ARTICLE 15. ACCOUNTING RECORDS AND PROCEDURES

Rule 1. General Provisions

68 IAC 15-1-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees and casino license applicants.

(b) The following definitions apply throughout this article:

(1) "Internal auditor" means an individual employed by the casino licensee or an affiliate to perform audits of gaming and nongaming operations to ensure the following:

(A) Proper accounting department controls.

(B) Adherence to IC 4-33, IC 4-35, and this title.

(2) "Security department" means the individuals employed by the casino licensee to provide security services for the casino gambling operation.

(c) Unless otherwise specified, casino licensees and casino license applicants shall maintain accounting records for a period of five (5) years within the state of Indiana.

(d) Casino licensees and casino license applicants shall maintain redeemed TITOs in accordance with 68 IAC 14-5.5.

(Indiana Gaming Commission; 68 IAC 15-1-1; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3042; filed Jun 1, 1998, 2:30 p.m.: 21 IR 3707; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-1-2 Purpose

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. The purpose of the accounting records and procedures is to ensure the following:

(1) The assets of the casino licensee or casino license applicant are safeguarded.

(2) The financial records of the casino licensee or casino license applicant are accurate and reliable.

(3) The transactions of the casino licensee or casino license applicant are performed only in accordance with the specific or general authorization of IC 4-33, IC 4-35, and this title.

(4) The transactions are recorded adequately to permit the proper recording of the adjusted gross receipts, admission fees, and applicable taxes.

(5) That accountability for assets is maintained in accordance with generally accepted accounting principles.

(6) That only authorized personnel have access to assets.

(7) That recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to discrepancies.

(8) That:

(A) the functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel; and

(B) no employee of the casino licensee is in a position to perpetuate and conceal errors or irregularities in the normal course of the employee's duties.

(9) That gaming is conducted with integrity and in accordance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-1-2; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3043; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-1-3 Submission and approval

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35; IC 5-14

Sec. 3. (a) At various times throughout this article, the casino licensee or casino license applicant will be required to submit policies and procedures for accounting records to the commission. The accounting records must be submitted in accordance with this rule.

(b) Accounting records must comply with the provisions of IC 4-33, IC 4-35, and this title.

(c) Submissions of policies and procedures for accounting records shall be handled in the following manner:

(1) When called for in this article, the casino license applicant shall submit the policies and procedures for accounting records to the executive director at least sixty (60) days prior to the commencement of gaming operations.

(2) The executive director shall, in writing, approve the policies and procedures for accounting records, in total or in part.

(3) Any portion of the policies and procedures for accounting records not approved by the executive director shall be revised and resubmitted by the casino license applicant within the time period established by the executive director. This method shall be followed until all portions of the policies and procedures for accounting records have been approved, or approval cannot be obtained.

(4) None of the policies and procedures for accounting records may be used by a casino license applicant or a casino licensee unless the policies and procedures for accounting records have been approved, in writing, by the executive director.

(d) The casino license applicant or casino licensee shall stamp or otherwise mark each page of its policies and procedures for accounting records submitted to the commission with the word "CONFIDENTIAL" if the material submitted is not subject to disclosure under IC 4-33, IC 4-35, or IC 5-14, or a combination of the three. The casino license applicant or casino licensee shall, at the request of the executive director or the commission, provide a justification explaining the confidential nature of the policies and procedures. *(Indiana Gaming Commission; 68 IAC 15-1-3; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3043; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-1-4 Amendments

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. Amendments to the policies and procedures for accounting records shall be handled in the following manner:

(1) Amendments to a portion of the policies and procedures for accounting records must be submitted to the executive director at least forty-five (45) days before the utilization of the policies and procedures for accounting records.

(2) The executive director shall, in writing, approve the amendment to the accounting records.

(3) No amendment to policies and procedures for accounting records may be used by a casino license applicant or casino licensee unless the amendment to the policies and procedures for accounting records has been approved, in writing, by the executive director.

(4) The casino licensee shall advise the executive director of a change in an event scheduled to occur in conjunction with this article at least twenty-four (24) hours before the change is instituted. If the time of the scheduled event has to be altered due to an emergency, the casino licensee shall notify the enforcement agent, in writing, immediately, and provide a written explanation for the change to the executive director within twenty-four (24) hours.

