical sequence from shift-to-shift,
   d. Determines that no slips are missing or unaccounted for,
   e. Examines the slips for proper signatory authority,
   f. Verifies that the picture of the winning patron is attached, and
   g. Ensures proper completion in accordance with ICMP.

6. Accounting matches all copies of the openers/closers and:
   a. Agrees openers to previous shift's closers,
   b. Accounts for the numerical sequence from shift-to-shift,
   c. Checks mathematical accuracy,
   d. Ensures proper completion in accordance with ICMP, and
   e. Examines the opener/closers for proper signatory authority.

7. Soft count cards are checked for:
   a. Mathematical accuracy,
   b. Proper signatory authority (e.g., checking for independence),
   c. Proper completion in accordance with ICMP
   d. Proper treatment of table coupons,
   e. Proper treatment of mobile ATM receipts,
   f. Proper treatment of non-cashable chips.

8. Accounting traces fills/credits, openers/closers, table game jackpot payouts, and drop amounts from the soft count cards to the master games sheet.

9. Using the master games sheet, accounting recalculates the win/loss by table, and in total for each shift, calculates the hold percentage for each table by dividing net win by drop, and examines the master games sheet for proper signatory authority, mathematical accuracy, and proper completion in accordance with the ICMP. Accounting also agrees the cash drop amount, which includes non-cashable chips, on the master games sheet to the drop amount reflected on the daily cash summary then signs the master games sheet as evidence that proper review procedures were performed. Accounting may complete the AGP and hold percentage calculation on the master games sheet. If this information is completed by accounting, a different color of ink must be used and the accounting personnel must initial and date the form to indicate such.

10. The owner/operator or the controller/auditor investigates any missing Request for Fill/Credit, Fill/Credit, request for table game jackpot payout, and table games jackpot payout slips. A report is prepared to explain the cause of, and responsibility for, the loss.

11. The owner/operator, table games management or licensee's equivalent, in conjunction with the appropriate personnel, investigates any large or unusual fluctuations (as defined in the Written Accounting Plan) of the audited master games sheet including a review of the daily hold percentage for each table for each shift. The Table Games Activity Log should be reviewed at this time to determine if activity affecting hold percentage may be explained. The results of these investigations must be documented and used to support the variance investigations performed on the month end table games statistical reports.

12. Noncompliance issues are investigated, resolved, and documented on a timely basis.

13. If applicable, accounting reviews and compares the Table Games Activity Log to the table games count documentation and master games sheet.

Table Games Tournaments

Accounting reviews the Table Games Tournament Entry Fee & Buy-In Log and:

1. Checks mathematical accuracy,
2. Ensures proper completion in accordance with ICMP,
3. Records the total amount collected for the tournament, by shift and/or day, on the table games tournament summary form and calculates the grand total collected,
4. Documents the total amount awarded in prizes on the summary form,
5. Verifies the total amount awarded as prizes is equal to or greater than buy-ins collected, and
6. Completes the Table Games Tournament Summary form.

AGP for all table games tournaments is equal to all entry fees, including the dollar value of complimentary ("comped") and non-cash entry fees. If an entry fee is required for any one player in a tournament, all players must have an equal entry fee. All entry fees must be included in the calculation of AGP regardless of how the entry fee is accepted. It can be in the form of cash, points redeemed for cash, comped (free entry provided by the casino), or non-cash item and any combination thereof.

AGP from a tournament is included in the total amount of the drop for the applicable game type on the gaming tax return for the month in which the entry fees were collected.

If prizes awarded are merchandise, the cost of the merchandise, not the market value, must be equal to or greater than the buy-ins collected for the tournament.
If the actual cost of all prizes awarded exceeds the amount received in tournament buy-ins, the licensee may not declare a loss against AGP. Proper documentation must be maintained to

support the cost of the merchandise, such as invoices. Merchandise given to patrons for entering the tournament is not considered a prize.

Improperly completed table games tournament forms may result in a disallowance of the associated awards in calculating AGP for gaming tax purposes. All disallowed awards will be considered additional entry fees in calculating AGP for gaming tax purposes.

Multi-Licensee Tournaments

In addition to the above procedures for tournaments, the following applies. The licensees participating in a multi-licensee tournament must designate one licensee to be responsible for maintaining all tournament documentation and to ensure proper escrow of prizes and proper awarding of all prizes.

No entry fee may be collected and therefore, no taxable AGP may result from multi-licensee tournaments.

The total amount of buy-ins collected must be equal to or less than the total amount awarded in prizes. If prizes awarded are merchandise, the value of the prize is the cost of the merchandise, not the market value.

At the beginning of each day, the accounting staff will deliver a copy of the log for all shifts of the previous day to the licensee designated to be responsible for the tournament.

At the conclusion of the multi-licensee tournament, all participating licensees will forward all original tournament documentation to the licensee designated to be responsible for the tournament.

Poker Jackpot Awards (Player Banked Games Only)

Accounting reviews the original (white) and copy (yellow) of the Table Games Payout form and poker jackpot count card(s) and:

1. Checks mathematical accuracy,
2. Ensures proper completion in accordance with ICMP,
3. Accounts for the numerical sequence of the table games payout forms, and
4. Determines that no slips are missing or unaccounted for.

On a monthly basis, accounting must agree the jackpot liability, as recorded on the copy (yellow) of the poker jackpot count card, to the amount shown on the poker jackpot log. The total of the jackpot amounts awarded per the table games payout form(s) for each patron must agree to the jackpot liability as recorded on the poker jackpot log. Accounting investigates and documents the reason for any differences. If a difference cannot be resolved, accounting must contact the Division for resolution.

A poker jackpot log must be maintained. Someone independent of the poker room must record the amount of the jackpot award liability on a daily basis. This log is forwarded to accounting once a month and whenever a jackpot is awarded. Accounting must ensure all decreases are reasonable and properly explained. The explanation must include a reference to the table games payout form numbers documenting the jackpot award payout.

Accounting must file a form 1099-M with the IRS at the end of the calendar year for any patron receiving aggregate jackpot award distributions of $600 or more. Other reporting/withholding requirements may apply to monies paid out as a jackpot award. For additional information on reporting/withholding requirements, please contact the IRS.

Table Games Progressive Procedures

Table Games Progressive Forms

For table games with progressive jackpots, a table games progressive jackpot form must be maintained. This form is used to document the progressive meter for the beginning and end of each gaming day, the (progressive drop) coin-in hard meters by table for the beginning and end of each gaming day, the displayed jackpot amount at the time the end of day meters are read and all progressive jackpots paid. At the end of each gaming day, the pit manager or designee ensures all required information is recorded on the form and that it is forwarded to accounting.

Accounting completes the progressive liability reasonableness test and reviews the form for reasonableness and proper completion.

Each progressive must have a Progressive Tracking Log. This form must be completed for every progressive. It is used to document information about, and changes to progressive banks. This form must be immediately available to the Division upon request.

Table Games Progressive Reports

At the end of each gaming day, the pit manager or designee generates the following computer reports: A report showing activity on the game, a report showing (progressive drop) coin-in, and a report of jackpot payouts on the game. The reports are forwarded to accounting by placing them in the locked accounting box.

Accounting reviews the game activity report for unusual activity. Any unusual activity must be investigated and the results documented in writing. Accounting reconciles the (progressive drop) coin-in summary to the total of all tables' change in (progressive drop) coin-in hard meters from the table games progressive jackpot form. Variances of $10 or more must be investigated and the results documented in writing. Accounting reconciles the jackpot payout summary to the actual progressive jackpots paid on the table games progressive jackpot form and table games jackpot payout slips. All variances must be investigated and the results documented in writing.

100% of optional progressive wagers are considered for the calculation of AGP and all progressive payouts are deductible for AGP as long as the required documents have been properly completed.

Progressive Testing

On a daily basis, accounting personnel must perform the functions detailed below.

1. Review the incrementation rate and reasonableness of the table games progressive liability, and
2. Ensure that the progressive liability has been logged on a daily basis and that all decreases are supported by a progressive jackpot payout.

The above is verified by using meter readings to calculate incremental (progressive drop) coin-in multiplied by the incrementation rate to arrive at the increase in, and reasonableness of, the table games progressive jackpot amount.

The table games progressive liability is tested by the following calculation:

+ Ending total (progressive drop) coin-in hard meter
_ Beginning total (progressive drop) coin-in hard meter
x Incrementation rate
_ Total payouts (if payouts include a seed amount, the total payouts must be reduced by the seed)
+ Beginning progressive liability
= Expected current progressive liability

If a variance of $10 or more exists between the estimated progressive liability and the actual progressive liability, licensees must investigate the variance. The investigation must be documented. If the variance is greater than $25, the Division must be notified.

The licensee must attempt to identify the patron(s) that was underpaid and pay the patron(s) the additional monies due. This can be accomplished by checking gaming forms including table games jackpot payout slips and player tracking records. If the patron(s) cannot be contacted or the underreported amount corresponds to the current liability, the current progressive liability is increased by the corresponding underreported amount.

Table Games Reports

Blackjack, Poker, Craps and Roulette Master Games Summary Reports

On a timely and periodic basis, accounting personnel must complete the Master Games Summary Reports, which provide support for the monthly gaming tax return. It summarizes the total column of the master games sheet, by day, for a one-month period. For blackjack, house banked poker, craps and roulette, it includes closing inventories, drops, credits, fills, hand paid jackpots, opening inventories, and net win. For player banked poker, it includes the poker rake and poker jackpot rake. An example of these reports is included at the end of this section. Blackjack,

poker, craps and roulette information may be combined on one report as long as the information for blackjack, player-banked poker, house-banked poker, craps and roulette is shown separately.

Blackjack, House Banked Poker, Craps and Roulette Statistical Reports

The accounting department is responsible for preparing, reviewing, and analyzing the statistical reports for overall reasonableness of hold percentages. Blackjack, house banked poker, craps and roulette information may be combined on one report as long as the information for blackjack, house-banked poker, craps and roulette is presented separately. This report provides a statistical analysis of blackjack, house banked poker, craps and roulette hold percentages by table, by shift, and total by game type on a current month basis. The hold percentage is calculated by dividing AGP by the drop. The information is obtained from the Master Games Summary Report.

The current month total by game type hold percentage is compared to an expected hold, generally the licensee's historical hold percentage (as defined in the Written Accounting Plan) by game type. If an historical hold is not available, for example a new table is added to the floor, an expected hold percentage should be determined. This could be the industry standard or expected hold provided by the game distributor. Documentation for the determination of a licensee's expected hold, i.e. what time period was used for a historical hold or how an industry standard was determined for new games, including the impact of side bets or bonusing, if applicable, must be detailed in the Written Accounting Plan.

Fluctuations, by game type, of equal to or greater than -5% or +5% from the expected hold percentage must be reviewed, investigated and documented in accordance with the adequate explanation criteria described earlier in this section under "General."

A notation must be made on the report by the respective table indicating the type of game played (e.g., single deck, multi-deck, multi-action, Let It Ride, etc.).

An example of these reports is included at the end of this section. The licensee may arrange the data in any format as long as the required information is being prepared, reviewed, and analyzed.

C. SLOT MACHINES

<u>Hopper Adjustments</u>

The initial hopper load is not deductible for gaming tax purposes. The difference between the initial hopper load and the total amount that is in the hopper at the time the hopper is counted must be included as either an addition to, or subtraction from, revenues when calculating AGP. This amount is reported on the monthly gaming tax return for the month in which the hopper count was conducted, and is reflected in the hopper adjustment column for the corresponding denomination.

For example, if a machine was initially placed on the floor and an initial fill of $100 was placed in the hopper on April 28, and the machine was removed from the floor and the hopper counted

on October 13 in the amount of $150, the licensee would have taxable income of $50 ($150 - $100). The $50 adjustment would be added to AGP for gaming tax purposes. Alternatively, if there was only $75 counted in the hopper on October 13, the licensee would reduce taxable income by $25 ($75 - $100 = -$25). The $25 adjustment would be subtracted from AGP for gaming tax purposes. In this example, the hopper adjustment would be reported on the October gaming tax return.

Proper support and documentation of all hopper adjustments must be maintained.

Hopper adjustments must be made when any of the following occurs:
1. The denomination is changed for a machine,
2. The machine's ticket functionality is activated,
3. A machine is moved from one establishment to another establishment,
4. A change in ownership occurs (i.e., when a new license is issued),
5. When a business closes, or
6. When the machine is removed from the floor.

If a hopper count is performed for other purposes than described above, the same amount counted in the hopper must be returned to the hopper.

The cashier must sign the hopper summary report for all hopper contents receipted into the cashier cage. A jet coin sorter or other count/weigh device may be used on the gaming floor to facilitate the hopper count. Any count/weigh device used to count the hopper contents must be tested and the test must be documented on the hopper summary report.

All hopper adjustments are recorded in the hopper adjustment column of the monthly gaming tax return for the month in which the hopper contents were counted. If a hopper drop and count is performed at the same time a regular drop and count is conducted, the licensee must not commingle hopper and drop bucket funds. Funds, as well as corresponding accountability, must remain separate.

When performing a hopper count, the drop and count team requirements are the same as for any slot machine drop and count. Refer to corresponding slot machine drop and count procedures in the Table Games and Slot Drop and Count Section.

Gambling Payment Intercept (GPI)

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

Slot Procedures

Accounting personnel perform the procedures detailed below and sign gaming forms where appropriate as evidence that accounting procedures have been performed.

1. Accounting reviews, matches, and verifies all copies of the jackpot payout/fill slips used since the previous drop. Accounting also verifies the sequence of the slip numbers from shift-to-shift, determines that no slips are missing or unaccounted for, and examines the slips for proper signatory authority, mathematical accuracy, and proper completion in accordance with ICMP. Additionally, if a payout request form is completed, which allows patrons to continue playing credits not associated with the jackpot prior to payment, the form should be reviewed to ensure proper completion and that required criteria is met (e.g., payout was less than $5,000, payout was not an override, etc.).

2. Licensees with approved gaming systems can perform the following alternative procedures in lieu of matching all copies of the jackpot payout/fill slips: Accounting sums the dollar value of all white copies of the jackpot payout/fill slips, the yellow copies of the jackpot payout/fill slips and compares the totals to the system generated report for the same time period. At a minimum, this is performed in conjunction with reconciling each drop period. If there is a difference between the dollar amounts, all slips must be matched and verified. Accounting must review all of the slips to ensure proper signatory authority, and proper completion in accordance with ICMP.

3. The owner/operator or the controller/auditor is responsible for ensuring any missing jackpot payout/fill slips are investigated and explained. A report is then produced explaining the cause of, and the responsibility for, the loss.

4. Accounting reviews, matches, and verifies the original (white), and copy (pink) of all unclaimed jackpot receipts, matches the unclaimed jackpot receipts to the corresponding jackpot payout/fill slips, verifies the sequence of the receipts' numbers to determine that no receipts are missing or unaccounted for, and examines the receipts for proper signatory authority, and proper completion in accordance with ICMP.

5. Noncompliance issues are investigated, resolved, and documented on a timely basis. Payout slips should be reviewed to ensure that if a verifier is not used that required criteria is met when completing the slip (e.g., payout was less than $1,200, payout was not an override, no verifier was warranted, etc.). If noncompliance issues are noted as a result of reviewing payout slips that do not involve a verifier, accounting should notify surveillance immediately for additional review.

6. The Slot Summary Report, Weigh/Wrap Variance Report, and Bill Validator Summary Report are reviewed to verify that:
   a. The count/weigh machine(s) (e.g., weigh scale, currency counter, etc.) has been properly tested by count team members,
   b. All team members have signed the reports and examine them for proper signatory authority (rotation of team and independence),
   c. The reports are completed properly in accordance with the ICMP,
   d. The reports are mathematically correct,
   e. The cashier signed the reports as evidence of receipt of the drop proceeds into the cage, and

f. The total count on the Slot Summary Report agrees to the Weigh/Wrap Variance Report, and the total count on the Slot Summary Report and the Bill Validator Summary Report agree to the count recorded on the Daily Cash Summary.
g. Accounting signs the reports to document his/her review procedures and investigates any differences, variances, and noncompliance issues resulting from his/her review process. All investigations and results of the investigations must be documented.
h. The Weigh/Wrap Variance Report is also reviewed for large and/or unusual variances, proper completion, mathematical accuracy, and signatory authority. Variances of 1% or more by denomination, or in total, are investigated and documented on this form.

Payouts of less than $1 on tokenized machines

Licensees may use a tokenized credit payout slip (or a manual jackpot payout slip) for payouts of 99-cents or less on tokenized machines.

Licensees that utilize a gaming system to generate jackpot payout slips may continue to use the system-generated slip and process the payout in accordance with the payout procedures in the Slot section. The exception is that licensees do not need a verifier involved to verify the payout, verify the meters, or to sign the slip.

In order to deduct these payouts, accounting must monitor and track the payouts throughout the month, reconciling to the jackpot meters. If the licensee utilizes an approved gaming system, accounting must update the system for the payouts for each individual machine. Accounting will investigate and document all variances exceeding established thresholds, on a monthly basis at a minimum. Only tokenized payout slips that are paid, reconciled to the jackpot report and entered into the automated system (if applicable) are deductible for gaming tax purposes.

Credits of 99 cents ($0.99) or less on tokenized machines that have been abandoned may be keyed off of the machine. The slot personnel must log these amounts on the slot access card in order to track these keyed off amounts.

Alternatively, in lieu of monitoring and tracking these payouts, licensees may treat these payouts as promotional expenses and, as such, may not deduct them from AGP. It's important to understand that, even if the payouts are treated as promotional expenses, the Jackpot Comparison Reports remain subject to the current investigation criteria required by the ICMP.

Slot Tournament Procedures

Once the slot tournament forms are received by accounting, the accuracy of the forms is verified. The total amount collected, by shift and day, for the tournament is recorded on a Slot Tournament Summary form (see example at the end of this section), and the grand total collected is calculated. The slot tournament summary form is filled out only by the accounting department.

The total amount awarded in prizes is documented on the summary sheet. AGP is calculated using the following formula:

The total amount collected as entry fees including the dollar value of complimentary (comped) and non-cash entry fee *minus* the total amount awarded in prizes *equals* AGP.

If prizes awarded are merchandise, the amount deductible is the actual cost of the merchandise, not the market value. Proper documentation must be maintained to support the cost of the merchandise, such as invoices. Merchandise given to patrons for entering the tournament is not considered a prize; therefore, the cost of the merchandise is not included in the calculation of AGP for the slot tournament.

Adjusted gross proceeds from slot tournaments are included on the monthly gaming tax return for the month in which the tournament ended. For example, if the total amount collected from entry fees for the slot tournament is $1,500 and the total amount awarded in prizes is $1,000, the total AGP for the slot tournament is $500.

If the actual cost of all prizes awarded exceeds the amount received in tournament entry fees, the licensee may not declare a loss against AGP. For example, if the total amount collected from entry fees for the slot tournament is $1,500 and the total cost of prizes is $2,000, the total AGP for the slot tournament would be $0.

Quarterly Progressive Testing Procedures

If the licensee has progressive machines, accounting personnel must perform the functions detailed below on a quarterly basis. These functions may be completed any time during the calendar quarter. Slot personnel may perform the following functions, with accounting personnel observing and documenting the results using either the quarterly slot progressive testing meter reasonableness test form or the quarterly slot progressive testing physical coin-in test form. If a problem is discovered while performing either test, both tests must be performed to determine what the advertised progressive liability should be. Both forms must be completed to document these tests. If after performing both tests, the variance between the actual and expected liability exceeds $50, the licensee must attempt to identify the patron(s) that was underpaid and pay the patron(s) the additional monies due. This can be accomplished by checking jackpot/fill slips and player tracking records. If the patron(s) cannot be contacted or the underreported amount corresponds to the current liability, the current progressive liability is increased by the corresponding underreported amount. For slot machine banks linked to an external bonus progressive controller where any levels are set to award a machine paid progressive bonus, a meter reasonableness test cannot be performed. A physical coin in test must be performed on the top level progressive to verify accurate incrementation. The Division of Gaming must be notified immediately if any problem arises due to incrementation testing.

On a quarterly basis:

1. All progressive machines must be tested to ensure they are properly linked to the progressive controllers.

2. Review the incrementation rate and reasonableness of the advertised progressive liability by either using a physical coin-in test, or by using meter readings to calculate incremental coin-in multiplied by the incrementation rate to arrive at the increase in, and reasonableness of, the advertised progressive jackpot amount (coin-in reasonableness test).

For multi-game progressives, the coin-in meter for each game contributing to the progressive must be recorded during the quarterly progressive testing. The meter readings are recorded on the quarterly progressive testing forms. The coin-in meter value for each game is needed in the incrementation calculation.

Testing is not required for:

1) wide-area progressives,
2) progressive systems that disable participating slot machines when communication is lost with the progressive controller and
3) slot machines which have progressive functionality internally configured and/or embedded software within the slot machine's program storage media.

Licensees must have procedures in place to accurately substantiate and restore any progressive amount that is lost as a result of system failure or inadvertent event.

