



# ICO NEWSLETTER

January 2010

## Minimum Bankroll Analysis (MBA) Line 5

### **What is Line 5 and why is it important?**

The amount entered in 5a on the MBA Worksheet is for the Total Annual Adjusted Gross Proceeds (AGP) from the casino's prior business year. The amount entered in 5a determines the dollar amounts that populate in box 10b for the per machine/table requirement. A casino reporting  $\leq$  \$1,999,999 in AGP for their prior business year will have a smaller per machine requirement than a casino reporting \$2,000,000 - \$9,999,999.

### **What is my Casino's prior business year?**

A Casino's prior business year is set by each Casino; this month is entered into box 5b. The month entered into box 5b determines how much Total Annual AGP must be entered into box 5a. Total Annual AGP is defined in the MBA Instructions as "The sum of AGP (net of tax adjustments) reported on the tax returns for the 12 months of the prior business year. For example, if a Casino prepares an MBA in January 2010 for the month of December 2009, and the Casino's last month of the business year is October, then the Total Annual AGP should be calculated by summing the monthly AGP from each tax return for Nov '08, Dec '08, Jan '09, Feb '09, Mar '09, Apr '09, May '09, Jun '09, Jul '09, Aug '09, Sept '09 & Oct '09.

### **Did You Know?**

The Division operates on a Fiscal Year (FY) basis from July to the following June. EZFile information is calculated on the Division's FY, **not** the Casino's business year. Therefore, using the example above, if a Casino calculates box 5a by printing the December 2008 tax return page from EZFile and inputting the "YTD Taxable AGP (previous plus current)" figure, you are only capturing Taxable AGP for the six months of Jul '08, Aug '08, Sept '08, Oct '08, Nov '08 & Dec '08. This miscalculation could cause a Casino to have a cash deficiency that will not be properly reflected on the MBA.



## Gambling Intercept Payments

This serves as a reminder that a licensee shall not allow a patron to circumvent the intent of the Gambling Payment Intercept Act through the withholding of an amount greater than that required by the IRS.

## Clarification of Payroll Advances

The cashier section ICMP states that "No loans or payroll advances to employees or any other person can be made from the cashier cage." The Division has further defined a payroll advance as being an advance against wages or tips that have not been earned. Issuing an advance against wages that have not been earned would be considered an extension of credit and is prohibited. A payment to an employee against earned wages or tips may be processed through the casino's cage provided they are supported with properly approved documentation.



## Three Card Poker Progressive Requirements

Until the ICMP are revised for table games progressives, please follow the requirements currently detailed for Caribbean Progressive Procedures located in the Poker and Accounting ICMP. You may need to modify the forms and the report names to coincide with the Three Card Poker game. The most frequently asked questions have been regarding controller access, calculation of AGP and forms required for payouts. Any table games progressive controller must be housed such that access to the controller requires dual access. 100% of optional progressive wagers are considered drop proceeds for the calculation of AGP and all progressive payouts are deductible for AGP as long as the required Table Games Jackpot Payout Slip has been properly completed.

## ICMP approved variances

Many common approved variances were incorporated into the November 2007 ICMP revision. Any approved variances still in effect as of the 2007 rewrite will expire in November 2010. Expired variances will not be honored without current approval from the Division. Please submit any variances that you want to have considered for renewal by September 30, 2010 so that Division staff has sufficient time to review and discuss the variances.

## ICMP revisions and notification timeline

We will be distributing proposed ICMP revisions for industry comment approximately March 1. The goal is to have these effective at the same time as the table games rule changes. Revisions include changes necessary for any rule changes, modification of table games shift requirements, expanded requirements for table games progressives and other minor changes.



### Bulletin 39 Reminder

Colorado Limited Gaming Regulation 47.1-404 reads in pertinent part:

Prior to opening for business, a retail licensee must furnish to the Director a list of all persons, including birth dates and social security numbers, employed by the retail licensee...Additionally, the retail licensee must by the first day of each month submit changes to its list of employees...