(Indiana Gaming Commission; 68 IAC 15-1-4; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3043; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-1-4.1 Found cash equivalents

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4.1. Unless otherwise provided in this title, if an occupational licensee finds chips, tokens, TITOs, cash, or cash equivalent in the casino, the occupational licensee must turn the chips, tokens, TITOs, cash, or cash equivalent into the appropriate area of the main bank of the casino licensee. The casino licensee shall maintain the chips, tokens, TITOs, cash, or cash equivalent

for a period of at least twenty (20) days to determine if a patron will claim the chips, tokens, TITOs, cash, or cash equivalent. If the chips, tokens, TITOs, cash, or cash equivalents are not claimed by a patron, the casino licensee shall institute one (1) of the following policies with respect to unclaimed chips, tokens, TITOs, cash, or cash equivalents turned in by occupational licensees:

(1) If the chips, tokens, TITOs, cash, or cash equivalents are not claimed by a patron, the chips, tokens, TITOs, cash, or cash equivalent must be included in the drop on the gaming day the waiting period expires.

(2) The casino licensee shall handle the chips, tokens, TITOs, cash, or cash equivalent not claimed by a patron in accordance with a policy submitted by the casino licensee to the commission audit director and that has been approved by the executive director.

The casino licensee must disseminate this rule to all occupational licensees employed by the casino licensee or occupational licensees employed by another company but assigned to perform their duties at the casino licensee's casino gambling operation. *(Indiana Gaming Commission; 68 IAC 15-1-4.1; filed Jan 6, 1999, 4:25 p.m.: 22 IR 1423; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)*

68 IAC 15-1-5 Emergency procedures

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 5. (a) In the event of an emergency, the casino licensee may amend the policies and procedures for accounting records. The enforcement agent must concur that an emergency exists before the amendment of the policies and procedures for accounting records.

(b) The casino licensee shall do the following:

(1) Report an emergency amendment to the policies and procedures for accounting records to the enforcement agent immediately.

(2) Submit to the executive director within ten (10) business days of the emergency amendment:

(A) a description of the amendment to the policies and procedures for accounting records; and

(B) the circumstances necessitating the amendment.

(c) As soon as the circumstances necessitating the emergency amendment to the policies and procedures for accounting records abate, the casino licensee shall resume compliance with the approved policies and procedures for accounting records. *(Indiana Gaming Commission; 68 IAC 15-1-5; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3044; errata filed Oct 23, 1996, 12:00 p.m.: 20 IR 760; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-1-6 Compliance

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 6. (a) Casino licensees and casino license applicants must conduct its operations in accordance with IC 4-33, IC 4-35, this article, and policies and procedures for accounting records that have been approved, in writing, by the executive director.

(b) Failure to comply with this article may result in the initiation of a disciplinary action under 68 IAC 13. *(Indiana Gaming Commission; 68 IAC 15-1-6; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3044; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-1-7 Deviation from provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 7. (a) The executive director or the commission may approve deviations from the provisions of this rule if the executive

director or the commission determines that the:

(1) procedure or requirement is impractical or burdensome; and

(2) alternative means of satisfying the procedure or requirement:

(A) fulfill the purpose of the rule;

(B) are in the best interest of the public and the gaming industry in Indiana; and

(C) do not violate IC 4-33 or IC 4-35.

(b) If a licensee wishes to request a deviation from the provisions of this rule, the licensee must do so in writing. *(Indiana Gaming Commission; 68 IAC 15-1-7; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3044; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-1-8 Reports by the executive director

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33; IC 5-14-1.5-6.1

Sec. 8. The executive director shall report any action he or she has taken or contemplates taking under this article to the commission at the next meeting held under 68 IAC 1-2-5 or an executive session held under IC 5-14-1.5-6.1. The commission may direct the executive director to take additional or different action. *(Indiana Gaming Commission; 68 IAC 15-1-8; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3044; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Sep 30, 2004, 11:05 a.m.: 28 IR 530; readopted filed Sep 21, 2010, 3:55 p.m.: 20101020-IR-068100360RFA)*

Rule 2. Currency Transaction Reports and Multiple Transaction Logs

68 IAC 15-2-1 General provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees and occupational licensees.

(b) As used in this rule, "security department" means the individuals employed by the casino licensee to provide security services for the casino gambling operation.