Physical Coin-In Test

The physical coin-in test is documented on the quarterly slot progressive testing physical coin-in test form and is performed by inserting coins (or bills if the machine does not accept coins). One or more credits may be played to determine the progressive's starting point. Once close to the starting point one credit at a time is played until the advertised progressive liability increments. This is referred to as basing the progressive which is the next starting point for the progressive incrementation. At that point, one or more credits are played on the progressive bank until the liability increments again. The objective of this testing is to ensure the incrementation rate is correct for the progressive. If all machines are linked properly, this incrementation will occur on the *"nth"* credit corresponding to the appropriate incrementation rate. All machines on the bank must receive a test credit. It is further recommended that only one credit be played at a time, in each machine, to avoid winning the progressive jackpot while testing the bank. Refer to the conversion chart in the forms section for incrementation rates by denomination. For example, eight video poker machines are all part of a progressive liability bank. The advertised progressive liability is $1,053.19, and the bank increments $0.01 for every ten coins played. The individual testing the bank plays credits one at a time in any of the eight machines until the liability increments to $1,053.20 (the starting point). At that time each of the eight machines is played with one credit, with two of the machines receiving another credit of play. At that time, if all machines are functioning properly and connected to the progressive controller, the liability

will increment to $1,053.21. Using these same facts, if there were twenty machines, twenty credits would be played to ensure that all machines are tested, and the progressive liability would increment to $1,053.22.

If a problem is found as a result of testing each machine with one or more credits, then each machine on the bank must be individually tested with the required number of credits corresponding to the incrementation rate to ensure that each machine is properly linked, and also to discover which machine(s) is not properly linked. All machines must be tested, as there could be one or more machines that are not linked. At that time, the problem is documented and the coin-in meter reasonableness test is performed to determine if the progressive liability amount is correct.

Coin-In Meter Reasonableness Test

Alternatively, the advertised progressive liability can be tested by applying the incrementation rate to the change in coin-in from the last time the progressive was tested. This test is documented on the quarterly slot progressive testing coin-in meter reasonableness test form. Using the above, the total change in coin-in for all of the eight machines connected to this bank was $360,000, the progressive incrementation rate was .000312 (refer to the conversion chart in the forms section for incrementation rates by denomination), the previous quarter's liability was $1082.12, a jackpot of $1,143 was hit, and the reset amount of the bank is $1,000. The date of the meter reading must correspond to the date of the liability being tested.

Applying the incrementation rate to the change in coin-in would give the amount of $112.32 ($360,000 x .000312) in contribution toward the advertised progressive liability. If using the progressive incrementation rate percentage, the change in coin-in amount must also be multiplied by the denomination (for denominations less than or equal to $1) or divided by the denomination (for denominations greater than $1). By using the following formula, it is possible to test the reasonableness of the current advertised liability as well as any jackpot payouts between the last test date, and the current test date.

Previous advertised liability	$	1,082.12
Contribution toward liability from coin-in	+	112.32
Less jackpot payouts (net of reset amount[s])	-	143.00
Equals expected value of current advertised liability	$	1,051.44
Actual current advertised progressive liability	$	1,053.19
$ Variance	$	1.75
% Variance ($1.75/$1051.44)		.17%

The minimal amount of the variance between expected and actual advertised liability indicates that the progressive liability is incrementing properly.
Hidden jackpots may affect the calculation of the incrementation of the advertised progressive liability amount when using the formula above to calculate the reasonableness of the liability. Contact the Division for more information regarding this calculation. For progressives with hidden jackpots, the Division recommends that the reset amount (which will include

contributions toward the hidden jackpot) be documented on the jackpot payout slip at the time the previous jackpot is won.

Progressive Procedures

Pursuant to CLGR 30-1244(3), licensees must establish control procedures that can explain and/or reconcile any increase, reduction or discontinuance of all progressive jackpots offered for patron play. This documentation must be made available to Division personnel upon request. For reconciliation purposes, only attendant paid progressive jackpot amounts (excluding WAP progressive jackpots) must have supporting documentation.

Licensees with an approved gaming system may utilize system jackpot reports to explain decreases in liability.

Commemorative Coin Machines

Licensees may have commemorative coin machines in their casino. The commemorative coins used in these machines may have two different values. Licensees purchase the commemorative coins at one value and redeem the coins from patrons at another value. For example, a commemorative coin may be purchased (i.e., cost to the licensee) for $10 and redeemed by a patron for $12 (redemption value). Throughout the gaming year, the commemorative coins must be recorded by the licensee at their redemption value. For example, if a commemorative coin machine is filled with 100 coins that have a redemption value of $12, the fill amount recorded on the Jackpot Payout/Fill Slip, and the amount deducted for gaming tax purposes, is $1,200.

An adjustment must be made on the last tax return of the gaming year to adjust for the difference between the redemption value and purchase cost of the commemorative coins. This adjustment will be based on the total amount of commemorative coins purchased during the gaming year, net of the cost of any coins sold back to the manufacturer (if applicable). The following example illustrates this:

Type of coin purchased:

		Coin X
Number of coins purchased during current gaming year		1000
Number of coins resold to manufacturer (at cost) during current gaming year	-	100
Net number of coins purchased	=	900
Difference between the redemption value and purchase cost per coin ($12 - $10 = $2)	x	$ 2
Amount of adjustment to be included as taxable AGP on last tax return of the gaming year	=	$1,800

The adjustment of $1,800 would be shown as an adjustment increasing AGP on the monthly gaming tax return.

Slot Machine Meters

On drop days, before gaming commences on the slot machine being dropped, slot machine meter readings are captured in order to prepare the required reports. For licensees who have successfully tested their gaming system and submitted the Acknowledgment Letter, or who have received written approval from the Division for the use of their gaming system, the meters are captured by the system. For licensees who do not have a gaming system, or have not successfully tested their system and submitted the Acknowledgment Letter, an independent licensed employee records the slot machine soft meters. The drop team must not have access to the meter readings. The person reading and recording the meters may not participate on the drop or count team. An individual participating in some form of slot activity such as participating in a jackpot payout or fill would not be considered independent. However, the meters may be read by a security person as long as they have only acted as a verifier on a jackpot/fill payout during the drop period, and do not participate as a drop (e.g., observer) or count team member that same day. Licensees must record meter readings for:

Meter	Meter Importance
❑ Coin In	Used to calculate the actual hold percentage; various statistical analyses; indicator of volume of play; required for the gaming tax return.
❑ Coin Out	Used to determine reasonableness of fill amounts*.
❑ Coin Drop	Used to verify the actual coin drop*.
❑ Bill In	Used to verify the actual bills dropped.
❑ Attendant Paid Jackpots	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 cashable electronic promotional credits transferred to an Electronic Promotional Credit (EPC) enabled device from an electronic promotional credit system.

- Non-Cashable Electronic Promotion In
  Used to accumulate the value of non-cashable electronic 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 non-cashable electronic promotional credits transferred from an EPC enabled device to an electronic promotional credit system.

*These meters are not recorded if the slot machine hopper has been removed or disabled.

Manually recorded soft meter readings and system captured meters must be reviewed by accounting for reasonableness using pre-established parameters and prior meter readings. Prior to final preparation of statistical reports, meter readings which appear unreasonable are reviewed with the slot department personnel so that meters can be repaired or clerical errors in the recording of meter readings can be corrected. If a clerical error is not apparent, a variance investigation request must be performed following the variance investigation criteria outlined in this section.

Manually recorded soft meter readings and system captured meters may not be altered except to correct meters that were incorrectly recorded or captured. All changes or adjustments must have adequate supporting documentation. At no time can a meter delta be changed or adjusted without a thoroughly documented investigation. Accounting is responsible for notifying the slot department of potentially faulty meters, and following up to ensure that proper maintenance is

performed. Documentation must be maintained which supports machine service and maintenance.

It is the licensee's responsibility to capture meter readings so that the accurate statistical reports can be generated. If meters zero out (i.e., reset or clear), accounting personnel must contact the slot department to determine the cause of the meter reset. CLGR 30-1223 requires that licensees must maintain adequate records when electronic (soft) meter(s) are cleared. Using the information provided by the slot department, accounting personnel or the slot department must complete the meter reset form whenever meters are reset or cleared. On a monthly basis, accounting personnel must review the meter reset form to determine if there are any on-going problems with one or more slot machines, or similar or consistent problems with certain types of machines. For example, did machine #1010 reset 3 or more times during the month of May? If a machine's meters were reset or cleared 3 or more times a month, accounting and slot personnel must determine the cause of these resets (e.g., Are the slot technicians performing a RAM clear each time they go into a certain machine? Is this action necessary?). Accounting must document these reasons for future review by the Division. The Division must be notified via email at dor_coloradocasinos@state.co.us if a machine's meters reset three or more times in a month excluding RAM clears performed on new installations and final drops where final meter readings have been recorded. It is accounting's responsibility to ensure that appropriate and adequate meter readings are available to generate statistical reports.

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.

Slot Machine Statistical Reports

The Division of Gaming has developed 25 reports which accounting must prepare, review, and analyze. The Division has established data element and design format standards for each of these reports. Manufacturers of gaming systems are required to provide these reports to casinos with the design format (with the exception of the required EPCS reports) and data standards established by the Division. A licensee that uses a gaming system for which these standard reports are approved and available, are required to use the manufacturer reports generated by the system. A licensee that installs or upgrades to a gaming system for which these standard reports are approved and available, are required to use the manufacturer reports generated by the system upon completion of the system testing requirements. A licensee that does not use a gaming system for which these standard reports are approved and available, or that does not use a gaming system, must be able to produce the reports with the data elements present, but not necessarily in the design format established by the Division.

The nine statistical reports which accounting must prepare, review, and analyze include:

1. Drop Comparison Report (Drop Report)

2. Jackpot Comparison Report (Jackpot Report)
3. Theoretical Hold Report, MTD (MTD Hold Report)
4. Theoretical Hold Report, YTD (YTD Hold Report)
5. Ticket In Comparison Report (Ticket In Report)
6. Ticket Out Comparison Report (Ticket Out Report)
7. Cashable Electronic Promotion In Comparison Report (CEP-In Report)
8. Non-Cashable Electronic Promotion In Comparison Report (NCEP-In Report)
9. Non-Cashable Electronic Promotion Out Comparison Report (NCEP-Out Report)

The nine ticketing, four EPCS and one drop supporting reports which accounting must prepare, review, and analyze include:

1. Detail Report (not subject to secondary level of review)
2. Tickets Issued Report
3. Tickets from Slot Device Counted by Count Team
4. Tickets Redeemed by Device Report
5. Tickets Redeemed by Cashier Report Produced by Cashier
6. Tickets Unredeemed Report
7. Tickets Redeemed by Issuing Machine Report
8. Tickets From Kiosk Counted by the Count Team Report
9. Tickets Redeemed by Kiosk Report
10. EPCS Player Activity Report
11. EPCS Machine Activity Report
12. EPCS Detail Report
13. EPCS Credits Issued and Expired Report
14. Bill Drop Report By Denomination (Bill Report)

The one slot summary report which accounting must prepare, review, and analyze is: the Monthly Slot Revenue Summary (MSRS).

The one reconciliation report which accounting must prepare, review, and analyze is the Tax Template.

A fills reasonableness analysis, which is an optional report, may be prepared by the licensee to identify excessive fills.

A timely review of these reports is crucial to maintaining a secure internal control environment. Licensees are responsible for monitoring the performance of all gaming devices so that problems can be identified and resolved on a timely basis. Unusual, large, and/or unexpected variances must be investigated by the appropriate personnel, and the results documented in accordance with the adequate explanation criteria described earlier in this section under “General.”

Machine activity for any and all machines that were active on the gaming floor for any part of the month or year must be reflected on all statistical reports.

It is not acceptable to arbitrarily alter meter or actual information on any statistical report. Meter or actual information on any statistical report can only be changed if meters were read, recorded or captured incorrectly or if a data entry error occurred. All changes must be supported with adequate documentation.

Statistical Reports

Several gaming system reports are generated from system data based upon the time designated by the casino as its end of gaming day. In certain situations, the information presented on these reports will not agree to the reports created by drop and count activities.

Drop Comparison Report (Drop Report)

Refer to the forms section for an example of the Drop Report that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares the metered drop (Coin Drop and Bill In) to the actual drop (coin and bill) by machine, by denomination, and in grand total. The report is prepared on a drop-by-drop basis and must include MTD and YTD drop information. The MTD totals on this report must agree to the amounts shown on the MSRS. If one report is prepared using weigh amounts, and the other is prepared using wrap amounts, the difference (i.e., weigh/wrap variance) must be documented so the Drop Report accurately supports the amounts shown on the MSRS.

Actual coin and bill drop information must be combined for the purposes of preparing the Drop Report. Licensees must be able to distinguish whether variances are from coin or currency; the Bill Drop By Denomination (Bill Report) can be used to make this determination. Information needed to calculate the Drop Report includes the difference between current and prior drop meter readings, actual drop from the Slot Summary Report and Bill Validator Summary Report. The incremental change in the drop meters reflects what the slot machine recorded as dropped in the current drop period.

Variances between metered and actual drop are calculated by subtracting metered drop from actual drop. Variance percentages between metered and actual drop must be calculated by dividing the dollar variance by the metered drop amount. Variances must be identified on a drop-by-drop basis and investigated by machine for the current period using a percent threshold of (2%) and a dollar threshold of ($25). When a variance equals or exceeds 2% <u>and</u> equals or exceeds $25, the variance must be investigated and the results of the investigation documented in accordance with the adequate explanation criteria described earlier in this section under "General". All bill variances of $25 or more must be identified, investigated and the results of the investigation documented. In investigating bill variances, licensees may also need to look at the daily cash summary for bills receipted into the cashier cage as a result of bill validator malfunctions.

An analysis of the variances reflected on this report may help identify machine malfunctions, or theft.

Jackpot Comparison Report (Jackpot Report)

Refer to the forms section for an example of the Jackpot Report that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares the total hand paid metered amounts to the actual hand pays for each machine, e.g., the report compares the total of metered Attendant Paid Jackpots, metered Attendant Paid Progressive Payout, metered Attendant Paid Cancelled Credits, and metered Attendant Paid External Bonus (jackpot meters) with the actual manually paid jackpots sorted by machine, by denomination, and in grand total. Depending on the gaming system utilized, this report may reflect the end of gaming day meter incrementation. Additionally, the actual jackpot information used for this report may not coincide with the meter cutoff time reflected on this report. If the meter and actual are different time periods, the casino must ensure that the variance washes from drop period to drop period. The MTD totals on this report should agree to the actual jackpot payout totals shown on the MSRS. The report is prepared on a drop-by-drop basis and must include MTD and YTD jackpot information. The MTD totals on this report should agree to the actual jackpot payout totals shown on the MSRS. Reconciling items, such as statewide multi-link progressive contributions may exist and must be documented so the Jackpot Report accurately supports the amounts shown on the MSRS. If external bonus functionality is implemented, both the metered and actual amounts must be included in the calculation in this report.

All applicable hand paid meters must be captured. The licensee must calculate the incremental change for all applicable hand paid meters. The incremental changes must be added together and the resulting sum is the hand paid metered amount used on the Jackpot Report.

Information needed to calculate the Jackpot Report includes the difference between current and prior hand paid meter readings and the actual manually paid jackpots from the jackpot payout slips. The incremental change in the hand paid meters reflects what the slot machine recorded as hand paid jackpots in the current drop period. Some hand paid amounts may not affect hand paid meters, such as additional payouts. In reviewing the cause for variances, these factors should be taken into consideration.

Variances between metered and actual jackpots are calculated by subtracting metered jackpots from actual jackpots. Variance percentages between metered and actual jackpots are calculated by dividing the dollar variance by the metered hand paid amount. Variances must be identified on a drop-by-drop basis and investigated by machine for the current period using a percent threshold of (1%) and a dollar threshold of ($10). When a variance equals or exceeds 1% <u>and</u> equals or exceeds $10, the variance must be investigated and the results of the investigation documented in accordance with the adequate explanation criteria described earlier in this section

under "General". An analysis of the variances reflected on this report may help identify machine malfunctions, or if jackpots are being falsified.

Payouts that are not a result of a wager cannot be included in the calculation of AGP; therefore, are not allowable deductions on the gaming tax return. Examples of payouts that are not allowable deductions on the gaming tax return include the following: amount of overpayment of jackpots, payments due to incorrect machine set up, (i.e., reel strips incorrectly installed showing a jackpot yet the machine meter does not support the jackpot), failing to perform slot machine maintenance, payments as a result of a patron dispute that is not supported by the Division's resolution, etc. These types of payouts are considered promotional and may not be included as deductions on the gaming tax return. These types of payments must be shown as a reconciling item on the MSRS and the Tax Template.

EPCS Statistical Reports

Cashable Electronic Promotion In or Non-Cashable Electronic Promotional In or Non-Cashable Electronic Promotion Out Comparison Reports (CEP-In, NCEP-In or NCEP-Out Reports)

The impact on AGP due to EPCS is downloaded cashable electronic promotional credits plus downloaded non-cashable electronic promotional credits (E-Drop) minus uploaded non-cashable electronic promotional credits. No deduction from AGP is allowed if the EPCS does not permit the upload of non-cashable credits.

The following is an explanation of the information that must be contained on the statistical reports. The statistical reports must compare the CEP-In, NCEP-In and NCEP-Out meter deltas of the gaming device with the system's electronic promotional credit activity by machine, by denomination and in grand total.

The information required on the CEP-In, NCEP-In and NCEP-Out statistical reports may be combined on one report as long as the information for CEP-In, NCEP-In and NCEP-Out are shown separately.

The EPCS must be able to pull machine meters for CEP-In, NCEP-In and NCEP-Out and compare those meters to the system's electronic promotional credit activity. The statistical reports are to be prepared on a drop-by-drop basis and must include MTD and YTD electronic promotional information. The MTD totals on this report must agree to the amounts shown on the MSRS.

Information needed to prepare the EPCS Meter Comparison Reports includes the deltas between current and prior CEP-In, NCEP-In and/or NCEP-Out meter readings compared to the electronic promotional credit activity from the system. The incremental change in the meters reflects what the slot machine recorded as electronic promotional credit in and/or out in the current drop period. The report compares the change in the system CEP-In, NCEP-In and/or NCEP-Out to the corresponding cashable or non-cashable activity column indicating a variance between the

meter incrementation and the system's electronic promotional activity, as reported by the system, by gaming device. The report must also have a column that shows the amount of any variance and a column that shows the variance percent.

Variances between CEP-In, NCEP-In and/or NCEP-Out meter deltas and the electronic promotional credit activity are calculated by subtracting the metered amount from the electronic promotional credit system activity amount. This variance is expressed in a dollar amount. The variance amount is divided by the metered amount to determine the variance percentage. Variances must be identified on a drop-by-drop basis and investigated by machine for the current period using a percent threshold of +/- 1% and a dollar threshold of +/- $10. When a variance equals or exceeds 1% and equals or exceeds $10, the variance must be investigated and the results of the investigation documented in accordance with the adequate explanation criteria described earlier in this section under "General".

Theoretical Hold Report (Hold Report)

Refer to the forms section for an example of the MTD and YTD Hold Reports that meet the required report standards. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares the theoretical hold with the actual hold by machine, by denomination, and in grand total. The report is used to determine if a machine is performing as intended. The individual MTD and YTD Hold Reports must be prepared monthly. The YTD report is prepared on a rolling twelve month period. For each machine, this report reflects the number of days the machine was on the floor, metered coin in, actual drop (coin and bill), actual ticket drop (includes slot coupons), actual hand pays (includes jackpots, cancelled credits, progressive payouts, unclaimed jackpots, external bonuses and additional payouts), actual fills, actual tickets issued and AGP. Depending on the gaming system utilized, some of the information may reflect end of gaming day information. Generally, the end of gaming day information will be for handpays, fills, tickets issued and coin in.

A theoretical hold is defined as the intended hold percentage or win of a machine as calculated by reference to its payout schedule and/or reel strip settings. The actual hold percentage is calculated by dividing AGP by the dollar value of coin-in. The theoretical hold percentage is obtained from the manufacturer's par sheet. If the par sheet lists the theoretical payback percentage rather than the theoretical hold percentage, the theoretical hold percentage is calculated as 100 minus the theoretical payback percentage.

Licensees with slot machine games whose outcome is determined in whole or in part by skill must use the higher range of the manufacturer's expected field return subtracted from 100 as the theoretical hold for these types of games.

Licensees with multi-game and multi-denominational slot machines do not need to record the weighted theoretical hold percentage from the slot machine each month in conjunction with the

last drop of the month. However, this information may be beneficial when documenting variance investigations.

