

STATE OF NEVADA
GAMING CONTROL BOARD
INTERNAL CONTROL PROCEDURES

CARD GAMES

Supervision

1. Supervision is provided at all times the card room is in operation by an employee with authority equal to or greater than those being supervised.

Note: This procedure is not applicable to unforeseen situations that require a licensee or a licensed key employee to deal.

2. Transfers between table banks and the main card room bank (or casino cage, if a main card room bank is not used) are authorized and verified by a supervisor and evidenced by the use of a lammer button or transfer slip.

Note: A lammer button or transfer slip is not required if the exchange of chips, tokens and/or currency takes place at the table.

3. Transfers from the main card room bank (or casino cage, if a main card room bank is not used) to the table banks are verified by the card room dealer and the runner.
4. If applicable, transfers between the main card room bank and the casino cage are properly authorized and documented using a transfer slip or other similar record.
5. A rake must be collected in accordance with the posted rules unless authorized by a supervisor.

Drop Procedures

6. At the end of each shift, all locked card game drop boxes are removed from the tables by two employees, at least one of whom is independent of the card games department.
7. Upon removal from tables, the drop boxes are transported directly to the count room or other secure area by a minimum of two employees.
8. If not counted immediately, the card game drop boxes are locked in a secure manner until the count takes place, **with access to the stored full card games drop boxes, restricted to authorized members of the count team.**
9. ~~Access to stored card games drop boxes, full or empty, is restricted to authorized members of the drop and count teams.~~

Count Procedures

- ~~10.~~ 9. The count of card games revenue is performed by a minimum of two employees. **At no time during the count will there be fewer than two employees in the count room.**
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42. **10.** Access to the count room during a count is restricted to members of the drop and count teams, authorized observers, supervisors for resolution of problems, and authorized maintenance personnel.
43. **11.** All **coins, tokens, chips and/or** cash **inventory** stored in the count room is secured from unauthorized access at all times during the drop and count process.
44. ~~Immediately prior to the count, at least two count team members verify the accuracy of the currency counter and coin counter, if used, with previously counted currency/coin for each denomination actually counted by the counter(s) to ensure the counter is functioning properly. The test results are recorded on the card games count documentation.~~
- ~~Note: If the same count team members complete a count for one revenue center and then immediately complete a count for a second revenue center, the currency counter and/or coin counter test would only need to be completed at the beginning of the first count.~~
45. ~~If a currency counter interface is used, it is adequately restricted so as to prevent unauthorized access (e.g., passwords, keys, etc.).~~
46. ~~Unannounced currency counter, coin counter and currency counter interface (if applicable) tests are performed by someone who is independent of the count team at least on a quarterly basis, independent of the normal count process. All denominations of currency/coin counted by the counter(s) must be tested. The results of such tests are documented and maintained.~~
47. **12.** The card games drop boxes are individually emptied and counted in such a manner as to prevent the commingling of contents between boxes before the box contents have been counted and recorded.
48. **13.** Drop boxes, when empty/emptied, are shown to another member of the count team or to recorded or live surveillance, provided the count is monitored in its entirety by someone independent of the count.
49. **14.** The contents of each box (~~cash,~~ chips, vouchers, foreign chips, coupons or other promotional items included in reported gross revenue, etc.) are recorded in ink or other permanent form of recordation on the card games count sheet. Coupons or other promotional items not included in reported gross revenue may be recorded on a supplemental document by either the count team members or accounting personnel. All coupons are cancelled daily by either the count team members or accounting personnel to prevent improper recirculation. ~~If a currency counter interface is used, the currency drop figures are transferred via direct line or computer storage media.~~
20. ~~When the currency counter rejects currency but does not record the amount of rejected currency, procedures are in effect to record the rejected currency amount, by table, and to ensure that two counts of the rejected currency (by table and in total) are performed to verify the correct amount of rejected currency is recorded on the card games count sheet.~~