(c) The casino licensee shall establish procedures for the following:

(1) Tracking and reporting cash transactions or a series of cash transactions that occur in the same gaming day, in excess of three thousand dollars ($3,000).

(2) Reporting on a currency transaction report the cash transactions made by a gaming patron during a twenty-four (24) hour period that exceed ten thousand dollars ($10,000). The currency transaction report shall be filed with the Internal Revenue Service within fifteen (15) days of the transaction occurring and a copy shall be filed as directed by the enforcement agent. Currency transaction reports shall be filed for a single transaction or a series of related multiple transactions with the same directional flow.

(d) Compliance with this rule does not release the casino licensee from its obligation to comply with applicable state and federal regulations. *(Indiana Gaming Commission; 68 IAC 15-2-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3327; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-2-2 Cash transactions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. (a) Cash transactions involving cash in or cash out in excess of ten thousand dollars ($10,000) must be reported by occupational licensees. The information to be reported shall include, but is not limited to, the information that is required by 31

U.S.C. 5313 and 31 CFR 103.

(b) In addition to filing copies of the cash transactions with the Internal Revenue Service and the enforcement agent in accordance with section 1(c)(2) of this rule, the casino licensee shall also prepare and submit to the commission and the enforcement agent a summary of the cash transaction reports that are being submitted that includes the following information:

(1) The date on which the cash transaction report was completed by the casino licensee.

(2) The name of the patron for whom the cash transaction report was completed.

(3) The amount of cash involved in the transaction that prompted the completion of the cash transaction report.

(4) An indication of whether the cash was:

(A) received; or

(B) paid out;

by the casino licensee.

(Indiana Gaming Commission; 68 IAC 15-2-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3327; filed Aug 20, 1997, 7:11 a.m.: 21 IR 18; errata filed Nov 17, 1997, 3:45 p.m.: 21 IR 1347; filed Feb 18, 1998, 9:45 a.m.: 21 IR 2315; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-2-3 Multiple transaction control log

Authority: IC 4-33-4; IC 4-35-4

Affected: IC 4-33; IC 4-35

Sec. 3. (a) The casino licensee shall be required to maintain a log for the purpose of recording aggregated cash transactions in excess of three thousand dollars ($3,000). The casino licensee shall require coordination between the pits, slots, cashiers, cages, redemption centers, and other appropriate areas to ensure all transactions in excess of three thousand dollars ($3,000) are recorded.

(b) The employee witnessing the transaction is responsible for completing the log.

(c) The log shall include, but is not limited to, the following information:

(1) Date of the transaction.

(2) Time of the transaction.

(3) Description of the patron and name of the patron, if known.

(4) Type of transaction and related information, including, but not limited to, the following types of transaction:

(A) Marker payment.

(B) Deposit.

(C) Check.

(D) Chip redemption.

(5) Amount of the transaction.

(6) Signature and occupational licensee number of the individual recording the transaction.

(7) Location of transaction.

(8) Photograph of the patron to be taken during the first transaction of the day involving that patron.

(9) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(d) The reports shall be submitted to the accounting department on a daily basis and maintained by the casino licensee for five (5) years.

(e) Cage and pit personnel are responsible for communicating with other personnel to ensure the transactions are properly logged and any necessary currency transaction reports are completed. *(Indiana Gaming Commission; 68 IAC 15-2-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3327; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1069; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-2-4 Reportable transactions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. (a) The casino licensee shall establish policies and procedures for the processing of cash transactions in excess of ten thousand dollars ($10,000). Prior to the processing of a cash transaction in excess of ten thousand dollars ($10,000), the casino licensee shall obtain, at a minimum, the information that is required by 31 U.S.C. 5313 and 31 CFR 103.

(b) If an individual or agent is conducting a transaction on behalf of another individual, the same information as described in subsection (a) must be obtained for the individual serving as the agent. This is in addition to the information required for the individual for whom the transaction is being conducted.