Licensees with random bonusing games may combine the game's theoretical hold and the random bonusing progressive contribution to use as the theoretical hold for comparison purposes. For a random bonusing progressive, the game's theoretical hold will be adjusted based on the progressive's configuration sheet when the progressive contribution is an integral part of the game's anticipated performance. The overall payback percentage is the base payback percentage plus the total random bonusing progressive contribution percentage of the progressive selection. The combination of the base game's payback and the random bonusing progressive's contribution to the payback must reflect the anticipated performance of the game. The associated theoretical hold percentage will be used on the Hold Report to determine the variance between the game's actual and theoretical hold. The difference between the actual hold and theoretical hold will be used to identify variances that must be investigated and explained. A copy of the game's par sheet showing the game's payback percentage or theoretical hold and a copy of the progressive configuration setup, clearly indicating which progressive configuration package is being utilized must be maintained in the game. This information is used to establish the theoretical hold percentage, perform variance investigations, and to document variances between theoretical and actual hold. The base game payback percentage (reflected on the par sheet) may not be less than 80% or more than 100% and the combined payback percentage may not be less than 80% or more than 100%. It is the licensee's responsibility to adhere to the minimum / maximum payback percentages for slot machines as defined in CLGR 30-1242

The dollar value of coin in for the current month is calculated by subtracting the prior month-end meter reading from the current month-end meter reading. If the meter represents units versus dollars, this amount is multiplied by the denomination of the machine to arrive at the dollar value of the meter incrementation.

Both unusual and/or large month-to-date and unusual and/or large year-to-date variances between the theoretical and the actual hold must be identified, investigated and the results of the investigation properly documented. Month-to-date variances may be the result of unusual activity during that month, i.e. an extremely large payout. If the year-to-date variance between theoretical and actual hold for that machine does not exceed the established YTD thresholds and the drop report, jackpot report and ticketing statistical reports do not reflect variances above the allowable thresholds, the month-to-date variance can be explained by referring to the year-to-date theoretical hold.

The actual hold percentage might vary from the theoretical hold percentage due to the random nature of slot machine payouts. However, over the lifecycle of the game, the actual hold should approach the theoretical hold. An analysis of this report will help ascertain the performance of a slot machine, whether meters are functioning properly, whether the slot machine is functioning properly, and assist with determining the reasonableness of fills. Unusual and/or large variances, where there have been no large payouts, and meters appear to be functioning properly, could indicate theft.

A method to potentially detect theft from hoppers is to ascertain the reasonableness of fills. See the slot meter discussion in this section regarding the coin-out meter, as well as the discussion of the fills reasonableness analysis.

Variances between theoretical hold percentages and actual hold percentages could also be attributed to theft from the drop bucket or bill validator boxes, which would be detected in the analysis of the Drop Report and/or the Bill Report.

Variances could also be caused by theft in conjunction with hand pay events, which would be detected in the analysis of the Jackpot Report

Investigations performed of hold percentage variances should include reviewing the Drop, Jackpot, EPCS and Ticket Reports to determine if variances appear on those reports which could provide support of the variance being investigated.

Licensees may elect to award patrons with additional payouts. These might be in the form of double jackpots or merchandise. If the licensee is awarding additional payouts, actual hold on the theoretical hold report includes the additional payouts; therefore, the actual hold percent must be recalculated to remove the value of the additional payout if the variance percent exceeds the established threshold.

Machines with a theoretical payback greater than 100% are illegal in Colorado. Therefore, it is the licensee's responsibility to monitor both theoretical and actual hold percentages affected by additional payouts. See additional payout procedures in the Slot Section for a complete discussion of procedures that must be implemented if the licensee elects to award additional payouts.

The dollar amount of all tickets redeemed by a TITO device is reported as ticket drop, and all tickets issued by a TITO device during the month must be used when calculating AGP on the hold report and calculating the actual hold.

The calculation of AGP for the Hold Report is as follows:

+ Actual Drop (coin, bill)
+ Actual Tickets and slot coupons redeemed by TITO device
+ E-Drop
- Fills
- Actual Hand Pays (includes jackpots, cancelled credits, progressive payouts, unclaimed jackpots, external bonuses and additional payouts)
- Actual Tickets Issued by TITO device
- Actual non-cashable credits uploaded by gaming device
= AGP

NOTE: AGP on the Hold Report will not tie to the AGP on the MSRS. The Hold Report reflects all tickets issued to accurately track the performance of the machine. The MSRS reflects only issued tickets that have been redeemed for proper reporting of gaming revenues and taxes. For

licensees that have chosen to enable EPCS functionality, the gaming system must ensure that the electronic promotional credit activity is included on the Hold report. If the Hold report cannot include the required EPCS information, the licensee may provide a supplemental report with the required data elements to accurately calculate the hold. The licensee's written accounting plan must state the name of the report, how the licensee will supplement the report to include the calculation of AGP, and its procedures for analyzing the report.

Ticket In Comparison Report (Ticket In Report)

Refer to the forms section for an example of the Ticket In Report that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares the change in the voucher in meter to the dollar amount of actual tickets and slot coupons redeemed by each TITO device. This report is prepared on a drop-by-drop basis and includes MTD and YTD information**.** This comparison is by device, denomination, and grand total. The actual dollar amounts on this report should agree by device and in total to the Tickets from Slot Device Counted by the Count Team but, due to timing differences, may not agree to the Tickets Redeemed by Device Report on a drop-by-drop basis. The actual dollar amounts on this report for each drop period and MTD should agree to the ticket drop amount reported on the MSRS.

Variances between metered and actual tickets redeemed by device are calculated by subtracting the metered amount from the actual amount. This variance is expressed as a dollar amount. The dollar variance is divided by the voucher in metered amount to determine the variance percentage. Variances must be investigated on a drop-by-drop basis by machine for the current period using a percent threshold of 1% and a dollar threshold of $10. When a variance equals or exceeds 1% <u>and</u> equals or exceeds $10, the variance must be investigated and the results of the investigation documented in accordance with the adequate explanation criteria described earlier in this section under "General".

Ticket Out Comparison Report (Ticket Out Report)

Refer to the forms section for an example of the Ticket Out Report that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares the change in the voucher out meter to the dollar amount of the tickets issued (Tickets Issued Report), as reported by the system, by each TITO device, denomination and grand total. Depending on the gaming system utilized, the meter and actual amounts may be based upon the end of gaming day. The report is prepared on a drop-by-drop basis and includes MTD and YTD information. This report is used in the reconciliation of outstanding tickets in order to determine ticket liability. Variances identified on this report may be a result of a system error or indicate a system communication problem.

Variances between metered and actual tickets issued by device are calculated by subtracting the metered amount from the tickets issued amount. This variance is expressed in a dollar amount. The dollar variance is divided by the voucher out metered amount to determine the variance percentage. Variances must be investigated on a drop-by-drop basis by machine for the current period using a percent threshold of 1% and a dollar threshold of $10. When a variance equals or exceeds 1% and equals or exceeds $10, the variance must be investigated and the results of the investigation documented in accordance with the adequate explanation criteria described earlier in this section under "General".

Supporting Reports

There are several supporting reports used to support the accuracy of the required statistical reports. Refer to the forms section for an example of the required report standards for each supporting report. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report with the exception of EPCS reports.

Any of these reports that are affected by slot coupons must either have a separate column that segregates the slot coupons from the tickets or two separate reports. One of the reports is for tickets and the other report is for slot coupons.

The supporting reports may be maintained electronically with the following conditions. The first and last pages of each report must be printed and reflect the title of the report, the dates (period) of the report, the first and last page numbers of the report, and grand totals as applicable. It may be necessary to print more pages to ensure the required information is captured. Required original initials must be reflected on the printed pages. For example, the printed pages of the count team's reports must reflect the date of the count, the grand total of the tickets counted the signatures and legible gaming license numbers of the count team. These pages are maintained in accordance with the ICMP.

The supporting reports may be captured and maintained on electronic media such as a memory stick, compact disc, floppy disc, hard drive, optical drive, etc. Reports must be saved in a standard format (non proprietary) such as .doc, .xls, PDF, .jpg, .tif, etc. Reports are not to be recreated to meet this requirement. For instance, if a modification to the report is made subsequent to the original report, the modified report must also be maintained. It is the licensee's responsibility to save these reports pursuant to Rule 30-1607.

It is not a requirement to save any reports electronically. The reports can be printed and filed with the appropriate paperwork. All reports whether printed or saved electronically must be made available to the Division pursuant to Rule 30-1602.

***Detail Report*:** This report provides a complete listing of each ticket generated by a TITO device and each ticket and slot coupon redeemed for the entire gaming day. At a minimum, this report must include the device number, date, time, validation number, date, time and the status (issued

or redeemed) of the ticket or coupon. This report is to be saved on a daily basis. This is not a standardized report; therefore, there is not an example of the report in the forms section.

***Tickets Issued Report*:** This report reflects the dollar amount of each ticket issued by a TITO device and is prepared for each drop period. Licensees reconcile the values on this report to the voucher out meter incrementation. The dollar amounts reflected on this report should agree by machine, denomination and in total to the amounts reflected in the actual column on the Ticket Out Report. Additionally, this report provides the numerical sequence of all issued tickets. Any missing or duplicate sequence numbers must be investigated.

Tickets from Slot Device Counted by Count Team: This report reflects the tickets and slot coupons counted by the count team. It is used to provide both a piece count and dollar amount of the tickets and slot coupons by TITO device. This report is prepared by the count team for each count performed. Depending on the gaming system utilized, the amounts on this report may not agree to the Tickets Redeemed by Device Report due to timing differences. The amounts on the Tickets from Slot Device Counted by Count Team Report should agree by machine, by denomination and in total to the amounts reflected in the actual column on the Ticket In Report.

Tickets Redeemed by Device Report: This report reflects the dollar amount of each ticket and slot coupon redeemed at a TITO device. This report is prepared for each drop period. Depending on the gaming system utilized, the information may be represented on a gaming day basis and therefore may not agree to the Tickets from Slot Device Counted by the Count Team Report.

***Tickets Redeemed by Cashier Report Produced by Cashier*:** This report reflects the dollar amount of each ticket and slot coupon redeemed by a cashier during a specific shift. At the end of each cashier's shift, this report must be printed. The cashier is responsible for all tickets and slot coupons he/she redeemed during his/her shift. The cashier will calculate a total dollar value of the tickets and slot coupons and tie the total to this report. The total count is used to reconcile to the cash drawer. This report is forwarded to accounting along with the cage paperwork, tickets and slot coupons for that shift.

The accounting department reviews and matches the tickets and slot coupons redeemed at the cage to the cashier reports for each shift. The accounting department compares the totals on this report to the totals documented on the Daily Cash Summary. The total dollar value of tickets and slot coupons recorded on the Daily Cash Summaries must be compared to the Tickets Redeemed by Cashier Report Produced by Cashier that details that cashier's ticket and slot coupon transactions.

Any variances between the total of the day's tickets and slot coupons and the reports must be reviewed, investigated, and the results of the investigation documented in accordance with adequate explanation criteria described earlier in this section under "General".

Tickets Unredeemed Report: This report provides a listing of the issuing TITO device number, date, time, validation number and dollar amount of each active (i.e., unredeemed) ticket. It must

be prepared, at a minimum, for each drop period. This report fluctuates daily as some tickets are not redeemed right away and may be redeemed on another day. Some tickets remain unredeemed until they expire. Unredeemed tickets may not be deducted for gaming tax purposes until they are actually paid to a patron. Redeemed tickets are deducted from gross revenue in the month they are redeemed.

Tickets Redeemed by Issuing Machine Report: This report reflects the dollar amount of each ticket redeemed, listed by issuing TITO device, which is prepared for each drop period. Depending on the gaming system utilized, this report may be generated on a gaming day basis. The dollar amounts reflected on this report should agree by denomination and in total to the amounts reflected in the Tickets Redeemed By Issued column on the MSRS. The licensee must ensure that this column does not include slot coupons.

Tickets from Kiosk Counted by the Count Team Report: This report reflects the tickets and slot coupons redeemed in a kiosk and counted by the count team and is used to provide both a piece count and dollar amount of the tickets and slot coupons from a ticket redemption kiosk. It is prepared by the count team in conjunction with each kiosk count. Due to timing differences, the amounts on this report may not agree to the amounts on the Tickets Redeemed by Kiosk Report

Tickets Redeemed by Kiosk Report: This report reflects the dollar amount of each ticket and slot coupon redeemed at a ticket redemption kiosk. This report is prepared in conjunction with each kiosk drop/count. Due to timing differences, this report may not agree to the amounts on the Tickets from Kiosk Counted by the Count Team report and the report generated from the ticket redemption kiosk. These tickets should appear on the Tickets Redeemed by Issuing Machine Report.

EPCS Supporting Reports

***EPCS Player Activity Report*:** This report must provide a summary of all players' activity of CEP-In, NCEP-In or NCEP-Out by gaming device, by denomination and grand total. This report must tie to the EPCS activity as shown on the CEP-In, NCEP-In or NCEP-Out statistical reports. This report must tie to the EPCS electronic promotional activity as shown on the CEP-In, NCEP-In or NCEP-Out statistical reports. It must be prepared, at a minimum, for each drop period.

Alternatively, the grand total from the EPCS Machine Activity Report is verified to the EPCS Player Activity Report. These reports are then verified to the CEP-In, NCEP-In, and/or NCEP-Out statistical reports. All variances including those as a result of timing differences between any of the reports are investigated and documentation is maintained as evidence of the review. Audit personnel can utilize other system generated reports to aid in the variance explanations.

***EPCS Machine Activity Report*:** This report must provide a summary of the gaming device activity of the CEP-In, NCEP-In or NCEP-Out by gaming device, by denomination and grand total. This must tie to the EPCS activity as shown on the CEP-In, NCEP-In or NCEP-Out statistical reports. This report must tie to the EPCS electronic promotional activity as shown on

the CEP-In, NCEP-In or NCEP-Out statistical reports. It must be prepared, at a minimum, for each drop period.

EPCS Detail Report: This report details all cashable and non-cashable electronic promotional credit activity from the EPCS.

EPCS Credits Issued and Expired Report: This report is a listing of all cashable and non-cashable promotional credits that were earned and downloaded to the game, or earned and not downloaded to the game and have since expired. This report must be prepared, at a minimum, for each drop period.

Bill Drop By Denomination (Bill Report) Supporting Report

***Bill Drop By Denomination Report (Bill Report)*:** Refer to the forms section for an example of the Bill Report that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report.

This report compares metered Bill In to actual bills by bill denomination and in total, for each machine, and by denomination total. The report is prepared on a drop-by-drop basis. This report is used to identify bill variances and can also be used as a tool to isolate coin variances.

Summary Report

Monthly Slot Revenue Summary Report (MSRS)
Refer to the forms section for an example of the MSRS that meets the required report standard. The example provides the required format as well as detailed explanations of the information required to be included in each column on the report. For licenses that have chosen to enable EPCS data and the MSRS does not include the required EPCS information, the licensee must provide a supplemental report with the required data elements to accurately calculate the MSRS. The licensee's written accounting plan must state how the licensee will supplement the report to include EPCS data.

Once a month, accounting personnel complete a MSRS, which is the support for the slot activity reported on the monthly gaming tax return. This report is a summary of slot activity by drop, by denomination, for a one month period. Information included on this report is the dollar value of metered coin-in, actual drop, E-Drop, actual tickets drop (includes slot coupons), actual jackpots, fills, all tickets redeemed, non-cashable electronic promotional credits activity out, hopper adjustments, and AGP. The monthly totals should equal the totals reported on the tax return. Any variances between the MSRS and the tax return must be adequately documented and explained. Tickets redeemed include the total dollar value of all tickets redeemed no matter where redeemed. Reconciling items, such as statewide multi-link progressive contributions and unclaimed jackpots may exist and must be documented so this report properly supports the amounts shown on the tax return. Other reconciling items include bills accepted into the cage

from bill validator malfunctions and are included on the reconciliation and carried forward as part of the drop on the tax return.

Reconciliation Report

Tax Template

The Tax Template is a tool used to reconcile a licensee's statistical reports, monthly gaming tax return, general ledger, and to identify any variances among them. The Tax Template must be completed by the licensee each month prior to submission of the monthly gaming tax return. The reconciliation must be signed and dated by the person performing the reconciliation. A secondary level review of the reconciliation must be performed. This review must be evidenced on the Tax Template by the reviewer's initials and date of the review. Any resulting variances must be explained and documented in accordance with the adequate explanation criteria described earlier in this section under "General". The current Tax Template spreadsheet is available on the Division's website. The licensee must use the most recent Tax Template for the reconciliation.

The licensee must ensure the statistical reports trace to all corresponding reports and reconcile to the tax return. All variances by denomination must be adequately documented and explained. Any necessary adjustments are made to the reports and reviewed prior to the filing of the gaming tax return. All adjustments made to the reports must be documented and supported by an adequate audit trail.

Optional Reports

Fill Reasonableness Analysis (Optional)

Licensees may perform a fills reasonableness analysis on a drop-by-drop basis. Excessive fills are individually determined by the licensee on a machine-by-machine basis using the following factors: volume of play, location of machine, performance history of the machine, day and seasonality factors, and any other factors affecting the amount of play a machine receives.

On a drop-by-drop basis, the licensee reviews actual fills of all machines to identify machines that appear to have excessive fills. After identifying the machines that appear to have excessive fills, the licensee performs a fills reasonableness analysis using the following formula to determine estimated fills:

> Change in Coin-in meter *minus* change in Coin-out meter *minus* change in Machine Paid Progressive Payout meter *minus* change in Machine Paid External Bonus Payout meter *minus* change in total drop (Coin Drop, Bill In, Voucher In (note: Voucher In includes slot coupons) meters *equals* estimated fills. Estimated fills are compared to actual fills and should be within ± one fill amount. When Coin-out increments for Attendant Paid Cancelled Credits, the cancelled credit amount must be added to the calculation to arrive at the estimated fills.

The estimated fills from this calculation should be within one standard fill amount (± one standard fill), hopper probe level, or hopper inventory count to actual fills for the period.

Possible reasons for variances include but are not limited to theft from hoppers, meter malfunctions, jackpots incorrectly coded as fills, or fills incorrectly coded as jackpots, machine malfunctions, and diverter problems.

Licensees should contact the Division's Audit Section regarding questions about the fills reasonableness analysis.

D. CASHIER

Cashier Procedures

Accounting personnel perform the procedures outlined below and sign gaming forms where appropriate as evidence that the procedures have been performed.

Clerically test beginning and end of shift cash inventory sheets, and trace totals to the daily cash summary.

Review the supporting documentation for all cash receipts and cash disbursements. Verify that all transactions are properly supported and authorized.

Promotional coupons and slot coupons, accepted by a cashier, in a kiosk or via a pouch pay are not deductible in the calculation of AGP.

Recalculate the net cash increase or decrease on the daily cash summary and post to the general ledger.
Trace amounts on the daily cash summary to the master games sheet, slot summary report, bill validator summary, and weigh/wrap variance report. Investigate and document any discrepancies.

On a periodic basis, frequent enough to detect unusual transactions on a timely basis, but at least once each drop period, accounting must have procedures in place whereby the copies of the jackpot payout/fill slips, table games jackpot payout slips, and the Fill/Credit slips are obtained and reconciled. The reconciliation should provide assurance that the totals match. Totals from the slips must also be reconciled to the daily cash summary and/or the drop paperwork as applicable. If discrepancies are discovered, accounting must investigate and document any discrepancies.

All sequentially numbered gaming forms are accounted for by accounting personnel. The owner/operator or the controller/auditor investigates any missing slips. Such investigation is documented in a report, which is submitted to the manager/owner or owner's designee for action as appropriate.

Noncompliance issues are investigated, documented, and resolved on a timely basis.

Accounting reviews all forms for mathematical accuracy and proper completion in accordance with the ICMP.

All completed gaming documents are forwarded to accounting. Accounting must review these documents for reasonableness, mathematical accuracy, proper signatory authority, and proper completion in accordance with ICMP.

On at least a quarterly basis, accounting personnel must randomly verify the amount of coin contained within coin bags. This function may take place any time during the calendar quarter. This unannounced test must be performed for a minimum sample of two bags of coin or tokens for each denomination for each location that bags are stored (i.e., cashier cage, coin room, vault, etc.). The date of the quarterly verification is randomly selected by accounting personnel and must occur on different dates and days each quarter so as to preclude any predictability of when the verification will occur. The test must be documented on the bagged coin/token verification form (see example at the end of this section). If the difference exceeds $10, the licensee must investigate and document the reason for the variance. If the difference exceeds $50, the Division must be contacted for evaluation of the test results and determination of further action needed.

E. KEY CONTROL

Accounting is responsible for reviewing the completed key logs for restricted key boxes. The key logs, with the exception of the Duplicate Key Control Log, are forwarded to accounting once a page is completed but at least monthly. The Duplicate Key Control Log should be forwarded to accounting once a page is completed but at least annually. Upon receipt of the logs accounting personnel review the key logs to ensure the logs are properly completed. This includes determining that only authorized individuals accessed restricted keys, that the length of key check out is appropriate for the function being performed, and that all keys were properly and timely returned. All noncompliance items are addressed based on procedures outlined in the written accounting plan. Accounting review must be evidenced by the reviewer's initials and date of review.