All employees directly employed by a retail licensee—licensed or unlicensed, full-time or part-time, permanent or temporary—are to be included on the initial and monthly lists of employees. Corporate employees of the retail licensee or its parent companies that have occasion to work at the casino also need to be listed. This includes temporary employees and employees provided by or hired through temporary or contract agencies who work in a licensed capacity.

The retail licensee is responsible for the activities and identification of any unlicensed person working in the casino at all times.



### SLOTS SOFTWARE/MEDIA “Approved in Colorado”

The industry has been recently reminded that peripheral devices, although approved to be used in one slot machine, may not be approved for use in every slot machine.

Peripheral devices, on slot machines, are components such as bill validators and ticket printers. These peripherals must be tested and approved for use for each slot machine manufacturer.

One example that occurred in November and December 2009 involves printers. A number of slots were discovered with printer software versions that were approved for use in Colorado but not specifically for the manufacturer in whose machine it resided. This is a reminder that casino floors and slot databases must be checked thoroughly for compliance. This includes peripheral devices and individual manufacturers.

What are your procedures?

Be sure to communicate with your local Compliance Investigators if you have any questions.

## **UPCOMING ICO MEETINGS**

The next ICO meetings will be held in May 2010. You are encouraged to submit any questions or topics of discussion you would like addressed, either by the Division or your fellow ICOs. Please call or email your questions or topics to:

Roger Pinson (303) 582-0529, [rpinson@spike.dor.state.co.us](mailto:rpinson@spike.dor.state.co.us),  
Laurie Scott (719) 689-3362, [lscott@spike.dor.state.co.us](mailto:lscott@spike.dor.state.co.us),  
Shannon Voth (303) 205-1304, [svoth@spike.dor.state.co.us](mailto:svoth@spike.dor.state.co.us).

## **CALENDAR OF EVENTS:**

### ***ICO Meetings***

Wednesday, May 5, 2010 – Cripple Creek, location TBD at 10:00 am

Thursday, May 6, 2009 – Central City/Black Hawk, Ameristar casino at 10:00 am

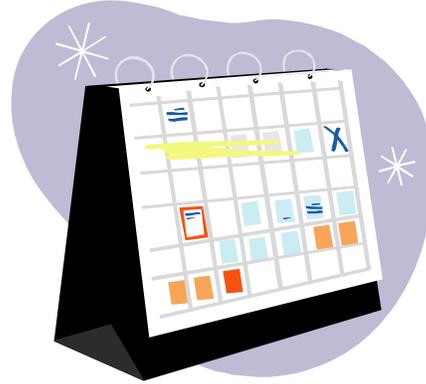
If your casino could host the Cripple Creek meeting, please call or email Geri Clerkin at 303-205-1315 or [gclerkin@spike.dor.state.co.us](mailto:gclerkin@spike.dor.state.co.us)

### ***Table Games Industry meeting***

Wednesday, January 27, 2010 – Lakewood Commission room, 1:30 pm

### ***Commission Meeting Dates:***

- Thursday, January 21, in Lakewood
- Thursday, February 18, in Lakewood
- Thursday, March 18, in Lakewood
- Thursday, April 15, in Lakewood
- Thursday, May 20, in Lakewood
- Thursday, June 17, in Lakewood
- Thursday, July 15, in Lakewood
- Thursday, August 19, in Lakewood
- Thursday, September 16, in Lakewood
- Thursday, October 21, in Lakewood
- Thursday, November 18, in Lakewood
- Thursday, December 16, in Lakewood



### ***ICO Report Due Dates:***

Monday, February 1, 2010

This is the report for the period of July through December 2009.

Monday, August 2, 2010

This is the report for the period of January through June 2010.

## **USEFUL WEBSITES:**

The Drop & Count Schedule, Minimum Bankroll Worksheet, and Tax Template are located at:

<http://www.colorado.gov/cs/Satellite/Rev-Gaming/RGM/1213781235251>

ICO checklist and attribute worksheets: <http://www.colorado.gov/cs/Satellite/Rev-Gaming/RGM/1213781235682>