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24. ~~15.~~ Corrections on any card games count documentation are made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change. ~~If a currency counter interface is used, corrections to card games count data are made during the count process by~~
- ~~a. crossing out the error on the document, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change. If this procedure is used, an employee independent of the count team enters the correct figure into the computer system prior to the generation of related card games reports.~~
- ~~b. During the count process, correct the error in the computer system and enter the passwords of at least two count team members. If this procedure is used, an exception report is generated by the computer system identifying the table number, the error, the correction and the count team members attesting to the propriety of the correction.~~
22. ~~16.~~ Transfers **of coins, tokens, coupons or currency in or** out of the count room ~~during the card games count process~~ are strictly prohibited **until all count and verification procedures are complete.**
23. ~~17.~~ At the conclusion of the count, the drop amount recorded on the count sheet is reconciled to the drop proceeds in the count room by a count team member who does not function as the sole recorder, with variances reconciled and documented.
24. ~~18.~~ Immediately after the count sheet has been reconciled to the proceeds, all ~~members of the count team attest by signature to the accuracy of the card games drop count~~ **employees participating in the count process sign the count sheet to attest to their presence, the accuracy of the amount recorded and/or the procedures performed..**
25. ~~19.~~ An employee who is independent of the count team performs an independent count of the card games drop proceeds and reconciles it to the drop amount recorded on the count sheet. Any variance is reconciled and documented.
26. ~~20.~~ The independent employee who verified the count certifies by signature on the card games count sheet as to the accuracy of the amount received and assumes accountability of the drop proceeds or secures the drop paperwork.
27. ~~21.~~ An employee who does not accept accountability of the card games drop proceeds transports the card games count sheet, with all supporting documents, to the accounting department immediately after the verifier signs it. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

Note: A copy of the count sheet that is faxed to another location (e.g., corporate office) by the independent verifier will be considered acceptable if the faxed copy is compared/reconciled to the original drop paperwork and the casino accountability or bank deposit.

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Key Controls

- ~~28.~~ **22.** The card game drop box release keys are separately keyed from the card game box contents keys.
- ~~29.~~ **23.** The physical custody of the keys, including duplicates, needed to access the stored full or empty drop boxes requires the physical involvement of at least two employees.
- ~~30.~~ **24.** Card game drop box release keys are maintained by a department independent of the card games department.
- ~~31.~~ **25.** Only the employees authorized to remove the card game drop boxes from the tables are allowed access to the card game drop box release keys. These same employees are precluded from having access to card games drop box contents keys and card games drop box release keys simultaneously.

Note: The count team members may have access to the release keys during the soft count in order to reset the card game drop boxes.

- ~~32.~~ **26.** At least two count team members are required to be present at the time the count keys are issued for the count and until the time of their return.
- ~~33.~~ **27.** Access to the card games drop box contents key at other than scheduled count times requires the involvement of at least two employees. A report is maintained indicating the date, time, table game number, reason for access, and signature or electronic signature of employees signing out/in the card games drop box contents key. Two employees are required to accompany the card games drop box contents key from the time of its issuance until the time of its return.

Note: "Electronic signature" includes a unique employee PIN or card, or employee biometric identification validated and recorded through a computerized system.

- ~~34.~~ **28.** Records are maintained for each duplicate key, as addressed in this section, which indicate the number of keys made and destroyed.
- ~~35.~~ **29.** Computerized key security systems which restrict access to the card games drop and count keys through the use of passwords, keys or other means, other than a key custodian, must provide the same degree of control as indicated in the aforementioned key control procedures.

Note: This procedure does not apply to the system administrator. The system administrator is defined in ICP #36**3**a

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- ~~36.~~ **30.** For computerized key security systems, the following additional card games key control procedures apply:
- a. Management personnel independent of the card game department assign and control user access to keys in the computerized key security system (i.e., system administrator) to ensure that card game drop and count keys are restricted to authorized employees.
 - b. Access to the emergency manual key(s) (a.k.a. override key), used to access the box containing the card game drop and count keys, requires the physical involvement of at least two employees. The date, time, and reason for access must be documented with the signatures of all participating employees signing out/in the emergency manual key(s).
 - c. The custody of the keys issued pursuant to "b." above, requires the presence of two employees from the time of their issuance until the time of their return.

Access to Playing Cards

- ~~37.~~ **31.** Playing cards, both used and unused, are maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.

Reconciliation of Banks

- ~~38.~~ **32.** At the beginning and end of each shift the amount of the table bank and the main card room bank (if used) is counted by a dealer and supervisor, recorded and reconciled. Such count is attested to by their signatures on the check-out form.

Shill Procedures

- ~~39.~~ **33.** Issuance of shill funds shall have the written approval of the supervisor.
- ~~40.~~ **34.** Shill fund returns are recorded and verified on the shill sign-out form.
- ~~41.~~ **35.** The replenishment of shill funds is documented.

Promotional Progressive Pots and Pools

Note: Promotional progressive pots and pools are defined as pots and pools that are contributed to by poker patrons and distributed back to poker patrons based upon the occurrence of a predetermined event.