If the licensee utilizes an automated key tracking system (AKTS), the reports provided by the system will substitute for the key logs in a manual process. Accounting personnel perform a review of reports generated by the AKTS that document key transactions. This review is performed on a timely basis (as defined in the written accounting plan) to ensure all restricted keys are returned within a reasonable amount of time pursuant to the completion of the task that created the need for the key(s) removal, any unusual key removals are investigated and key returns have occurred. Investigations must be performed for any missing restricted keys. The investigation results must be documented. All improper transactions or unusual occurrences are investigated with the results documented. The Division is notified of unusual key activity including missing restricted keys, restricted keys taken off property, and system failure that requires the AKTS to be manually accessed, etc. This review is evidenced by the reviewer's initials and date of review.

Accounting personnel perform a review of reports generated by the AKTS that document transactions performed by system administrators. This review is performed on a timely basis (as defined in the written accounting plan) to determine whether the transactions completed by the system administrators provide adequate control over access to restricted gaming keys. This review is to determine whether the system administrator's transactions were proper, reasonable, and authorized. Documentation forwarded to accounting, which identifies the system administrator (name, license number) accessing the keys, security observing the access, the date and time of access and the reason for access is compared to the system report which details the administrator's access. The review is evidenced by the reviewer's initials and date of review.

Any time persons are added to or removed from the system, accounting personnel compare the key authorization logs or signature cards to the system information to ensure that key access within the system is appropriate.

Any time inappropriate access is discovered or suspected, the surveillance coverage of the AKTS and any related areas must be reviewed. This surveillance coverage must be maintained until such time there is a resolution to the investigation.

F. FORMS CONTROL

Accounting is responsible for completing and maintaining the forms control log. This log is completed each time forms are received by the licensee from the printer and when forms are distributed to the various departments. A separate forms control log must be maintained for each type of sequentially numbered form issued by accounting. The accounting person issuing the forms and the person receiving the forms must sign the forms control log. Only one sequence of each type of form may be issued and used, for each locked dispensing machine, at one time. See example of the forms control log at the end of this section.

As needed, accounting personnel replenish forms in the locked dispensing machines. During the week, casino personnel (e.g., cage employees, top signers) must notify accounting, before the accounting department closes, if they are running low on a particular form. To prevent the licensee from running out of a form when the accounting office is closed (e.g., holidays, weekends, etc.), accounting may issue one series of forms to the gaming manager prior to the accounting office closing. These forms must be locked in the surveillance room, or other secure area. If the accounting department is closed, the gaming manager may replenish forms in the locked dispensing machines using the extra series of forms. However, during accounting's regular business hours, forms must be checked out by accounting using the forms control log. Accounting is responsible for reconciling the numerical sequence of all forms. Accounting must ensure it knows, at all times, what series of forms have been issued to the gaming manager to be locked in the surveillance room or other secure area. Refer to the corresponding Forms Control Log procedures that follow in this section. Alternatively, for emergency purposes only, the general manager or designee, escorted by security, may access the accounting office to obtain forms.

If the accounting department is not physically located in the same building as the casino, one set of the forms can be maintained in the casino under lock and key with access to the forms limited to the gaming manager or security. Logs are maintained for these forms indicating receipt from the accounting office, issuance to the respective gaming department, dates, form numbers and signatures of the individuals receiving and issuing the forms.

G. TICKET IN/TICKET OUT PROCEDURES

Please see ICMP Section 8 Ticket In/Ticket Out and Slot Coupons, H for accounting TITO procedures.

H. KIOSK PROCEDURES

Accounting personnel perform the procedures detailed below and sign gaming forms where appropriate as evidence that the accounting procedures have been performed:

1. Match both copies of the kiosk disbursement form and examine the slips for proper signatory authority.

2. Trace information contained on the kiosk disbursement form to the kiosk fill report.

At the completion of the kiosk stacker drop/count, accounting personnel must perform the following procedures:

1. Print a ticket report from the ticketing module of the gaming system that reflects the dollar value of each ticket or coupon redeemed by each kiosk.

2. Trace the total dollar amount of tickets or coupons obtained from the count to the reports from the ticketing module of the gaming system. Any discrepancies must be investigated and the results of the investigation documented.

3. Trace the total dollar amount of tickets or coupons and currency from the count paperwork to the kiosk report (forwarded to accounting at the time of the kiosk drop) that details the stacker contents. Any discrepancies must be investigated and the results of the investigation documented.

4. The total dollar amount of tickets or coupons on the reports from the ticketing module of the gaming system should trace to the ticket amount on the kiosk report. Any discrepancies must be investigated and the results of the investigation documented.

Accounting must perform the following procedures each time the kiosk cassettes and hoppers are counted. At a minimum, cassettes and hoppers are counted and reimpressed once each month.

A reconciliation must be prepared and documented at the completion of the cassette and hopper count. Kiosk reports are used to reconcile the beginning imprest amount minus coins and bills

disbursed to equal the funds remaining in the cassettes and hoppers. The dollar amount of the cassettes and hoppers recorded on the count paperwork must equal the funds remaining in the cassettes and hoppers as recorded on the reconciliation. The reconciliation must be signed and dated by the person performing the reconciliation. A secondary level review must be performed of the reconciliation. Any discrepancies must be investigated and the results of the investigation documented; discrepancies could be a result of dispense errors, kiosk receipt issuance or theft. **Adequate explanation criteria must include the procedures used to investigate the variance and the results of the investigation.**

I. WIRELESS PROCEDURES

Accounting personnel perform the procedures detailed below for each validation device, sign and date gaming forms where appropriate as evidence that required accounting procedures have been performed.

Accounting reviews, matches, and verifies the tickets and slot coupons redeemed from each validation device to the device's corresponding report that lists every ticket and slot coupon redeemed by that device.

The tickets and slot coupons validated, redeemed and paid through the use of the validation device are processed and handled the same as tickets or slot coupons that are redeemed from the cashier cage. The tickets redeemed by cashier report produced for each validation device is reviewed. The total dollar value of tickets recorded on the daily cash summaries is compared to the tickets redeemed by cashier report produced by cashier that details the ticket or slot coupon transactions.

All variances between the total of the day's tickets or slot coupons and the report(s) are investigated and documented in accordance with the adequate explanation criteria.

The written accounting plan must include the reconciliation of all tickets redeemed through the use of a handheld device, and the inclusion of these tickets on the applicable supporting and statistical reports.

J. MINIMUM BANKROLL REQUIREMENTS

The minimum bankroll analysis worksheet is an analysis of a licensee's cash position. It is used for compliance purposes to determine if a licensee has sufficient funds to meet gaming requirements and meet governmental obligations. An example of this worksheet and the instructions are located on the Division's website.

A minimum bankroll analysis worksheet must be prepared by each licensed entity on a basis as frequent as necessary to determine whether a cash deficiency exists. Each licensed entity is required to submit this worksheet to the Division's Audit section: 1) prior to opening, each month for the first three months subsequent to opening and, if released from the monthly requirement by the Division, quarterly thereafter until the first anniversary of the opening, 2)

upon request by the Division, 3) upon adding or removing devices which materially affect the licensee's cash requirements, 4) when the licensee's cash position materially changes, and 5) when there is a cash deficiency. If at any time the licensee's available cash or cash equivalents are less than the amount required, the licensee must immediately notify the Division of this deficiency. Upon review of the bankroll analysis by the Division, the Director may require an adjustment to the cash requirement. The calculated cash requirement does not necessarily mean that the licensee must maintain this entire balance on premises. In other words, the cash requirement may be maintained either on premises, or in a bank account, or both. However, the licensee must be able to draw upon the funds immediately.

The total chip and token liability (float) is included on this worksheet. The liability is calculated by taking the total of all chips, excluding non-cashable chips, and tokens manufactured as indicated on invoices, minus all chips and tokens available in the casino or destroyed.

K. MONTHLY GAMING TAX RETURN

Each licensee must file a monthly gaming tax return electronically. The gaming tax returns are due the 15th day of the month immediately following the calendar month for which taxes are due. For example, the tax return for the month of October is due November 15. If the 15th falls on a weekend or holiday, the tax return is due the next business day. If a tax return is not filed timely, a penalty equal to 15% of the tax or $10, whichever is greater, will be assessed in accordance with section 44-30-604, C.R.S..

The Division recommends payment of gaming tax be made using Electronic Funds Transfer (EFT). An EFT form must be completed and submitted to the Division at least 21 days prior to the first payment due date to establish an EFT account. Pursuant to section 44-30-604 C.R.S., if the gaming tax is not paid within the prescribed time, interest will be assessed at a rate of 2% per month for the period of time during which the payment is late, or $5, whichever is greater.

Any adjustments to previous months' AGP must be reported as an adjustment on the gaming tax return, providing this falls within the same gaming tax year. Prior to submitting the tax return affected by the adjustment, the licensee MUST submit supporting documentation to the tax examiner. If the adjustment reflects previously unreported revenue, the licensee must also pay interest on the adjustment. If the adjustment is for a period prior to the current tax year, the licensee must contact the Division's Audit section for proper reporting requirements. Contact the Division for calculating the amount of any interest due and for reporting procedures for any adjustment falling in another gaming tax year.

The number of devices (slot machines or table games) reported on the tax return is based on the average number of active devices on the floor during the month. To arrive at this figure, total the number of devices per day for the month and divide that total by the number of days in the month. For example:

The number of nickel machines on floor by day during the month of July is:

Day	# of Devices	Day	# of Devices	Day	# of Devices
July 1	10	July 12	12	July 23	15
July 2	11	July 13	12	July 24	15
July 3	12	July 14	13	July 25	15
July 4	12	July 15	13	July 26	15
July 5	12	July 16	13	July 27	15
July 6	13	July 17	14	July 28	15
July 7	13	July 18	14	July 29	15
July 8	13	July 19	14	July 30	15
July 9	13	July 20	15	July 31	10
July 10	12	July 21	15	Total	413
July 11	12	July 22	15		

The number of devices per day is totaled for the month, in this example 413, and divided by the number of days in the month, in this example 31 days, for an average number of devices, in this example 13.32. The total number of devices reported on the tax return for this example is 13. The same procedure is followed for all devices the casino has on the floor.

Licensees may report slot drop on the tax return using either weigh or wrap amounts, but must be consistent with whichever basis is used. Weigh/wrap variances are not reported on the tax return.

If monthly reporting can be properly configured in the gaming system, a drop does not need to be scheduled for the last day of the month; the revenue (drop) and expenses (jackpot and fills) from the drop closest to the end of the month is used for filing that month's return. The revenue and expenses generated for the remainder of the month is reported on the next monthly gaming tax return.

In order for AGP from charitable events to be taxed at the charity tax rate (3%), the licensee must file the appropriate notice with the Golden office of the Division of Gaming, to the attention of the Audit Section, at least 14 days prior to the day of the event. Otherwise, the AGP collected for that event will be taxed at the normal tax rate. An example of the notification form may be obtained from the Division upon request. See sections 44-30-901 through 44-30-903, C.R.S., for further information regarding the sponsorship of charitable events.

Prior to opening, the licensee must obtain tax filing instructions from the Division. The Division will establish an account for the licensee in the tax filing system and will set up the licensee's system administrator. Licensees may contact the Division's Tax Examiner at (303) 205-1300 between the hours of 9:00 a.m. and 4:00 p.m., Monday through Friday, with questions regarding the tax return or the filing process. Also see the help feature in the tax filing system.

Unclaimed Jackpots

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

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

The casino must have a policy in place for paying patrons if the paperwork has been dropped to accounting. In some cases, the patron may not have retained his/her copy of the unclaimed jackpot receipt. Upon establishing proper identification of the patron and verifying whether the taxable jackpot winner is listed in the GPI registry as detailed in ICMP Section 1 General, H, 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.

L. STANDARD FINANCIAL STATEMENTS

Each year licensees are required to file standard financial statements with the Division. Standard financial statements for the calendar year (January – December) are due to the Division by March 15. Any questions regarding how the statements are to be completed are directed to the Division's Audit section. All schedules must be completed. If there is a schedule that does not apply to the licensee, then all amounts must be entered as zero. All information is kept confidential; the financial information is compiled on a city, state-wide, and tax tier group basis and presented in the annual Gaming Fact Book and Abstract.

Un-audited financial statements must also be submitted to the Division in the event any of the following occur:
1. A license termination,
2. Change in the business entity, or
3. A change in control or ownership.

If any of the above events occur, the licensee or former licensee must, not later than 75 days after the event, submit to the Division a financial statement covering the period from the last statement to the date of termination or change. Contact the Division's Audit section prior to submitting the financial statements

M. AUDITED FINANCIAL STATEMENTS

Pursuant to CLGR 30-1620, licensees with annual AGP during their business year of $10 million or more must submit **two** printed copies, or one electronic copy, of the audited financial statements for that business year to the Division not later than 120 days after the last day of the licensee's business year.

Within 10 days of the licensee initially engaging an independent certified public accounting firm or a new firm to perform the audit the licensee must notify the Division's Tax Examiner in writing of the name of the firm**.** Prior to the firm's review, the licensee must notify the

Division's Tax Examiner of the names of the individuals performing the review, which requires access to restricted areas, what restricted areas they will access, and the date of access.

N. INTERNAL COMPLIANCE OFFICER

Each licensee must designate, in writing, to the Division's Audit section, an employee that will serve as its internal compliance officer (ICO)[1]. The ICO can be an employee of the licensee or a contracted licensed person. The licensee must include a description of the designee's primary job responsibilities, line/staff authority, the position the ICO reports to, related gaming experience, gaming license number, and email address. The ICO(s) must possess a key license unless a property-level ICO reports to a key-licensed corporate position responsible for compliance or the ICO's responsibility is limited to the completion of the semi-annual ICO checklist. Prior to opening and within 30 days of any change in the designated ICO, all licensees must submit a letter to the Division's Audit section designating their ICO(s), the ICO(s) e-mail address and other required information.

The following guidelines should be considered in appointing an ICO:

Objectivity The objectivity of the ICO is determined by the organizational level to which the ICO reports the results of their work and the organizational level to which they report administratively. The ability of the ICO to act independently of the individuals responsible for the functions being audited or reviewed is crucial.

Competence The competence of the ICO is determined by their relative work experience in the area they are reviewing, and training and supervision received. To effectively evaluate systems of internal control, operating processes, and other management requests, the ICO must be familiar with the internal control objectives and operating procedures for the specific area of operations they are reviewing.

It may be necessary for licensees to designate more than one ICO in order to meet both the objectivity and competence requirements for all sections. The appointment of this ICO(s) is subject to review by the Division's Audit section.

At a minimum, the ICO must complete one full set of the ICMP Compliance Checklist for Internal Compliance Officers every six months. Copies of the checklist may be obtained at the Division's website at www.colorado.gov/enforcement/gaming. The ICO must ensure they are using the most recent version of the ICO checklist.

The ICO must prepare a report summarizing each noncompliance issue noted during the completion of the ICO checklists. This report must include the ICO's recommended corrective action plan for each noncompliant item. The report is submitted to the casino's management for

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[1] **Group A Difference ⇑** **This doesn't apply to Group A Licensees. Group A Licensees are exempt from the requirement to have a designated ICO.**

review and response. The General Manager who is responsible for the implementation of the corrective action must sign the Statement of Compliance Checklist. The review completed for the period of January – June is due to the Division by July 31, and the review for July – December is due to the Division by January 31. A report must be submitted even if no violation occurred.

Instructions for completing the ICMP Compliance Checklists for Internal Compliance Officers and submitting the ICO report are located on the Division's website. The following items must be submitted to the Division by the required due date of the period under review. Examples of the format of the required submittals may be obtained at the Division's website.

1. The "**ICO Summary of Test Results**" lists:
   - The total number of items inspected,
   - Number of noncompliance items by ICMP section.
2. The "**ICO Sample Selection Documentation**" lists:
   - The observations performed,
   - Documentation tested.
3. The "**ICO Statement of Compliance**" indicates:
   - A statement of adequate system of internal controls.

     *****Please do not submit the actual checklists unless requested by the Division.
4. The "**ICO Report**" lists:
   - The noncompliance issues identified by the ICO,
   - The ICO's recommendations for corrective action for each noncompliance item noted, and
   - The Management's responses to each noncompliance issue identified.

The items listed above are submitted via email to the Division at: dor_coloradocasinos@state.co.us Please use a subject line of (ICO Report for "Casino Name"). If the submittal does not include the required signature please send or deliver a signed copy of the ICO Statement of Compliance Checklist to the local Division office audit section.

O. STATEWIDE MULTI-LINK SYSTEMS

General

The following provides an explanation of accounting procedures for statewide multi-link progressive systems. The revenue cycle of a machine connected to a statewide multi-link system is no different from that of any other slot machine. Funds are dropped and counted, and taxed using the same procedures used for other machines. Primary jackpots and secondary jackpots (if applicable) are treated differently for purposes of calculating AGP.

Jackpot Deductions on Tax Returns

If the statewide multi-link system offers a secondary jackpot that is reimbursed by the system vendor, the following applies. When licensees pay out secondary jackpots, 100% of the amount paid to the patron is not deducted to arrive at taxable AGP on the gaming tax return. The pro-rated portion of the secondary jackpot is the amount allowed as a deduction on the gaming tax return to arrive at taxable AGP. The statewide multi-link vendor will send a report to each licensee with its individual pro-rated portion of that jackpot detailed on the report. A copy of the report should be maintained with the licensee's copy of the tax return to adequately document any deduction. It is the licensee's responsibility to obtain these reports in the event the vendor does not automatically send them to the licensee. The licensee's pro-rated portion of statewide secondary jackpots paid during the month is reported in the "Statewide Contributions" box for the multi-denomination slot denomination on the monthly gaming tax return.

All primary jackpots won by patrons will be paid directly by the statewide multi-link vendor. Similar to secondary jackpots, each licensee will receive a report detailing its pro-rated portion of the jackpot that is allowable as a deduction on the tax return to arrive at taxable AGP. The licensee's pro-rated portion of statewide primary jackpots paid during the month is reported in the "Statewide Contributions" box for the multi-denomination slot denomination on the monthly gaming tax return.

The licensee typically pays a certain percentage of coin-in to the statewide multi-link vendor on a periodic basis. The payment to the vendor is not a deduction in calculating taxable AGP; only the pro-rated portion of the jackpot (as discussed above) is allowed as a deduction in the month in which the jackpot is won.

When a patron wins a secondary jackpot, which initiates a hand pay, the payout procedures are the same as they are for any other jackpot. However, the licensee will mark the box on the Jackpot Payout slip titled "Secondary Jackpot – Statewide Multi-link". Statewide secondary jackpots paid by a licensee are reported in the "Statewide Secondaries" box for the multi-denomination slot denomination on the monthly gaming tax return.

P. CHIP AND TOKEN PROCEDURES

Chip and Token Accountability

General Accountability
To account for chips and tokens, licensees shall perform the following:

1. For all new casinos, an initial inventory of all chips and tokens must be conducted. There must be two independent counts (inventories) conducted by at least two licensed casino employees. Independent means that the person conducting the first inventory is different from the person conducting the second inventory. Both inventories must be documented. The documentation shall include:
    a. The date the chips and tokens were received,
    b. The date the inventory was conducted,
    c. An itemization by denomination (one for chips; another for tokens),

d. Printed names and signatures of the individuals who conducted the inventory, as well as his/her corresponding license numbers, and
e. A copy of the related invoice.

Any deviation between the invoice accompanying the chips and tokens and the actual chips and tokens received, as well as any defects found (i.e., anything that differs from the approved artwork), must be reported to the Audit section of the Division's local office. The Division will then determine the appropriate course of action. In situations of discrepancies or defects, no circulation of chips and tokens into the current inventory shall be completed until approval by the Division has been obtained. Upon resolution, a final reconciliation of the manufacturer's invoice to the actual inventory must be performed and documented, with supporting documentation for all reconciling items.

2. Subsequent to opening, additional chips and tokens received from a manufacturer or distributor must be inventoried by at least two licensed employees of the casino, one of whom shall be from the accounting department. The inventory documentation shall comply with the requirements specified in paragraph #1.

3. Chips and tokens that are not in active use may be stored in a casino vault, a cashier cage, or other comparable secure area. In addition to the quarterly inventory requirements specified below, an inventory must be conducted any time chips and tokens are removed from, or returned to, the storage area. The inventory shall be conducted after the removal/return, and must reconcile to the previous inventory. Supporting documentation must be attached for all reconciling items. The inventory documentation shall indicate the location of the chips and tokens in the licensee's possession, and comply with the requirements specified above in paragraph 1 (b) – 1(d).

4. Upon adoption of a new properly registered trade name, the licensee may petition the Director to approve a redemption plan pursuant to CLGR 30-1304 to affect the cancellation of a chip and/or token series.

Quarterly Reconciliation

Licensees must have written accounting procedures in place that enable them to perform and document an accurate inventory and reconciliation of all their chips and tokens, as well as the corresponding liability for all outstanding chips and tokens. Additionally, an estimated hopper amount for all machines with tokens must be included in the inventory calculation. The estimate can be calculated by using the most current hopper count or a reasonable percentage of the hopper fill amount. Whichever method is used, it must be consistently applied each time. The inventory of chips and tokens shall be conducted at the end of each quarter, and the reconciliation shall be completed no later than the end of the month immediately following the quarter. Each such inventory shall be completed by two licensed employees performing independent counts, and reconciled to the previous inventory, by Accounting, with accurate and complete documentation supporting the changes in inventory.

Following is the formula for calculating the chip and token float to report on the minimum bankroll:

Total of all chips and tokens placed into service at opening
Plus: Chips & tokens purchased since opening through the last day of the prior quarter
Less: Chips & tokens destroyed since opening through the last day of the prior quarter
Less: Cancellation of a chip and/or token series through the last day of the prior quarter
Equals: Total of chips & tokens at beginning of current quarter
Plus: Chips & tokens purchased during the current quarter
Less: Chips & tokens destroyed during the current quarter
Less: Cancellation of a chip and/or token series during the current quarter
Equals: Balance of chips and tokens
Less: Chips& token inventory on hand at end of current quarter
Equals: Chip & Token float at end of current quarter*

*This float amount carries over to the minimum bankroll analysis worksheet. Note: Non-cashable chips are not included in the calculation of chip & token float.

Minimum Bankroll Requirements

The liability of outstanding chips and tokens, as calculated during the quarterly inventory, shall be included on the minimum bankroll analysis worksheet. The December 31 inventory balance and liability for outstanding chips and tokens shall be reported as an asset and a liability, respectively, on the licensee's standard financial statements.

Foreign Chips and Tokens

Foreign chips and tokens are defined as any chips and tokens issued by another gaming establishment. Foreign chips and tokens can include those from existing operating casinos and from closed casinos. The Division is concerned when foreign chips and tokens from closed Colorado casinos or from any casinos outside Colorado show up in a licensee's inventory. Therefore, if a licensee finds $20 or more of foreign chips or tokens from closed Colorado casinos or any casino outside of Colorado in a drop period it must immediately contact the Enforcement section of the local Division of Gaming office. The Division will determine if an investigation is warranted. If a licensee finds fewer than $20 of foreign chips or tokens from closed Colorado casinos or any casino outside of Colorado, the licensee will retain the chips and tokens and arrange for destruction. Prior to destroying the chips and tokens, a destruction plan must be submitted to, and approved, by the Division. See Chip and Token Destruction procedures below.

Chip and Token Destruction

Licensees who maintain an operating licensed establishment, but wish to destroy all or part of its existing chip/token inventory (which may also include mutilated and foreign chips and tokens), must prepare a written plan for the destruction of those chips and tokens. This plan is submitted to the Division for approval at least 10 days prior to the anticipated destruction. These licensed establishments shall continue to honor all of their outstanding chips and tokens presented for redemption as long as the establishment remains open or until a new properly registered trade name has been completed and a redemption plan has been approved by the Director.

The objective of a destruction plan is to ensure chips and tokens are disposed of in a manner that complies with Rule 13 of the Colorado Limited Gaming Regulations. Destruction plans must include:

1. Scheduled date and location of destruction, which must be approved by the Division. Destruction must occur within the state of Colorado.
2. Name(s) and license numbers of person(s) that will perform the destruction.
3. Number of and dollar value of chips and/or tokens, by denomination, to be destroyed. This number must be reconciled to the previous, most recent quarterly inventory with accurate and complete documentation supporting any changes in inventory. The licensee maintains the reconciliation and is not required to submit this to the Division.
4. A detailed explanation of the method of destruction.
5. For foreign chips and tokens, the number of and dollar value of chips and/or tokens by denomination and casino name. Foreign chips and tokens from casinos outside of Colorado can be listed as one line item and noted as such.

The Division will provide written approval of all destruction plans prior to the licensee destroying any chips or tokens.

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. This inventory shall be reconciled to the inventory shown in the approved destruction plan. Any discrepancies between the amount shown in the destruction plan and the amount counted during the pre-destruction inventory must be explained and supported.

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. A copy of all inventory documentation, including weigh scale tape, if applicable, and any other supporting information, shall be maintained by the casino. This documentation is provided to the Division within five business days following the inventory.

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 the video recording must be maintained by the casino for 30 days.

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 available), must be provided to the Division of Gaming within five business days following the destruction.

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.

FORMS

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

Bagged Coin/Token Verification Form

This form is used by the accounting department to document the quarterly random verification of all bagged coin, whether in the cashier cage, coin room, vault, etc.

Forms Control Log

A log which documents receipt and disbursement of restricted gaming forms.

Progressive Incrementation Rate Chart

This form is used to calculate the progressive incrementation rate for the coin-in meter reasonableness test.

Quarterly Slot Progressive Testing Form/Meter Reasonableness Test

This form is used to document quarterly testing of progressive banks using the meter reasonableness method of testing. Accounting is responsible for the quarterly testing and documenting of progressive banks.

Quarterly Slot Progressive Testing Form/Physical Coin-In Test

This form is used to document quarterly testing of progressive banks using the physical coin-in method of testing. Accounting is responsible for the quarterly testing and documenting of progressive banks.

Meter Reset Form

A log documents when a game meter is cleared, the reason it was cleared, and who cleared it.

Slot Tournament Summary Form

This form is used to record and document the total amount of entry fees, the total cost of prizes awarded or paid, and the resulting AGP for gaming tax purposes.

Table Games Tournament Summary Form

This form is used to record and document the total amount of entry fees, the total cost of prizes awarded or paid, and the AGP for gaming tax purposes.

Table Games Tournament Summary Form (Multi-Licensee)

This form is used to record and document the total amount of buy-ins collected, the total cost of prizes awarded or paid, by shift, by day, by licensee, and in total. **Buy-ins collected must be**

equal to or less than the prizes awarded to participants. No taxable AGP may result from multi-licensee tournaments.

Blackjack Master Games Summary Report

A summary of the master games sheet by day, for a one-month period, which supports the monthly gaming tax return. Blackjack, poker, craps and roulette information may be combined on one report as long as the information for blackjack, player banked poker, house banked poker, craps and roulette is shown separately.

Blackjack Statistical Report

A report which provides a statistical analysis of blackjack hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage.. Blackjack, poker, craps and roulette information may be combined on one report as long as the information for blackjack, house banked poker, craps and roulette is shown separately.

Craps Master Games Summary Report

A summary of the master games sheet by day, for a one-month period, which supports the monthly gaming tax return. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, player banked poker, house banked poker and craps is shown separately.

Craps Statistical Report

A report which provides a statistical analysis of craps hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

House Banked Poker Statistical Report

A report which provides a statistical analysis of house banked poker game hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

Poker Master Games Summary Report

A summary of the master games sheet by day, for a one-month period, which supports the monthly gaming tax return. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, player banked poker, house banked poker and roulette is shown separately.

Roulette Master Games Summary Report

A summary of the master games sheet by day, for a one-month period, which supports the monthly gaming tax return. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, player banked poker, house banked poker and roulette is shown separately.

Roulette Statistical Report

A report which provides a statistical analysis of roulette hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

Bill Drop Report by Denomination

This report compares metered bill in to actual bills by bill denomination and in total, for each machine, and by denomination total. The report is prepared on a drop-by-drop basis.

Drop Comparison Report (Drop Report)

A report which compares the metered drop with actual drop, by machine, by denomination, and in total. The report is prepared on a drop-by-drop, MTD and YTD basis.

Jackpot Comparison Report (Jackpot Report)

A report which compares total hand pay event meters with actual hand pay events including attendant paid jackpots, attendant paid accumulated credits, attendant paid progressive payouts and attendant paid external bonus payouts by machine, by machine denomination, and in total. The report is prepared on a drop-by-drop, MTD, and YTD basis.

Monthly Slot Revenue Summary (MSRS)

A summary of slot activity by drop, by machine denomination, for a one-month period, which supports the monthly gaming tax return.

Theoretical Hold Report (Hold Report)

A report which compares the theoretical hold with the actual hold by machine, by machine denomination, and in total. Two reports are required to be prepared. One report is prepared on a MTD basis and one report is prepared on a YTD basis.

Ticket In Comparison Report (Ticket In Report)

This report compares the total voucher in metered amount to the actual tickets redeemed by machine. This report must be prepared on a drop-by-drop, MTD, and YTD basis, and shows totals by machine, machine denomination, and grand totals.

Ticket Out Comparison Report (Ticket Out Report)

This report compares the total voucher out metered amount to the actual tickets issued (as reported by the TITO system) by the device. This report must be prepared on a drop-by-drop, MTD, and YTD basis, and shows totals by machine, by machine denomination, and grand totals.

Tickets From Kiosk Counted by the Count Team Report

This report reflects the tickets and slot coupons from a ticket redemption kiosk counted by the count team, and is used to provide both a piece count and dollar amount of the tickets and slot coupons from a ticket redemption kiosk. It is prepared by the count team in conjunction with each kiosk count.

Tickets From Slot Device Counted by Count Team

This report is the result of the tickets and slot coupons counted by the count team. This report is used to provide both a piece count and dollar amount of the tickets and slot coupons by TITO device. This report is prepared by the count team for each count conducted.

Tickets Issued Report

This report reflects the dollar amount of each ticket issued, by TITO device and is prepared for each drop period.

Tickets Redeemed by Cashier Report Produced by Cashier

This report reflects the dollar amount of each ticket and slot coupon redeemed by a cashier during a specific shift. At the end of each cashier's shift, this report must be printed by the cashier.

Tickets Redeemed by Device Report

This report reflects the dollar amount of each ticket and slot coupon redeemed at a TITO device and is prepared for each drop period.

Tickets Redeemed by Issuing Machine Report

This report reflects the dollar amount of each ticket redeemed, listed by issuing TITO device and is prepared for each drop period

Tickets Redeemed by Kiosk Report

This report reflects the dollar amount of each ticket and slot coupon redeemed at a ticket redemption kiosk. This report is prepared in conjunction with each kiosk drop.

Tickets Unredeemed Report

This report provides a listing of the issuing TITO device number, date, time, validation number and dollar amount of each active (i.e., unredeemed) ticket. It must be prepared, at a minimum, for each drop period.

The following reports are for EPCS and a sample of the reports are not provided.

Cashable Electronic Promotional In Comparison Report (CEP-In)

A report which compares the metered cashable electronic promotional in with cashable electronic promotional in activity, by machine, by denomination, and in total. The report is prepared on a drop-by-drop, MTD and YTD basis.

Non-Cashable Electronic Promotional In Comparison Report (NCEP-In)

A report which compares the metered non-cashable electronic promotional in with non-cashable electronic promotional in activity, by machine, by denomination, and in total. The report is prepared on a drop-by-drop, MTD and YTD basis.

Non-Cashable Electronic Promotional Out Comparison Report (NCEP-Out)

A report which compares the metered non-cashable electronic promotional out with non-cashable electronic promotional out activity, by machine, by denomination, and in total. The report is prepared on a drop-by-drop, MTD and YTD basis.

EPCS Player Activity Report

This report reflects a summary of all players' activity of CEP-In, NCEP-In or NCEP-Out by gaming device, by denomination and grand total.

EPCS Machine Activity Report

This report reflects a summary of the gaming device activity of the CEP-In, NCEP-In or NCEP-Out by gaming device, by denomination and grand total.

EPCS Detail Report

This report reflects all cashable and non-cashable electronic promotional credit activity from the EPCS.

EPCS Credits Issued and Expired Report

This report is a listing of all cashable and non-cashable promotional credits that were earned and downloaded to the game, or earned and not downloaded to the game and have since expired.

SECTION 12

ELECTRONIC IMAGING SYSTEMS

A. GENERAL

A licensee may use an electronic imaging system to facilitate compliance with the Division's record control and retention requirements. Electronic imaging systems can be used for the capture, storage, retrieval and management of electronic images of files and required gaming documents and related structured data repositories. Imaging systems provide document integrity in that digitally stored documents do not degrade in quality due to handling or age and images cannot be altered. Systems can operate anywhere from a single stand-alone PC workstation to an enterprise-wide system via a local area network (LAN) or wide area network (WAN). Utilizing optical disks, CD-ROM disks, and/or zip disks, systems can convert both paper documents and electronic information into easily accessible databases for quick and simple recall, intelligent transmission to other users or departments, expedient printing and faxing and secure archival storage.

Many different technologies are involved in electronically managing documents and data, including high-speed communication networks, scanners and printers, servers and workstations, optical and magnetic storage devices, relational databases and more. This section of the ICMP provides general guidelines for the implementation and use of any electronic imaging technology.

When a licensee decides it wants to consider utilizing an imaging system, certain procedures must be followed and specific concerns must be addressed prior to installation, implementation, and reliance on any system. These include, but are not limited to, designing an indexing methodology, developing a scanning plan, output media, and other planning considerations; testing requirements, quality assurance issues, quality control matters, access to records, inventory control of original media, and other ongoing requirements. This section of the ICMP provides general guidelines for these procedures and concerns.

The licensee must receive written approval from the Division prior to relying on the imaging system as the means of record retention.

B. DOCUMENT CONTROL AND RETENTION REQUIREMENTS

It is the responsibility of the licensee to maintain compliance with the Division's record control and retention requirements as specified in CLGR 30-1602 and 30-1607, regardless of the specific capabilities and/or limitations of its imaging system. Potential limitations of any imaging system, including limitations affected by the licensee (e.g., incorrect indexing, accidental omission of a document, non-retrievable image, lost image, etc.), will not justify noncompliance with Division requirements.

C. MINIMUM REQUIREMENTS

If a licensee intends to utilize an electronic imaging system, the licensee must ensure the system meets, at a minimum, the general requirements discussed in this section.

Access to Electronically Stored Records

As stated above, utilization of an imaging system does not mitigate the licensees' responsibilities for complying with the record control and retention requirements set forth in the CLGR. These requirements address, in part, the Division's access to gaming records upon demand (CLGR 30 - 1602 (1)). Consequently, the licensee must ensure that any request for gaming records by a Division representative can be met in accordance with the regulations. It is the responsibility of the licensee to determine the best manner of satisfying this requirement. At a minimum, the licensee must have an employee available during all hours of operation who is knowledgeable enough to respond to any such request (i.e., produce the requested information) upon demand.

Testing the Imaging System

All electronic imaging systems must be tested by the licensee for a period of not less than four consecutive drops. Results of the test must be documented by the licensee and submitted to the Division. The Division will audit the results and, upon successful completion of the audit, issue written approval for the system to be used, as tested, to capture, store, retrieve and manage electronic images of files and required gaming records. **All original media (includes all original documents) must be maintained by the licensee in accordance with CLGR 30-1602 and 30 - 1607 until the licensee receives this written approval from the Division**. Additional detail on testing requirements is presented later in this section.

Indexing Methodology

Central to the effective utilization of an imaging system to electronically manage records and data is a sound, comprehensive indexing methodology. The licensee must design an indexing methodology to be submitted to the Division prior to testing the system. This is discussed in more detail later in this section.

Inventory Control of Original Media

No gaming document, report, slip, form, etc., may be electronically imaged until all required document review procedures and audit procedures specified in the ICMP and the licensee's written accounting plan have been completed by the licensee. Once the original gaming records are audited and subsequently electronically imaged, they must be maintained for 90 days from the gaming date of the document. This applies to all first run reports, audit adjustments, variance explanations, final reports, multi-part slips, and all other required gaming records. After the 90 day period, the original media (only the media that has been imaged) may be disposed of in accordance with the procedures outlined in the licensee's written inventory control procedures. (Note: the 90-day retention requirement is applicable subsequent to receipt of written approval,

issued by the Division, to use the system. Prior to receipt of written approval, all original media must be controlled and maintained in accordance with CLGR 30-1602 and 30-1607.)

Multi-Part Forms

Certain required gaming documents have multiple parts, such as the Jackpot Payout/Fill slips, Opener/Closer forms, and Unclaimed Jackpot Receipts, etc. It is the licensee's responsibility to ensure that electronic images of the individual parts of all multi-part forms are readily identifiable. In other words, when viewing or retrieving the electronic image of the 2nd copy (i.e., the yellow copy) of a Jackpot Payout/Fill slip, it must be apparent that the viewed/retrieved image is, in fact, the 2nd (i.e., yellow) copy. This may be accomplished through the use of a color scanner, or by the use of watermarks or any other identifying mark on each part of a multi-part form, or any other method that provides the proper identification. It is the licensee's discretion to use any method as long as each part is properly identified.

D. INTENT TO USE AN IMAGING SYSTEM

The licensee must provide written notification to the Division of its intent to use an imaging system. Written notification must include at a minimum the following:

- The system name,
- The system version,
- The manufacturer,
- The proposed installation and implementation dates,
- The name of a contact person,
- Description of the measures taken by the licensee to ensure the system meets all of the minimum requirements specified above.

Additionally, any subsequent system upgrades and the resulting impact on the overall system must be communicated, in writing, to the Division, within 30 days prior to installing the upgrade.

E. PLANNING FOR IMPLEMENTATION OF AN IMAGING SYSTEM

Planning the implementation of an imaging system can be very time consuming. It is also the most critical stage in the licensee's implementation strategy. An indexing methodology, scanning plan, processing controls, test schedule and procedures, inventory control, storage and retrieval, and backup and archival are just some of the guidelines and procedures that must be developed during the planning stage.

Indexing Methodology

As mentioned earlier, a thorough and comprehensive indexing methodology is crucial to the successful utilization of an electronic imaging system. Indexing methodology tools include Optical Character Reading (OCR), Intelligent Character Recognition (ICR), barcoding, and/or

custom-designed data entry interfaces. The tools and methodology used should be the most efficient for the specific licensee's operation. Every licensee's indexing structure will be somewhat unique as it is built around its specific system capabilities and the types of records it wishes to store electronically. It is the responsibility of the licensee to understand the capabilities and inherent limitations of its system and to ensure the system will support the desired indexing methodology. The licensee must submit the indexing methodology, in writing, to the Division prior to the start of the system test.

Scanning Plan

A detailed, written scanning plan must be developed and submitted to the Division at least 30 days prior to the start of the system test. This plan must address pre-scanning controls and document preparation, processing controls to include quality assurance and quality control procedures, and post-scanning controls.

Processing Controls

The licensee must develop quality control (QC) procedures designed to avoid human/machine errors and to detect any errors that do occur in a timely manner. QC procedures ensure, among other things, that all documents are scanned and transferred to the proper folder/index. The licensee must also develop quality assurance (QA) procedures that, in effect, test the effectiveness of the QC procedures. Through random sampling or 100% testing, QA procedures must be implemented. Any errors found must be corrected and documented to allow the licensee to quickly identify and address a consistent source of error. A written copy of these processing controls must be submitted to the Division at least 30 days prior to the start of the system test.

Inventory Control

The licensee must develop written inventory control procedures for all original media. These procedures must address, at a minimum, the requirements specified in the "Minimum Requirements" section and submitted to the Division at least 30 days prior to the start of the test.

Storage and Retrieval

Storage and retrieval issues must be addressed during the planning stage. These procedures must be documented and submitted to the Division at least 30 days prior to the start of the test. The licensee will need to consider output media options (e.g., CD-ROM disks, ZIP disks, Worm (Write Once Read Many) optical disks, etc.) and decide which media is the most appropriate for storage of its electronic images. Other considerations include procedures to ensure re-writable CDs, if used, are not able to be written over.
The output media must contain the exact duplicate of the original document. All records electronically stored must be maintained with a detailed index containing the gaming department and date. This index must be available upon request by the Division.

Another consideration that must be addressed by the licensee is the Division's access to the electronic images. Hardware and/or software must be provided by the licensee in order for the Division to perform its auditing procedures. It is up to the licensee to take whatever measures necessary to ensure the Division has access to all electronic gaming records to perform its auditing procedures. Regardless of the method of access and retrieval, it is the licensee's responsibility to ensure the Division has the necessary tools to accomplish this. The licensee must have controls in place to ensure the accurate reproduction of records, up to and including the printing of stored electronic documents used for Division auditing purposes.

If source documents are stored on re-writable optical disks, the Division can not rely upon the stored electronic documents for the performance of audit procedures. If re-writable optical disks are used, the licensee must continue to control and retain the physical hard copies of the original documents in accordance with CLGR 30-1602 and 30-1607.

Backup and Archival

The licensee's backup policy and archival procedures must be documented and submitted to the Division at least 30 days prior to the start of the test. The backup policy must address who performs the backup function, the timing and frequency of performing backups, the type of output media, any rotation of the output media, and storage of the output media. The working hard drive should be backed up on a daily basis.

Archival must occur in a timely manner to ensure the integrity of the scanned images. Archival procedures must address who performs the archive, the timing and frequency of the archival, the type of output media, and storage of the archived data. At a minimum, one complete set of archives must be maintained onsite, and a second complete set is to be secured at an off-site location.