- ~~42.~~ **36.** The dollar amount of funds contributed by players into the pools is returned when won in accordance with the posted rules with no commission or administrative fee withheld.
- ~~43.~~ **37.** Payouts for promotional progressive pots, pools, and any other promotion are prominently displayed or available for patron review at the licensed location.

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44. **38.** Payouts for promotional progressive pots, or pools **of any amount** and any other promotion for an amount greater than or equal to \$~~4~~500 are documented to include the following:
- a. Date and time.
 - b. Dollar amount of payout or description of personal property (e.g., car).
 - c. Reason for payout (e.g., promotion name).
 - d. Signature of two employees verifying, authorizing, ~~and~~ completing **and witnessing** the promotional payout.
45. **39.** Rules governing promotional pools are posted, are clearly legible from each table, and designate:
- a. The amount of funds to be contributed from each pot.
 - b. What type of hand it takes to win the pool (e.g., what constitutes a "bad beat").
 - c. The percentages used to calculate the payout amounts.
 - d. How/when the contributed funds are added to the jackpots.
 - e. Amount/percentage of funds allocated to primary and secondary jackpots, if applicable.
46. **40.** Promotional pool contributions are not placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game.
47. **41.** Promotional funds removed from the card game are placed in a locked container in plain view of the public.
48. **42.** Persons authorized to transport the locked container are precluded from having access to the contents keys.
49. **43.** The locked container contents key is maintained by a department independent of the card room.
50. **44.** At least once a day, the locked container is removed by two individuals, one of whom is independent of the card games department, and transported directly to the count room, casino cage or other secure room to be counted.
51. **45.** If the funds are maintained in the cage, the contents are counted, recorded, and verified prior to accepting the funds into cage accountability.
52. **46.** The dollar amount of promotional progressive pots, pools, and any other promotion must be conspicuously displayed in the card room. At least once a day the progressive sign or meter, if applicable, is updated to reflect the current pool amount.
53. **47.** At least once a day increases to the progressive sign/meter are reconciled to the cash previously counted or received by the cage.

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Contests/Tournaments

Note: The following controls apply to any contest/tournament with a payout of at least \$500.

54. **48.** All contest/tournament entry fees and prize payouts (including mail transactions) are summarized on an accountability document on a daily basis.
55. **49.** When contest/tournament entry fees and payouts are transacted, they are recorded on a document which contains:
- a. Patron's name.
 - b. Date of entry/payout.
 - c. Dollar amount of entry fee/payout (both alpha and numeric).
 - d. Signature or initials of individual completing transaction.
 - e. Name of contest/tournament.
56. **50.** The contest/tournament entry fees and payouts are summarized and posted to the accounting records on at least a monthly basis.
57. **51.** Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review at the licensed location. The rules must include at a minimum:
- a. All conditions patrons must meet to qualify for entry into, and advancement through, the contest/tournament.
 - b. Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool.
 - c. The distribution of funds based on specific outcomes.
58. **52.** Results of each contest/tournament are recorded and available for participants to review. The recording includes the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.

Note: The total number of entries is not required for a free-entry contest/ tournament.

59. **53.** The aforementioned contest/tournament records are maintained for each event.

Card Games Accounting/Audit Procedures

60. **54.** On a daily basis, accounting personnel reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool. This reconciliation must be sufficiently documented (including substantiation of differences, adjustments, etc.).

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61. 55. Monthly, accounting personnel review all payouts for the promotional progressive pots, pools, or other promotions to determine proper accounting treatment and proper win/loss computation.
62. 56. Monthly, accounting personnel perform procedures (i.e., interviews, review of payout documentation, etc.) to ensure that payouts for **contests, tournaments**, the promotional progressive pots, pools, or other promotions are conducted in accordance with conditions provided to the patrons. **For any contest/tournament, accounting personnel shall reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.**
63. 57. Daily, accounting personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document.
64. ~~When payment is made to the winners of a contest/tournament, accounting personnel will reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.~~
65. 58. Annually, an inventory of all card games department keys **addressed in these procedures**, including drop and count keys, is performed and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigation being documented.
66. 59. **Documentation (e.g., a log, checklist, notation on reports, and tapes attached to original documents, etc.) is maintained evidencing the performance of all card games audit procedures, the exceptions noted and follow-up of all card games audit exceptions.** All changes made to card games documents by accounting personnel are distinguishable (e.g., made in red ink) from those made during the preparation of the document.
67. ~~Documentation (e.g., a log, checklist, notation on reports, and tapes attached to original documents, etc.) is maintained evidencing the performance of all card games audit procedures, the exceptions noted and follow-up of all card games audit exceptions.~~