Test Schedule & Procedures

After planning for implementation is complete, and before the field test of the system begins, the licensee must contact the Division and arrange a time for the Division to review the indexing methodology, scanning plan, processing controls, inventory control procedures, backup policy and archival procedures, storage and retrieval procedures, etc. After the Division reviews these documents and procedures, the licensee must submit, in writing, a proposed test schedule and testing procedures. Determination of the most effective testing procedures and test schedule is at the licensee's discretion. Testing procedures must include not only the field testing procedures, but also procedures for periodic and routine (i.e., semi-annual) testing of the imaging system. It is the licensee's responsibility to establish testing procedures that will demonstrate compliance with all record control and retention requirements set forth in all applicable rules, regulations, and ICMP. As mentioned earlier, the field test period must encompass no less than four consecutive drop periods. Periodic and routine testing must be performed, at a minimum, on a semi-annual basis (i.e., every 6 months). This could be performed in conjunction with the ICO internal review.

F. FIELD TESTING OF THE IMAGING SYSTEM

After the licensee has addressed all of the planning considerations discussed above, the licensee must contact the Division to make arrangements for the Division to review the documents, policies and procedures developed during the planning stage. Field testing of the system may not commence until the Division has reviewed this information and given the licensee approval to begin testing. The licensee may, at its discretion, perform any internal testing it desires. However, the start date of field testing for purposes of obtaining written Division approval must occur subsequent to the Division's review of the planning documentation as discussed above. It is the licensee's responsibility to contact the Division when this information is available for review.

Testing Objective

The primary objective of field testing the electronic imaging system is to ascertain that the system, as utilized by the licensee, controls, manages, and maintains, in the form of electronic images and files, required gaming records in accordance with all applicable rules, regulations, and ICMP.

Testing Procedures

Field test procedures must be applied for four consecutive drop periods. Testing will commence after the Division's review of all required documentation, policies, and procedures developed by the licensee during the planning stage, and approval to begin testing. As stated earlier in this section, determination of the most effective testing procedures is at the licensee's discretion. It is the licensee's responsibility to establish testing procedures that will demonstrate compliance with all record control and retention requirements set forth in all applicable rules, regulations, and ICMP.

Processing Controls

As stated earlier, a copy of the processing controls must be submitted to, and reviewed by, the Division prior to the field test. Processing controls include quality control (QC) procedures and quality assurance (QA) procedures.

QC procedures are designed to avoid human/machine errors and to detect any errors that do occur in a timely manner. QC procedures must ensure, among other things, that all documents are scanned and transferred to the proper folder/index. One procedure may be to, on a sample basis, trace individual physical documents to the electronic image. Another procedure may be to check the total of the scanned image count and verify that it agrees to the pre-scan document count for each batch that is scanned.

Through random sampling or 100% testing, QA procedures must be implemented. These procedures must be designed to test the effectiveness of the QC procedures. QA procedures must ensure that electronic images are legible, retrievable, and viewable. One procedure may be to

visually examine the first scan of every batch to ensure optimal quality followed by a random sampling of subsequent images to ensure consistency of data. Another procedure should involve confirming the validity of backup media. Any errors found must be corrected and documented to allow the licensee to quickly identify and address a consistent source of error.

Refer to the end of this section for an example of an Imaging Batch Control Form. This form is used to document the outcome of the processing controls discussed above. Any variation of this form may be used by the licensee; however, the information shown on the example represents the minimum amount of information required to be documented by the licensee.

Systems Related Problems

Any systems related problems that occur during and/or subsequent to the field test must be documented to allow the licensee to identify and address the problems. This includes any problems relating to the functioning of the system, incorrect transfers, etc. The minimum amount of information that must be documented is as follows:

- full name of person who identified the problem,
- date the problem was identified,
- description of the problem,
- how the problem was resolved,
- date of resolution, and
- full name of the person who resolved the problem.

The licensee may document this information using a loose-leaf binder with a page for each incident or a written log that is maintained on a continuous basis. It is up to the licensee to document the minimum required information in a manner the licensee considers the most constructive.

G. APPROVAL

Upon completion of field testing, the Division will audit the test results and, upon successful completion of the audit, issue written approval for the system to be used, as tested, to capture, store, retrieve and manage electronic images of required gaming records. All original media must be maintained until the licensee receives this written approval from the Division.

The Division's approval is not to be construed as any type of approval in any other state or federal jurisdiction whatsoever.

H. ONGOING REQUIREMENTS

Semi-Annual Testing

The licensee must ensure its imaging system is tested on a periodic and routine basis as discussed under "Planning" earlier. This test must occur, at a minimum, on a semi-annual basis and as outlined in the licensee's written test procedures. Results of the test must be documented and available for review by the Division. For each test, a written narrative of the results and the date of this test must be submitted to the Division's Audit Section.

Preventative Maintenance

Preventative maintenance measures must be implemented and performed on a periodic and routine basis. Such measures should include cleaning of storage media and storage media locations, running any available diagnostic tools on the system, etc.

Systems Related Problems

As discussed earlier in this section, problems relating to the functioning of the system, incorrect transfers, etc., must be documented. It is the licensee's responsibility to document the minimum required information in a manner the licensee considers the most useful.

SECTION 13

SURVEILLANCE SYSTEM STANDARDS

A. GENERAL

Surveillance system standards apply to all license groups.

All casinos shall have in place digital recording systems that meet the requirements of this section.

All surveillance systems and camera coverage of all gaming activity and devices must receive initial approval from the Division prior to being utilized. After the initial approval, the licensee may make the approved changes to its cameras.

All personnel installing, cleaning, maintaining and repairing surveillance equipment on site must be licensed by the Division of Gaming.

The surveillance system's time must be synced to the same source that the licensee utilizes for its gaming system. In the event that the licensee doesn't utilize a gaming system, the surveillance system time must be synced with www.time.gov.

A date/time must be imbedded on all recordings of gaming areas. The date and time must be synchronized and set correctly and must not significantly obscure the picture.

Licensees are responsible for ensuring all surveillance equipment is properly functioning and the playback quality meets Division requirements.

The licensee must have all documentation, approvals, and variances, or copies thereof, relating to surveillance, kept in the surveillance room and available upon request.

The licensee is responsible for training licensed surveillance employees in game protection, the play of all games, the odds payouts of table games, investigations, and the use of its surveillance system.

SPECIFIC STANDARDS

B. DEFINITIONS

1. PTZ - pan-tilt-zoom camera.
2. Stationary cameras - once a camera is installed it cannot be remotely moved.
3. The size of the monitor – the display area measured diagonally and excludes the cabinet.
4. Critical areas - include cage, vault, count rooms, and any required cameras inside the surveillance room.

5. DVR – digital video recorder.
6. FPS – Frame rate or frame frequency per second. FPS is the measurement of the frequency (rate) at which an imaging device produces unique consecutive images called frames. Each frame consists of two fields.
7. Fields – One field is defined as half of one frame.
8. TVL – Total video lines of resolution.
9. Remote access – any access to the surveillance system outside the surveillance room.

C. EQUIPMENT

All cameras for critical areas, table games, and the PTZ cameras within those areas must meet or exceed the requirements set within the applicable sections.

Megapixel cameras are allowed, as long as the camera interfaces with the licensee's surveillance system.

At least one digital monitor in the surveillance room shall have the capability of displaying any camera (live or playback) in a 15-inch or greater viewable area, not to include system controls. Licensees with 500 or more devices will provide a separate monitor station for reviews that does not interfere with normal operations.

All work stations must be capable of video review in forward, reverse, slow motion, and frame-by-frame.

Auto iris lenses are acceptable, if they are properly adjusted at all times. However, manual iris lenses, or auto iris lenses with a manual override, are required for PTZ cameras.

The use of real-time quad recorders and multiplexers are not permitted for required gaming cameras.

The licensee must have a failure notification system that provides notification of any recording failure within 15 minutes. All recording failures must be addressed within one hour of system notification.

One color capable video printer is required in the surveillance room. The printer must be able to immediately produce a clear still photo of any camera image.

All PTZ cameras must be 360 degree functional in gaming areas and must be enclosed in a shaded housing, so that it is hidden from view. New and replacement PTZ cameras that are required by the Division shall be replaced with color capable PTZ cameras.

All recordings must be erased or destroyed prior to disposal, sale to another licensee or manufacturer, or when discarded by any other means.

D. CASHIER CAGES, VAULTS, AND COUNT ROOMS

In count rooms, cages, and vaults, cameras must be positioned so that all areas in the room are covered to include but not limited to, access points to and from the underside of desks and counters, storage areas, and to the highest area where an item can be stored. Video surveillance must cover all areas where chips, tokens, cash, and other cash equivalents are stored. New and replacement cameras shall be replaced with color capable cameras.

In the count room, stationary cameras must provide a close up, unobstructed view of the cash/coin counting table where the actual count takes place. During the count, the count team members, whether removing monies from the bucket or box, counting, sorting, verifying or storing, must not obstruct the camera view of the monies. The location where monies are set aside, until the end of the count and cashier verification, must be recorded by surveillance cameras that are located close enough to the monies to identify individuals accessing the funds, ensure the monies are clearly distinguishable, and can differentiate between money and other papers.

In the cashier's cage, stationary cameras must provide a close up view of the cash/coin, slot coupon and ticket transactions. Transaction areas must be clearly marked on the counter so that cashiers know where to place currency and documents. Transaction cameras covering this area must be able to differentiate between bill denomination, slot coupon value, ticket value, and chip value. Designated cameras must view the faces of patrons and employees making transactions with sufficient clarity to identify them at all cage windows on playback.

Internal hallways to and from count, vault, and cashier rooms must have adequate surveillance coverage for the protection of assets.

Elevators used for transporting drops, fills, credits, jackpots, and gaming monies must have adequate surveillance coverage for the protection of assets, inside the elevator and at each opening on the floors. Dumb waiters need not have surveillance inside, but must still have surveillance at each opening on the floors.

Count rooms, vaults, and cashier cages must have room lighting hard wired. There must be no ability to turn off the lights from inside the room, or near the doors.

Restricted key boxes, duplicate key boxes, an automated key tracking system and any other key lock system must be under surveillance.

All cash transaction devices which are an extension of the cage, such as a kiosk or other type devices that redeem gaming tickets, slot coupons, or exchange coins, bills, or tokens shall have adequate surveillance coverage for the protection of assets and identification of person(s) using the device. Stand-alone ATM machines are exempt from this requirement.

All pouch pay, pouch bank, or change pouch, as well as their storage cabinets, lockers, or racks, etc., shall have adequate surveillance coverage at all times for the protection of assets.

E. TABLE GAMES

The number of PTZ cameras will depend on table layout. The PTZ camera must be able to view the patron's face, cards, chips, tokens, cash and play areas of each table. PTZ cameras must be able to distinguish card values on the normal setup and playback. A patron's face is defined as the ability of the PTZ to view at least one half of the patron's face from the side. During the course of play on any table game, the dealer must not obstruct the camera view of the table tray, drop slot, or tip box.

The soft drop route must be under stationary or PTZ camera coverage.

BLACKJACK

All blackjack tables must have stationary camera coverage. Cameras must be positioned to provide an overview of the whole table, outside bumper to outside bumper, including the table tray and drop slot while the game is in play. Stationary cameras must be able to distinguish all chip, cash, and card values on the normal setup and playback. On all house banked poker tables, surveillance coverage is required to read suits and differentiate between chip/token values on playback. Surveillance coverage must also provide a view of the table tray, tip box, and must cover the entire table, which includes back of chair to back of chair. Any electronic table capable of game recall is not required to have coverage that reads individual card values or suits. Table games linked to a progressive jackpot must have stationary camera coverage of the access to the progressive controller computer.

POKER

All player banked poker tables must have stationary camera coverage that includes the table tray, rake slide, jackpot drop area, tip box, muck cards, and the wagering pot. Surveillance coverage must be able to distinguish the suits of the community cards and the winning hand on playback. Surveillance coverage must also view the entire poker table, which includes the back of chair to the back of chair.

All poker table tray storage cabinets, lockers, or racks, etc., shall have adequate surveillance coverage for the protection of assets.

All poker imprest banks, which are the point of chip and cash transactions for the poker tables, must have the same camera coverage as that of a cashier's cage.

ROULETTE

All roulette tables must have stationary color camera coverage. The cameras must be positioned to provide an overview of the entire table, to view the rails which hold chips (if any), the table trays or chip storage area, the drop slots, and tip boxes, live and on playback.

Stationary camera coverage must also cover the wheel, so as to be able to determine the outcome of the game, live and on playback.

One PTZ camera will be required for every roulette table. All PTZ cameras must be color cameras and be able to determine the value of any and all wagers made.

CRAPS

All craps tables must have stationary color camera coverage. Cameras must be positioned to provide an overview of the entire table, to view the rails which hold chips (if any), the table trays, drop slots and tip boxes, live and on playback.

Two PTZ cameras will be required for every craps table. All PTZ cameras must be color cameras and be able to determine the value of any and all wagers made.

F. SLOT AREAS

There must be at least one PTZ camera on each floor of the casino that has slot machines. PTZ cameras must be positioned so the route of any person walking through the slot gaming area is covered at all times. All slot machines must be under stationary camera surveillance with sufficient coverage to protect assets. Coverage must include the candle, access to the progressive controller and the slot machine doors. Surveillance coverage also must include aisles where hard drops are transported. During the drop, the route must be under stationary or PTZ camera coverage. The slot machine surveillance coverage must be able to determine if a person is accessing the slot machine, the drop box, or is playing the slot machine on playback.

Any multi-linked progressive slot machine offering a payout greater than $1,000,000 and/or **any** non multi-linked slot machines offering a payout of more than $500,000 must have coverage of the progressive jackpot liability in addition to the above-required coverage. One camera showing the same liability for multiple banks of the same progressive may be allowed.

G. OTHER STANDARDS

All camera views of gaming areas must be continuously recorded 24 hours a day. The use of motion detection is authorized with a five second pre-event recording with Division approval prior to initial use.

A complete index and guide to the casino cameras, monitors and controls must be available in the surveillance room. This guide must include a map of the camera locations, direction of coverage, camera numbers and operating instructions for the surveillance equipment. In addition, for unmanned surveillance rooms, a complete guide showing the chronological order of the hard and soft drop from start to finish must be available. The guide should have camera numbers and details of the machines covered. All surveillance recordings in critical gaming areas must be kept a minimum of 15 days or until gaming document reconciliations have been completed by accounting, whichever is longer, and 10 days for all other gaming areas.

All video losses, that are not a result of routine maintenance, that exceed 15 minutes for critical cameras or an hour on other required gaming cameras must be immediately reported to the Division. Any surveillance system component failure that affects the ability to review required coverage or to conduct an investigation must be reported to the Division in accordance with the reporting requirements.

Access to surveillance rooms shall be limited to employees that are essential to surveillance operations, ICO's, casino shift managers, law enforcement agencies, service personnel, and others when approved by the Division. The surveillance room manager has final authority regarding the authorization of access by casino personnel, except when the Division requires or authorizes access. A current list of authorized employees and service personnel that have access to the surveillance room must be posted in the surveillance room.

Each casino must have a surveillance room in-house. Exceptions would only be for commonly owned casinos, which are within the same municipality and gaming district. The surveillance room must be within one of the commonly owned casinos. The casino will provide a review station, printer, map of cameras, and communication in the property that does not house the surveillance room if the casinos are not contiguous. All equipment and security standards in the review station room will meet the minimum criteria set forth by this ICMP section.

Surveillance rooms must remain locked and must have room for at least two people to view monitors. Licensees that have other functions housed in the surveillance room must receive Division approval. At least one surveillance camera must be in the surveillance room to record any employee who has access to the non-surveillance equipment.

Licensees with 500 or more total gaming devices (slot machines and table games) must have manned surveillance rooms during gaming hours, and during the drop and count procedure. Licensees with less than 500 gaming devices but having one or more craps table must have manned surveillance during the hours that any craps table is open for play. If the licensee has a combined surveillance room with a second and or third casino, manned surveillance will be required if the total number of gaming devices between all of the casinos is 500 or more. Each combined surveillance room must be staffed for each individual license in accordance with the above minimum staffing requirements. An authorized person competent in the operation of the surveillance equipment must relieve the surveillance agent/operator for any and all breaks.

Surveillance recordings, to include recordings for evidentiary purposes, and clear still photos must be made available to the Division upon request. Manned surveillance rooms must have the ability to immediately send and receive e-mails of still pictures to the Division of Gaming and law enforcement for the purpose of disseminating information of suspects involved in illegal activity. The e-mail account cannot be networked with the surveillance system.

H. DIGITAL SURVEILLANCE

All digital recording devices are required to record, review and download simultaneously without an interruption of the record mode. Digital recording devices must be connected to an uninterruptible power source to ensure safe shutdown of the system in the event of a power loss, and must reboot in the record mode.

In the event of a complete power failure in a casino or power failure in the pit area or surveillance room, all table games must be shut down until power is restored and the surveillance system is fully operating. Should the power or surveillance system shut down, it is proper to complete the hand in play before table play is stopped. The games may only commence if power has been restored, or if the establishment is equipped with a back-up generator able to fully operate all surveillance systems.

When necessary to perform maintenance on digital recording systems, a casino may temporarily take system components offline to perform those functions. Maintenance functions would generally be described as rebooting, defragmenting or other necessary information technology function necessary to keep the digital surveillance recording system operating properly. Maintenance functions shall be performed at a time when it is least disruptive to operational functions of the casino and are exempt from the notification requirements of one hour for non-critical coverage loss and the notification requirements of 15 minutes for critical loss. Any other surveillance losses or system component failure shall continue to be reported to the Division of Gaming as required.

The licensee must provide the Division with the necessary software/hardware to review a downloaded recording. The media player must be imbedded within the recorded medium and must be capable of review in forward, reverse, slow motion, and frame-by-frame. The licensee is responsible for supplying a reasonable medium for the amount of recorded information being downloaded and transferred (i.e., CD, DVD, flash drive, memory stick, or a portable hard drive). VHS or any other video tape is not an acceptable format for the download or storing of video information required by the Division. All necessary cables, programs, and instructions for use must be supplied with these devices. The licensee must ensure that appropriate policies and controls are in place outlining the device check in/out process. Upon completion of use, the Division will return the equipment to the licensee. The licensee will provide a jewel case, sleeve, or other type of carrying case for the medium, if applicable.

An authentication process or watermark will be required to authenticate dates/time and validity of live and archived data. The authentication and/or watermark must be visible on the archived data as a visual verification.

If the licensee uses a network for the digital recording equipment, it must be a closed network with limited access. The licensee must have procedures in place that prevent unauthorized access to the surveillance system.

The licensee may allow remote access to its network for maintenance purposes and within the

casino with prior approval by the Division. Written procedures must be submitted to the Division for approval prior to allowing the remote access. The remote access must be on a secure network. Licensees must maintain a manually generated and system generated log that documents system upgrades, modifications, problems, and all remote access.

The system access log must be maintained at all times and include, at a minimum:

1. Date of remote access;
2. Reason for the remote access;
3. Full name, license number & position of person remotely accessing the system;
4. Description of how the problem was resolved or modification made to the system.

The system generated log, at a minimum, must include the date, start time and end time of access. The report must be printed monthly and traced to the manual log. The Division must be notified, in writing, of any variance between the manual and system log, which must include an explanation for the variance, and a reconstruction of the events that occurred. The system and manual log must be maintained together in the surveillance room and available to the Division upon request.

The use of any video and/or still images obtained from the remote access is strictly prohibited outside of what is defined and approved within the written procedures.

Surveillance room equipment must have total override capability over all other remote access service equipment located outside of the surveillance room. Critical areas, table games, and PTZ cameras covering critical areas and table games will be at a minimum rate of 22 FPS with two fields per frame and must be of sufficient clarity to meet Division requirements. Recording of non-critical areas will be at minimum rate of five FPS with two fields per frame and must be of sufficient clarity to meet Division requirements.

If the licensee's surveillance system records its working monitors (work stations) or call up monitors at a rate of 22 FPS or more, the requirement for FPS on its PTZ cameras covering critical areas and table games will be considered met.

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 forms meet ICMP requirements.** See Section H. Digital Surveillance for further clarification.

Surveillance Equipment Maintenance Log

A log which documents all maintenance to surveillance equipment.

SECTION 14

DEALER TIPS

The reporting and distribution procedures for dealers' tips were developed and provided by the Internal Revenue Service, in cooperation with the Colorado Division of Gaming. Requests for additional information and/or interpretations of these procedures should be made to the Internal Revenue Service offices at (303) 446-1675.

A. GENERAL REQUIREMENTS

Tips for dealers may be distributed to dealers on any equitable basis for any reasonable time period, as long as all tips received are reported.

Tips must be accepted at the table and clearly identified by the dealer when received in a manner as intended to draw the attention of the supervisor and immediately deposited into a locked toke box at the table. For tables having a tip storage device (i.e. toke tube) installed on them, the dealer placing the tip into this device will satisfy this identification and deposit requirement. All toke boxes must be securely maintained at all times.

Dealers may receive a tip or gratuity in the form of currency as long as the currency was not used in a wager. When a dealer receives a tip or gratuity in the form of currency the dealer must notify the pit supervisor. The dealer will then, as determined by house policy, either immediately place the tip in the locked toke box, or select an equivalent value in chip(s) and immediately place the chip(s) in the locked toke box and place the currency into the table drop box.

Tips must be independently counted by two licensed employees, one of whom is independent of pit operations and both employees must be independent of the accounting department. Tips must be counted under surveillance camera.

Dealer tips receipted into the cage may impact cage accountability depending upon how they are distributed, and therefore must be reflected accordingly on the daily cash summary.

The count must be recorded on the tip count/summary sheet and signed by the two licensed employees performing the count. The tips may be counted by box or may be pooled and counted all together. See an example of the tip count/summary sheet at the end of this section.

After tips have been counted, but prior to tips being distributed, the tips may be stored either in the cashier's cage or the pit area. However, the tips must always be securely maintained.

If tips are not distributed by payroll check, tip distribution is documented on the tip distribution sheet. This sheet is completed using information from the tip count/summary sheet. As the licensed employee distributes tips to each dealer, the licensed employee signs the tip distribution

sheet next to the dealer's name. As each person receives their tips, they sign the sheet as well. The total tips distributed (tips paid to dealers and tips paid to other employees) must equal the total tips counted on the tip count/summary sheet.

The tip distribution sheet is forwarded to, and retained by, the casino's accounting department and reconciled to the tip count/summary sheet received from the cage.

All amounts distributed to dealers during a payroll period **are** included in that dealer's wages which are subject to withholding for that period.

Total tips per the tip count/summary sheet and the tip distribution sheet for the payroll period are reconciled to the tips included in wages for that period. The accounting department retains this reconciliation.

Total dealer tips may be reduced by tips paid to other casino employees (i.e., cashiers, waitpersons, etc.) provided these tips are accounted for by the accounting and payroll departments. Tips paid out to other casino employees must be documented on the tip distribution sheet.

FORMS

Following are descriptions of the forms discussed in this section. In some cases, sample forms are provided. **It is the licensee's responsibility to ensure that all forms meet ICMP requirements.** See the General Section for further clarification.

Tip Count/Summary Sheet

The tip count/summary sheet is used to count and total all tips by shift or by day.

Tip Distribution Sheet

The distribution of tips is recorded on the tip distribution sheet. Tips paid out to other casino employees are also recorded on this sheet.

SECTION 15

TABLE GAMES EQUIPMENT

The licensee must inspect and approve all gaming equipment in the table games area before use. All surveillance systems and camera coverage of all gaming activity and devices must receive initial approval from the Division prior to being utilized. After the initial approval, the licensee will approve all changes to its cameras. The procedures in this section do not apply to player-banked poker.

All gaming equipment must be maintained in good working order or removed from play. This includes, but is not limited to, card shoes, automatic card shufflers, dice, roulette wheels, roulette balls, drop boxes, dealer tip boxes and table tray lids.

A. CARD AND DICE INVENTORY

The licensee is required to have a locked storage area for cards and dice. The licensee may have both a secondary and primary storage area located in a secure location approved by the Division. All primary and secondary storage areas shall have two separate locks. The Security Department shall maintain one key, and the Table Games Department shall maintain the other key.

The licensee may utilize the pit podium for storage of card and dice inventory. The licensee may store as many sets of cards and dice necessary for daily operations in the pit podium. The pit podium, when utilized at this capacity, will not be considered secondary storage.

Licensees are required to develop procedures and maintain logs that indicate a correct inventory of cards and dice from receipt to cancellation and/or destruction. The inventory logs must be accurate, legible, and easy to understand. The casino is required to have staff immediately available that understand the inventory process/logs and can explain any inquiry from the Division during inspections.

A Card and Dice Storage Inventory Log that documents when cards and dice are received into storage and removed to the floor shall be maintained in the storage area and be subject to review by the Division upon request.

A Card and Dice Pit Inventory Log that documents when cards and dice are received at the pit podium and removed for destruction shall be maintained in the pit area and be subject to review by the Division upon request.

A Card and Dice Cancellation/Destruction Log that documents when cards and dice are cancelled/destroyed shall be maintained in the destruction area and be subject to review by the Division upon request.

On a quarterly basis, accounting or the internal compliance officer must perform a physical count and reconcile to the card and dice inventory and cancellation/destruction logs. Once the reconciliation is completed, accounting (or the internal compliance officer) shall sign off on the ending inventory. The reconciliation is forwarded to table games management acknowledging the results of the inventory.

B. CARD AND DICE INSPECTION AND CONTROL

The licensee shall inspect all cards and dice prior to use in a game. The front and back of each card must be checked to ensure that it is not flawed, scratched or marked in any way. Each die must be inspected with a micrometer, balancing caliper, a steel set square and a magnet, or any other instrument approved by the Division. These tools must be maintained in the pit area and made available for use by the Division upon request.

When a card or die is found marked, bent, flawed, and unusable or tampered with in any way during the course of play, a new card or set of dice will be issued to the game. Any card or die found to be flawed, damaged or tampered with, either prior to play or during the course of play, shall be placed in a sealed envelope or container, labeled with the table name, date, time and signature or initial of the dealer/box person and pit supervisor. Where a licensee has no reason to believe that damaged or flawed cards or dice in a sealed envelope or container were damaged or flawed as a result of an unlawful act, motive, or scheme, the licensee may dispose of such cards and dice after 30 days in any manner designed to prevent their future use in limited gaming.

Cards and dice must be protected at all times. When a table has not had any play for 30 minutes, the cards must be spread or placed in the discard rack except for tables that utilize a shoe or shuffling device. Dice that have been placed in a cup for use in gaming shall never be left unattended and shall never remain on a table for more than 24 hours.

C. CARD AND DICE CANCELLATION/DESTRUCTION

Cancellation and/or destruction of cards removed from play must be by shredding, drilling a circular hole of at least one fourth inch (1/4”) in diameter, corner cut or other means approved by the Division.

The licensee may destroy dice by drilling a circular hole of at least three-sixteenths of one inch (3/16”) in diameter through the center. All dice removed from a game, except those retained for Division inspection must be immediately cancelled to prevent reintroduction of the dice to the game. Cancellation must occur by use of a cancellation tool, scribe or any other tool to produce a cancellation mark that is permanent and clearly visible on each die. Licensees have the option to destroy the cancelled dice.

D. MARKING UP ROULETTE CHIP VALUES; CHIP INVENTORY

Licensees must have a procedure in place to adequately identify the worth of non-value chips being used in roulette.

Licensee must possess at least six unique colored sets of non-value chips for each roulette table offered for play.

E. INSPECTION AND SECURITY PROCEDURES FOR ROULETTE EQUIPMENT

A gaming manager, pit supervisor or a licensed member of security must perform the inspection and security procedures outlined in GLGR 30-2212 upon opening the table for play, at least once each gaming day or more frequently if necessary.

Any adjustment or replacements to the wheel must be documented in a log that is kept in the pit area and made available to the Division for inspection upon request.

All roulette chips must be secured when the table is not in use.

F. COMMUNICATION EQUIPMENT

Licensees using mobile ATM devices at gaming tables must develop controls over the mobile hardware to ensure that data from these devices is secure. This would include ensuring that unauthorized applications used to capture and report on patron data in an unauthorized manner are not installed on the mobile devices.

SECTION 16

ELECTRONIC PROMOTIONAL CREDIT SYSTEMS (EPCS)

A. GENERAL

Refer to Rule 30 in the Colorado Limited Gaming Regulations for regulations related to electronic promotional credit systems.

Electronic Promotional Credit System (EPCS) means a system of components, hardware, software and communication technology that securely transmits credits to and from a slot machine in the form of electronic promotional credits. EPCS are any systems that maintain electronic promotional credits. EPCS allow patrons to play slot machines using a player card with a magnetic strip to download credits to a slot machine. EPCS gaming transactions at the slot machine are entirely electronic.

EPCS require the use of an approved gaming system to affect the electronic transfer of promotional credits directly to or from a slot machine. Licensees that want to offer EPCS must receive written approval from the Division. Please see the Gaming Systems Testing section in the ICMP for notification and testing requirements. Additionally, system requirements such as system access, contingency plans, backup and recovery, etc., are in the Gaming Systems section of the ICMP.

All slot machines enabled with electronic promotional credit functionality must be readily identifiable by patrons.

Electronic promotional credits transferred to the slot machine must be recognized as electronic drop (or E-Drop) by the licensee and reported as such on the gaming tax return.

Electronic Promotional Credits Restrictions

There are two types of electronic promotional transactions; cashable electronic promotional (CEP) credits, redeemable for cash, and non-cashable electronic promotional (NCEP) credits which are not redeemable for cash and must be played in a slot machine.

Electronic promotional credits downloaded transfers may not exceed $100 for a single transaction. Credits must download to a slot machine in increments of at least $1.00 or the denomination of the game.

No winning wager from a slot machine, including a winning wager made with NCEP credits, shall be paid with NCEP credits.

Licensees must provide notice to the patron of any restrictions specific to NCEP credits.

The system electronic credit meters, which are separate CEP and NCEP meters, are independent of patron electronic credit transaction information.

Electronic Promotional Credit Transfers

Patrons must access promotional offers at the slot machine through use of the player's card. The patron must insert his/her player's card, enter his/her PIN into the slot machine key pad, and select the desired amount to be transferred to the gaming slot machine credit meter.

Electronic credits associated with promotional offers may be transferred to the slot machine in incremental amounts as prescribed by the licensee not to exceed $100. The incremental amounts transferred must be at least $1.00 or the game denomination.

Upon transfer of electronic credits to a slot machine, the slot machine is activated for patron play and functions identically to a slot machine in standard credit play mode.

System Application Controls

The licensee must have adequate application controls in place to ensure the accuracy of data input, integrity of system processing, and validity of system output. These controls must include both the operational and accounting/reporting aspects of EPCS and must consider the controls described herein. Only licensed employees are allowed access to the EPCS.

Written Procedures

Written procedures must be in place to ensure EPCS activity is appropriate, and assist in both internal and external (Division of Gaming, local police, etc.) investigations regarding patron disputes.

Setting-Up Promotions

All promotions and changes to the parameters of a promotion must be entered into the EPCS by a licensed employee.

Establishing a PIN

Only licensed employees are allowed to set up a patron in the patron database used by EPCS. The licensee must require the patron to independently and confidentially create a secure PIN a minimum of two times; the numbers must successfully match each time entered. Licensees must have procedures in place to prevent fraudulent activity in the EPCS.

Resetting and/or Changing a Patron PIN:

A patron's PIN may only be changed when the patron is present at the point of the PIN change, (e.g., if the PIN is changed at the Cage the patron must be present at the Cage at the time of the

PIN change). A patron requesting a PIN change must provide official identification verifying his/her identity at the time of the PIN change.

Accounting's Review of Electronic Drop

See the Accounting section in the ICMP for additional information.

B. TESTING REQUIREMENTS FOR EPCS

Please see Gaming Systems Testing ICMP section for testing notification and requirements.

SECTION 17

TERMINOLOGY

The following is provided to define common terms used throughout the ICMP. The list is not all-inclusive, but intended to clarify common gaming terminology.

ACCESS - The ability to physically or electronically gain entry to a gaming device, access gaming information or the ability to control the system that contains gaming information.

ACCESS LOG - Log that is filled out when accessing a gaming device or ticket redemption kiosk.

ACCUMULATED CREDITS - The value of the credits accumulated or accrued and not otherwise redeemed in the course of play on that gaming machine.

ADDITIONAL PAYOUT –An award based on a specific wager in addition to what the slot machine's par sheet specifies. For example, if the top award on the slot machine's par sheet is $10,000, any additional money, the cost of merchandise, vehicles, etc., the casino elects to award above the $10,000 is the additional payout amount. Another example is if the top award on the slot machine's par sheet is $10,000 and the casino awards a vehicle as the top award costing the casino $25,000, then the additional payout amount is $15,000. The award may consist of money or merchandise or a combination of the two. An external bonusing system is not considered an additional payout.

ADJUSTED GROSS PROCEEDS (Hold, Win) -

- **Blackjack AGP** = closing inventory amount + drop + non-cashable chips + 100% of face value of all coupons + credits + tournament entry fees- opening inventory amount - fills – hand paid jackpots.

- **Craps AGP =** closing inventory amount + drop + non-cashable chips +100% of face value of all coupons + credits + tournament entry fees - opening inventory amount - fills – hand paid jackpots.

- **Roulette AGP =** closing inventory amount + drop + non-cashable chips + 100% of face value of all coupons + credits + tournament entry fees - opening inventory amount - fills – hand paid jackpots

- **Slots AGP =** drop (coin, bill, tickets, slot coupons, cashable/non-cashable electronic promotion in) – payouts (hand pays, fills, tickets redeemed, non-cashable electronic promotion out) ± hopper adjustments. Hand pays include attendant paid jackpots, attendant paid progressives, attendant paid cancelled credits and attendant paid external bonuses.

- **Player Banked Poker AGP** = the amount of money received by the licensee as compensation for conducting the game (i.e., the rake) plus tournament entry fees.

- **House Banked Poker AGP** = closing inventory amount + drop + non-cashable chips + 100% of face value of all coupons + credits + tournament entry fees - opening inventory amount – fills - hand paid jackpots.

ADJUSTMENTS – Changes to system information made subsequent to the time of the event.

AUTOMATED KEY TRACKING SYSTEM (AKTS) – A system that controls access to the restricted gaming keys through the use of passwords, Bio-Reader and/or other means whereby the cashier is not the main key custodian.

AUTOMATED SYSTEMS - Any automated system that affects the reporting of AGP or of statistical data generated and maintained to meet Division requirements, or is used to support the gaming operations.

BANK (BANKROLL) - The inventory of currency, coins and chips in the establishment, including the vault, cage, pit area, slot booths, and on the playing tables. Used to make change and pay winning bets.

BILL VALIDATOR BOX - A locked container securely attached to the slot device for the purpose of collecting bills, tickets, and slot coupons**.**

BILL VALIDATOR BOX RACK - A locked cabinet or rack where bill validator boxes are securely stored when not attached to a slot machine or being counted.

BLACKJACK - A card game commonly known as "21", played by a maximum of seven (7) players in which each player bets against the dealer, and where the licensee's bankroll is at stake.

BLACKJACK STATISTICAL REPORT - A report which provides a statistical analysis of blackjack hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage. Blackjack, poker, craps and roulette information may be combined on one report as long as the information for blackjack, house banked poker, craps and roulette is shown separately.

BRUSH - A licensed employee who acts as an assistant pit supervisor or poker room supervisor.

BUSINESS YEAR - The annual period used by a licensee for internal accounting purposes.

BUY-IN - A purchase of chips by a player prior to or during play. In tournament play all buy-ins are used to fund the prize pool and are paid back in their entirety to the players during the tournament;

CAGE CASHIER - The custodian of the establishment's bankroll and an employee working in the cashier cage.

CALIBRATION MODULE - The portion of a weigh scale used to adjust or set the scale to a specific amount or number of coins to be counted.

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CASH INVENTORY SHEET - An itemized list of the components that make up the cage accountability, i.e. vault, coin room, safe, bagged money, etc.

CASH LOADS - The initial currency, coins, tokens, and so on, issued from a bankroll to a gaming device.

CASHABLE ELECTRONIC PROMOTIONAL CREDITS – The total value of cashable credits electronically transferred to a slot machine from an EPCS by means of an external connection between the slot machine and the EPCS. These credits must be redeemable for cash by the patron.

CASHIER CAGE - A secure work area within the establishment for cashiers, and a storage area for the establishment's bankroll.

CHIP/TOKEN FLOAT - The dollar value of chips/tokens held by patrons

CHIPS - Money substitutes, in various denominations, issued by a gaming establishment and used only for wagering. Cashable chips are issued and/or sold by the licensee for gaming and are redeemable for cash. Non-cashable chips are issued by the licensee for gaming and are not redeemable for cash.

COIN OPERATED GAMING DEVICE - Any of the variety of mechanical or electronic apparatus used in connection with gaming. Includes slot machines and electronic video games such as Poker and Blackjack.

COIN-IN - Total dollar value of credits wagered. See also Handle.

COIN-OUT - Total dollar amount of credits paid out. Coins dispensed from the hopper for coin operated gaming device.

COLORADO LIMITED GAMING REGULATION or CLGR - The regulations adopted by the Colorado Limited Gaming Control Commission, codified at 1 C.C.R. 207-1.

COUPONS

- **Match play coupon** – A coupon presented at a table game that must be accompanied by a bet. The face value of the coupon is considered revenue and is counted as part of the drop proceeds. Match play coupons accepted at the table are not deductible in the calculation of AGP.

- **Promotional coupon** – A coupon accepted by a cashier for payment to a patron. Promotional coupons are not deductible in the calculation of AGP. An example of promotional coupons are “point to cash coupons”, “5 free tokens”, “buy $10 get $5 free”, etc.

- **Slot coupon** - A slot coupon is generated by an automated gaming system. It is an encoded credit coupon that is redeemed at a slot machine, kiosk, cashier cage or via wireless handheld validation unit. When the slot coupon is redeemed at a slot machine, it is considered revenue and is counted as part of the drop proceeds. When the slot coupon is redeemed at a kiosk, the cashier cage or via handheld held validation unit, it is considered promotional and is not included in the calculation of AGP.

- **Table games coupon** – A coupon presented at a table game for redemption for chips. When a table games coupon is redeemed at the table it is immediately dropped in the table drop box and included at its face value in the total drop for that table. Coupons accepted at the table are not deductible in the calculation of AGP.

CRAPS STATISTICAL REPORT - A report which provides a statistical analysis of craps hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

DAILY ACCOUNTING FUNCTIONS, SERVICES OR DUTIES - This shall include those gaming related functions which are routine, ordinary, usual, or necessary in order to review, reconcile, analyze, or prepare gaming documentation. This function shall also include computer-related services that handle, process, manipulate, or generate gaming documentation, or provide access to gaming documentation. Computer information services that relate to installing or servicing accounting or player tracking software packages will generally not be included within the scope of daily accounting functions unless these areas impact gaming transactions.

DAILY CASH SUMMARY - A detailed reconciliation of the beginning and ending cage accountability, by gaming shift.

DISPENSING MACHINES - A locked device used primarily in a cashier's cage to dispense fill/credit slips, table games jackpot payout slips, and jackpot payout/fill slips in numerical sequence. One copy of the slip is retained in an unbroken sequential order in the locked portion of the device.

DROP -

- **Table games -** all contents in the drop box including such items as cash, chips, mobile ATM receipts, fill/credit slips, coupons, and inventory sheets. Cash, chips, tokens, mobile ATM receipts and coupons constitute the "drop" for the table games which is also referred to as

the "soft drop" or “table drop”.

- **Slots -** the total amount of money removed from the drop bucket and bill validators, including coins, tokens, currency, tickets and slot coupons. Coin drop is also referred to as “hard drop”, bill and ticket drop is referred to as “BV drop” or “Soft drop”.

DROP BOX - A locked container securely locked to the gaming table into which the drop is placed. Upon removal from the table, all openings automatically close securing the contents. For blackjack, craps and roulette drop boxes, the game type, table number, and shift are indicated on each box which is clearly visible from a distance of 20 feet. For poker and poker jackpot award drop boxes, the game type or jackpot type, table number, and/or shift are indicated on each box which is clearly visible from a distance of 20 feet. Only one drop box is allowed for each table per shift, except for poker tables offering jackpots which will have a poker drop box and a jackpot award drop box.

DROP BOX RACK OR CABINET - Where full or empty drop boxes are locked, and stored.

DROP BUCKET - A container located beneath a coin operated gaming device for the purpose of collecting coins and tokens from the device.

DROP COMPARISON REPORT (Drop Report) - A report which compares the meter drop with the actual drop by machine, by denomination, and in total, on a drop, month, and year-to-date basis.

ELECTRONIC DROP (E-Drop) – The downloaded cashable electronic promotional credits plus downloaded non-cashable electronic promotional credits.

ELECTRONIC PROMOTIONAL CREDIT SYSTEM (EPCS) - A system of components, hardware, software and communication technology that securely transmits credits to and from a gaming device in the form of electronic promotional credits. EPCS are any systems that maintain electronic promotional credits. EPCS allow patrons to play gaming devices using a player card with a magnetic strip to download credits to a gaming device. EPCS gaming transactions at the gaming device are entirely electronic.

EPCS COMPARISON REPORT (CEP-In, NCEP-In or NCEP-Out Report) – A report or three separate reports which compare the total CEP-In, NCEP-In or NCEP-Out meter to the corresponding electronic promotional credit activity from the system. This report must be prepared on a drop, month, and year-to-date basis, and show totals by machine, by denomination, and grand totals.

EMERGENCY DROP/COUNT - An emergency drop/count constitutes an unexpected or unforeseen event or chain of events which causes an unscheduled drop/count to be performed.

EXTERNAL BONUSING SYSTEM - A system comprised of various hardware and software components whereby the initiation of the winning event is not controlled by the slot machine;

instead it is controlled by a separate server or controller having its own random number generator. This system maintains a symbiotic relationship where the host gaming device can function without the system but the system can not function without the gaming device. Specifically, external bonus system does not apply to external systems that are designed to be operated as part of specific game program and are therefore used in the calculation of the game's theoretical hold percentage. External bonus awards may be a static amount or a progressive amount, and the Machine Paid External Bonus Payout and/or the Attendant Paid External Bonus Payout meters must increment on the slot machine when an external bonus award has been won.

FILL - A transaction whereby a supply of coins, chips or tokens is transferred from the cashier cage to a table or a coin-operated gaming device.

FILL/CREDIT SLIP - A pre-numbered (alpha-numeric), three part document prepared by the cashier evidencing a fill or credit to a table game.

FOREIGN CHIPS/ TOKENS – Chips/tokens issued by another establishment.

FORMS CONTROL LOG - A log that tracks the receipt and disbursement of controlled gaming forms.

GAME BANKROLL (Table bankroll or inventory) - The inventory of gaming chips, tokens, and/or coins stored in the chip tray for each table game. Non-cashable chips are not maintained in the chip tray.

GAME PROGRAM ID- Identification of the main personality program, which contains the pay table, associated payback percentage and game specific optioning.

GAMING DAY - A gaming day is defined as a 24 hour period used to accumulate data for accurate reporting of gaming revenues. Each casino will establish and document their gaming day in the written accounting plan. On all gaming documentation requiring a time, the licensee shall indicate the time by specifying the correlating military time. Furthermore, the date specified should remain the same for the entire time period comprising the gaming day. Cage paperwork pursuant to a gaming day should still have that gaming day's date on the paperwork

Gaming systems typically print the calendar date and time on system generated forms such as jackpot payout/fill slips. In this situation, the calendar date versus the gaming date will be printed on the slips for the period of time from midnight to the specified end of gaming day time, if that time is after midnight. The licensee needs to ensure that all paperwork associated with the gaming date is appropriately filed.

GAMING DOCUMENTATION - Written, printed or electronic records, or data, whether original or derivative, or any other record, of gaming activity.

GAMING MANAGER - A gaming employee who is responsible for all gaming activity, but who

is not employed or utilized by the security department at the same time they are acting as Gaming Manager.

GAMING SYSTEMS - A system which captures required slot machine meters, drop and count information, and/or generates gaming forms, documents, and required statistical reports.

GAMING YEAR - A period beginning July 1st and ending June 30th of the following year and coincides with the gaming tax year.

GROUP A - A licensee who has 1-74 slot machines and no gaming tables.

GROUP B - A licensee who has 75-299 total devices or at least 1 table game.

GROUP C - A licensee who has 300 or more total devices.

HANDHELD VALIDATION UNIT CABINET – A two key locked cabinet that houses the handheld validation units (i.e., wireless mobile validation devices). The keys must be checked out of locked box 1 and locked box 2. A log is maintained to check out the validation devices.

HAND PAY - The payment of a winning combination paid by a casino employee such as a slot attendant.

HANDPAY JACKPOTS – In relation to table games, these are jackpots awarded for specific house banked poker and blackjack games that are paid from the cage and documented on a table games payout slip. Refer to rules 8, 10 and 21 for a list of games that offer handpay jackpots.

HANDLE - The total number of hand pulls.

HANDLING - Handling does not include the transportation of gaming documents which are sealed or locked, or those documents which have undergone complete audit or accounting review.

HARD COUNT - The count of the contents in a drop bucket, and if applicable, the contents of the bill validator box. Also known as “slot count” or “BV count”.

HOLD - See Adjusted Gross Proceeds.

HOLD PERCENTAGE - The relationship of hold to drop or handle.

- Blackjack hold percentage (PC) = AGP ÷ drop.
- Slot hold percentage = AGP ÷ the dollar value of coin-in.
- House Banked Poker hold percentage = AGP ÷ drop.
- Craps hold percentage = AGP ÷ drop.
- Roulette hold percentage = AGP ÷ drop.

HOPPER - The mechanism that contains the coins or tokens to make payments in a coin operated

gaming device.

HOPPER ADJUSTMENT - The difference between the initial fill and the current hopper count. This amount is reported as an addition or subtraction to AGP on the monthly gaming tax return in the month in which the hopper count was conducted. The amount of the adjustment is reported in the hopper adjustment column of the gaming tax return for the corresponding denomination.

HOPPER COUNT - The process of determining the hopper inventory.

HOUSE BANKED POKER VARIATION GAMES - Poker variation games which, depending on the rules of play, may allow any of the following: the dealer may play one or more hands, but may not place a wager; players may play against the dealer in addition to, or instead of, playing against other players; players may hold winning hands if the hands qualify the players for monetary or premium returns based upon a publicly available pay schedule; a player may not hold a winning hand even if the player holds the best hand among all the players; or it is not necessary that players' wagers be pulled into a common pot, nor will a pot necessarily be awarded to winning players. Table tray banks for house banked poker games will fluctuate with the fills, credits, payment of winning wagers and collection of losing wagers.

HOUSE BANKED POKER STATISTICAL REPORT - A report which provides a statistical analysis of house banked poker game hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and the expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

INDEPENDENT VERIFICATION - A second physical count performed by another licensed employee.

JACKPOT PAYOUT - The portion of a winning wager on a slot machine manually paid by a licensed employee. Jackpot payouts include attendant paid jackpots, attendant paid progressive jackpots and attendant paid external bonus jackpots.

JACKPOT PAYOUT/FILL SLIP - A pre-numbered (alpha numeric), multi part form on which a jackpot manually paid by a licensed employee is recorded, or which documents a fill to a slot machine.

JACKPOT COMPARISON REPORT (Jackpot Report) - A report which compares the meter jackpots with the actual manual jackpots paid by the licensed employee by machine, by denomination, and in total, on a drop, month, and year-to-date basis.

JACKPOT RAKE - An amount, not to exceed $2.00, which may be taken from the pot of a player banked poker game by the retail licensee expressly to build a jackpot award. It is taken in addition to a standard rake.

KEY AUTHORIZATION LOG - A log that shows names and signatures of persons authorized to check out a specific restricted gaming key.

KEY CONTROL LOG - A log that authorized personnel sign when receiving, retaining and returning restricted gaming keys to sensitive areas, such as drop boxes and count room(s).

KEY EMPLOYEE - Any executive, employee, or agent of the licensee, having a key license, and the power to exercise a significant influence over decisions concerning any part of the operation of the licensee. Every retail licensee must have a key employee on duty at all times whenever gaming is being conducted, except Group A licensees, who must have a key employee within 15 minutes of the establishment at all times gaming is being conducted.

LAMMER - A chip that is placed on a player banked poker table to indicate that the amount of cash, coins or tokens designated thereon has been given to the supervisor to obtain that amount of chips, tokens or coins in order to replenish the chips in the chip tray. The transaction is an even exchange.

LOCKED ACCOUNTING BOX - A box which is located in a secure location, under surveillance, somewhere other than inside the cage. The box is used to deposit paperwork from gaming transactions. It must be locked and accessed only by accounting personnel.

MASTER GAMES SHEET - A form used to record, by shift, each table game's activity and is completed by the table games count team. This form reflects the opening and closing table inventories, the drop, fills, credits, hand pay jackpots, win or loss per table and the drop proceeds transferred to the cashier cage by the count team.

MASTER GAMES SUMMARY REPORT - A report that summarizes the total column of the master games sheet, by day, for a one month period. It includes closing inventories, drops, credits, fills, hand pay jackpots, opening inventories, and net win. It also includes poker rake. This report provides support for the amounts reported on the monthly gaming tax return for blackjack, poker, craps and roulette.

METER READING SUMMARY - A form used to record the meter readings on coin operated gaming devices. The soft or system meters are recorded on slot drop days, before gaming commences on the machine being dropped.

MINIMUM BANKROLL ANALYSIS WORKSHEET - This worksheet is an analysis of licensee's immediate cash position. The worksheet is required to be submitted prior to opening, when the licensee has experienced a significant change in cash balances or cash operating requirements, when the licensee has a cash deficiency, adds or removes devices which would materially effect a licensee's cash position, and as required by the Division. Any deficit in cash position must be immediately reported to the Division.

MOBILE ATM – A mobile payment processing unit that accepts PIN debit and/or credit card transactions generated by a mobile device (e.g., cell phone). Mobile ATMs are typically located in the table games pit.

MOBILE ATM RECEIPT – A receipt generated by a mobile ATM that a patron may exchange for electronic chips, physical chips or tokens at a gaming table. The mobile ATM receipt must have, at minimum, a table number, date, and time, amount of transaction and signatures of the dealer, pit boss and patron.

MONTHLY SLOT REVENUE SUMMARY REPORT (MSRS) - A report that summarizes slot activity by drop, by denomination, and in total, for a one month period. Information included on this report is the dollar value of coin–in, drops, tickets dropped, payouts, fills, redeemed tickets, hopper adjustments, and AGP. This report is used to support the amounts reported on the monthly gaming tax return for slot activity.

MULTI-DENOMINATION GAME – A slot machine that allows a patron to wager various denominations on the same game. These games are configured to utilize various denominations from one cent to $100 to wager on a single game. Multi-denomination games are reported as a separate line item on the tax return and as a separate denomination on the required statistical reports.

NON-CASHABLE ELECTRONIC PROMOTIONAL CREDITS – The total value of non-cashable credits electronically transferred to/from a slot machine to/from an electronic promotional credit system by means of an external connection between the slot machine and the EPCS. These credits are not redeemable for cash.

OPENER/CLOSER - A pre-numbered (alpha-numeric), two part form used to record the table inventory at the beginning and ending of each shift. The original is used as a closer for that shift, the copy is kept in the chip tray, or deposited in the replacement drop box and used as an opener when the next shift begins.

OVERRIDES – Changes to system information made at the time of the event. Licensees must have procedures in place to prohibit any changes to system information for tickets or slot coupons.

PAR SHEET - A document that depicts the possible outcomes from the play of a slot machine, the probability of occurrence of each, and the contribution of each winning outcome to the payback percentage of a slot machine. The document must also contain, at a minimum, the following information: the personality program version and the pay table identification number (as identified in the machines configuration menus and /or display) of the media operating within the slot machine. This sheet 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.

PIT AREA - An area in an establishment enclosed or encircled by gaming tables, accessible to pit employees only and not accessible to the public. For emergency purposes only, other authorized individuals may access the pit (for example, a porter may enter the pit area to clean up a spill).

PIT SUPERVISOR - A gaming employee who has responsibility for the pit area which includes blackjack, craps, roulette and house banked poker tables.

PLAYER BANKED POKER VARIATION GAMES - A card game played by players who are dealt cards by a non-player dealer. The object of the game is for each player to bet the superiority of such player's hand and win the other players' bets. Players with winning hands are awarded all or part of the pot which consists of pooled antes and wagers made by all players playing in the hand. The licensee's bankroll is not at stake. Player banked games must use an imprest table tray bank.

POKER - See House Banked Poker Variation Games and Player Banked Poker Variation Games.

POKER JACKPOT – A special money award, in addition to the money in the pot, paid following the occurrence of a specific pre-defined situation to qualifying individuals at a poker table, as specified by the posted jackpot rules. Commonly referred to as a "Bad Beat Jackpot" or "Jackpot Award".

POKER JACKPOT AWARD DROP LOG - A log used to document the soft drop time and related information for the changing of the jackpot award drop boxes if different than the regularly scheduled table drop.

POKER JACKPOT LOG - A log used to document information about changes to the poker jackpot award. It is updated on a daily basis with the current poker jackpot award amount by someone independent of the poker room.

POKER MASTER GAMES SUMMARY REPORT - A report that summarizes the total column of the master games sheet, by day, for a one month period, and includes the poker rake, and poker jackpot rake for player banked poker games. It also includes closing inventories, drops, credits, fills, opening inventories, hand paid jackpots, and net win for house banked poker games.

POKER ROOM - An area in an establishment enclosed or open which is designated for poker only, and supervised by the poker room supervisor.

POKER ROOM SUPERVISOR - A gaming employee who has responsibility for the poker room which consists of player banked poker tables.

POUCH PAY – An imprest bank used to pay valid hand pay jackpots, tickets and slot coupons under $1,200 that are generated by an automated gaming system. Pouch pays cannot be used to pay overrides, expired tickets, additional payouts, or jackpots of $1,200 or more.

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 SLOT MACHINE - A slot machine with a payoff that increases as the slot machine is played. One or more slot machines may be linked to a progressive controller.

PROGRESSIVE SYSTEMS (Types of progressives)

- **A traditional progressive** is defined as a progressive slot machine with an award that increases as the slot machine is played. The award is increased based on the placement or result of a wager. One or more slot machines may be linked to a progressive controller, which may also be configured with several levels of progressive awards.

- **A multi-link progressive system** also known as a statewide progressive. Multi-link progressive systems are a series of slot machines all linked to a centralized progressive controller which controls all communications and meters within the progressive slot machine link. A multi-link progressive system differs from a traditional progressive link in that the traditional progressive links are a bank of machines located within one casino. A multi-link system involves slot machines located in different casinos all controlled by a central progressive controller. A multi-link progressive receives contributions from coin-in generated in multiple casinos operating on the same link within the state.

- **A random bonusing progressive** is defined as a progressive award which increments based on the placement or result of a wager and is initiated by an event at the game (e.g., a bonus round) and is won while the game is in the game initiated bonus round. There may be several levels of awards on the bonus progressive link. Each level is obtained and won from a game initiated event.

PROPOSITION PLAYER - A person in a poker game paid a fixed sum by the licensee for the specific purpose of playing in a card game, who uses personal funds and who retains the winnings and absorbs the losses. A proposition player must identify themselves upon request and posses a valid Colorado gaming license.

RAKE - A commission charged by the house for maintaining or dealing a player banked poker game.

REQUEST FOR TABLE GAMES JACKPOT PAYOUT SLIP - A pre-numbered (alpha-numeric), two part form used by a pit supervisor or poker room supervisor to authorize a jackpot payout for an allowable table game.

RESTRICTED GAMING KEYS - Sensitive gaming keys which must be securely maintained in two keyed locked boxes, either locked box 1 or locked box 2 or an automated key tracking system, as designated in the Key Control section.

RETAIL MONTH - A calendar month, i.e., October 1st through the 31st.

REQUEST FOR FILL/CREDIT SLIP - A pre-numbered (alpha-numeric), two-part document prepared by a pit supervisor to authorize the preparation of a fill or credit to a table game.

ROULETTE STATISTICAL REPORT - A report which provides a statistical analysis of roulette hold percentages by table, by shift and/or day, on a current month basis, expected hold percentages by table game type and a variance between the actual hold and expected hold percentage. Blackjack, craps, poker and roulette information may be combined on one report as long as the information for blackjack, craps, house banked poker and roulette is shown separately.

RUNNER - A gaming employee who transports chips/cash to and from a gaming table to the cashier. A runner must possess a gaming license.

SECURITY DEPARTMENT - A department within, or utilized by, a retail licensed operation whose employees assist in maintaining compliance with all statutes, regulations, and internal controls but do not participate in operating table games or slot machines, and do not participate in cashier cage operations, except as provided in the ICMP.

SECURITY PERSON - A person employed in the security department.

SHIFT – An interval of 8 hours, 12 hours, 24 hours or other division of a 24-hour day. For ICMP requirements in which the date and shift is to be recorded, if a 24-hour shift is utilized, the indication of N/A is sufficient.

SHORT PAY - When a payoff from a device is less than the listed amount due to a malfunction of the device. The licensee must manually pay the patron the shorted amount. A short pay is not deductible from AGP if the machine dispenses the remaining amount at a later point in time (i.e., after the machine is fixed).

SLOT FILL - The coins/tokens placed in a hopper.

SLOT MACHINE LOAD - The initial slot hopper load or fill. This fill is not deductible in calculating AGP for gaming tax purposes.

SLOT SUPERVISOR - An individual with responsibility for a slot area and jackpot payouts, but does not include a person within the security department.

SOFT COUNT - The count of the contents in the drop boxes from the blackjack, craps, roulette and poker tables. Also known as “table count”.

SOFT COUNT CARD - A document prepared by the table count team to record the amount of cash/chips/tokens, by denomination, and coupons in a drop box.

SOFT METER - An electronic meter in a slot machine. These meters must have at least ten digits and they must accumulate in electronic digital storage and provide the means for on-demand display of the stored information. The following soft meters are required in Colorado:

- Coin In,
- Coin-Out,
- Coin Drop,
- Bill In,
- Attendant Paid Jackpots,
- Attendant Paid Progressive Payout,
- Attendant Paid Cancelled Credits,
- Machine Paid Progressive Payout,
- Voucher In,
- Voucher Out,
- Cashable Electronic Promotion In,
- Non-Cashable Electronic Promotion In,
- Non-Cashable Electronic Promotion Out,
- Machine Paid External Bonus Payout,
- Attendant Paid External Bonus Payout,
- Door open.

STATE FISCAL YEAR - A period beginning on July 1st and ending on June 30th of the following year.

STATEWIDE PROGRESSIVES - See PROGRESSIVE SYSTEMS, multi-link systems.

TABLE CHIPS TRAY (Table Tray) - A container used to hold coins, tokens and chips at a gaming table.

TABLE GAMES ACTIVITY LOG - A report completed by a pit supervisor for the shift. This report is used as a tool for making management decisions and investigation of table games variances.

TABLE GAMES JACKPOT PAYOUT SLIP - A pre-numbered alpha numeric multi part form used to document a hand pay jackpot payout for an allowable table game.

TABLE GAMES PROGRESSIVE JACKPOT LOG - This log is completed daily. It is used to record the progressive meter for the beginning and end of each gaming day, the (progressive drop) coin-in hard meters by table for the beginning and end of each gaming day, and all progressive jackpots paid. At the end of each day this log is forwarded to accounting.

TAX TEMPLATE - This required report reconciles all supporting documentation (statistical reports) to the monthly gaming tax return and general ledger. Licensees are required to prepare a tax template each month prior to submission of the gaming tax return to ensure all amounts

reported on the return are properly supported.

THEORETICAL HOLD - The expected hold percentage or win of an individual coin-operated gaming device as computed by reference to its payout schedule and/or reel strip settings. The theoretical hold percentage is noted on the par sheet. Theoretical hold is calculated as 100% minus the theoretical payback percentage. Theoretical payback percentage is calculated as 100% minus theoretical hold percent. For example, given a theoretical payback percentage of 92.22%, the theoretical hold percent is 7.78% (100% - 92.22%).

THEORETICAL HOLD REPORT (Hold Report) - A report which compares the theoretical hold percentage with the actual hold percentage by machine, by denomination, and in total, on a month, and year-to-date basis.

TICKET – An encoded credit ticket, produced by a ticket printer inside of a slot machine that is interfaced to an automated gaming system. The ticket is produced when cashing out credits or paying out jackpots.

TICKET PAYMENT – Payment by a slot machine equipped with a ticket printer. When a patron cashes out redeemable credits, the machine dispenses an encoded ticket instead of coin as payment.

TICKET PRINTER – A printer mounted inside of a slot machine that is interfaced to a gaming system. The printer produces encoded tickets when cashing out credits or paying out jackpots.

TICKET IN COMPARISON REPORT (Ticket In Report) – A report which compares the total voucher in meter to the actual tickets redeemed by machine. This report must be prepared on a drop, month, and year-to-date basis, and show totals by machine, by denomination, and grand totals.

TICKET OUT COMPARISON REPORT (Ticket Out Report) - A report which compares the total voucher out meter to the actual tickets issued (as reported by the TITO module) by the device. This report must be prepared on a drop, month, and year-to-date basis, and show totals by machine, by denomination, and grand totals.

TICKET REDEMPTION KIOSK - A device that allows a patron to insert and redeem a valid ticket in lieu of placing it back in a slot machine or redeeming the ticket at the cashiers cage. The device contains coin hoppers and currency cassettes for dispensing ticket values, and a stacker unit for collecting the redeemed tickets. A printer is mounted inside the device to allow the transaction history and auditing information to be printed.

TOKEN – A metal or other approved material representative of value, redeemable for cash, issued and sold by a licensee for use in gaming.

TOP SIGNER - The pit supervisor, floor person, or gaming manager, who requests, signs, and authorizes table bank fills and credits.

TWO KEYED LOCKED BOXES - Boxes containing restricted gaming keys which require two keys to access. Box 1 requires a key from the security person and the cashier to access the contents. Box 2 requires a key from the gaming manager and the cashier to access the contents.

VAULT - A secure area within the establishment where duplicate keys and reserve supplies of currency, coin, tokens, and chips are stored. Funds are transferred to and from the vault as needed. Access to the vault is restricted.

VERIFIER - A licensed person who performs verification functions. This person must physically verify monies (e.g., cashier cage, tip proceeds, table trays, jackpot payouts, hopper fills, etc).

WEIGH COUNT - The dollar value of coins registered by a weigh scale machine or other counting machine (e.g., JetSort, currency counter).

WIRELESS LOCAL AREA NETWORK - A type of local network that uses high-frequency radio waves rather than wires to communicate between nodes.

WIRELESS HANDHELD VALIDATION UNIT - A wireless mobile device that is part of a wireless network and provides for validation and redemption of tickets or slot coupons by a licensed casino employee.

WRAP - The procedure of wrapping coins. May also refer to the total amount or value of wrapped and/or bagged coin.