(c) Identification information must be verified by examining the identification presented by the patron. Acceptable identification for a United States resident includes the following:

(1) Driver's license.

(2) United States passport.

(3) Other government issued photo identification cards.

(d) For aliens or nonresidents of the United States, acceptable identification includes the following:

(1) Passport.

(2) Alien identification card.

(3) Other official documents evidencing nationality or residence.

(e) If the patron is unable to provide any of the above information or the identification provided is not acceptable, the casino licensee shall refuse the transaction until the casino licensee has obtained the necessary information.

(f) If the denied transaction involves chip redemptions or payment of winnings, and the patron is unable to provide adequate identification in order to verify the patron's identity and address, the patron has the option of placing the winnings on deposit or converting the winnings to chips and retaining possession of the chips. The casino licensee does, however, have the right to demand redemption of the chips and tokens. If the casino licensee chooses to exercise this right, the customer's winnings will be placed on deposit. If the customer chooses to place the winnings on deposit, this is the only instance in which a cashier will be allowed to accept a customer deposit without verifying the patron's identification. Identification information shall still be obtained verbally from the patron. A surveillance photograph must be obtained and attached to the casino's copy of the customer deposit voucher. Deposits held under this subsection will not be refunded until the patron provides proper identification and will only be refunded to the individual identified by the surveillance photograph. The table games manager or the equivalent must approve both the deposit and refund by initialing the customer deposit voucher before the transaction is complete. Identification provided for verification shall be recorded on the customer deposit withdrawal voucher and the currency transaction report.

(g) If a patron refuses to provide proper identification, the casino licensee shall stop the patron from making further cash transactions and prevent the patron from further gaming activity until the patron has provided the casino licensee with satisfactory identification. *(Indiana Gaming Commission; 68 IAC 15-2-4; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3328; filed Feb 18, 1998, 9:45 a.m.: 21 IR 2315; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-2-5 Surveillance

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 5. The casino licensee shall establish policies and procedures for the notification of surveillance prior to completing a currency transaction report. The procedures shall include, at a minimum, the following:

(1) The window cashier, pit boss, table games shift manager, or table games manager must notify surveillance.

(2) Surveillance shall take a photograph of the patron from the surveillance camera.

(3) Prior to the completion of the transaction, surveillance shall notify the window cashier, pit boss, table games shift manager, or table games manager that it has an acceptable photograph.

(4) The casino licensee may print the photograph in the surveillance room or on the casino floor, subject to the following

requirements:

(A) If the photograph is printed in the surveillance room, surveillance shall note the date and time on the photograph, sign the photograph, and forward it to the window cashier, pit boss, table games shift manager, or table games manager.

(B) Before a casino licensee may print surveillance photographs from a printer located on the casino floor, the commission must approve internal control procedures regarding the use of a printer on the casino floor to print surveillance photographs.

(5) The window cashier, pit boss, table games shift manager, or table games manager shall:

(A) sign the photograph;

(B) write the patron's name on the back of the photograph; and

(C) attach the photograph to the casino's copy of the currency transaction report.

(6) The window cashier, pit boss, table games shift manager, or table games manager shall document the type of reportable transaction on the currency transaction report form.

(7) The window cashier, pit boss, table games shift manager, or table games manager shall sign the currency transaction report form and document his or her occupational licensee number on the form.

(8) The occupational licensee reviewing the form shall also sign and document his or her occupational licensee number on the form.

(Indiana Gaming Commission; 68 IAC 15-2-5; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3328; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-2-6 Currency transaction report

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 6. The following information shall, at a minimum, be included on the currency transaction report:

(1) Part I. Section A. The patron or organization for whom the transaction was completed, including the following information:

(A) Patron's last name, first name, and, if provided, middle initial.

(B) The last four (4) digits of the patron's Social Security number.

(C) Name of organization and employer identification number if the transaction is being conducted on behalf of a business or organization.

(D) If the patron is an alien or nonresident of the United States, the passport number or alien registration number, or both, and issuing country for both.

(E) Complete address of the patron, including the number and street, city, state, zip code and country if not in the United States.

(F) Patron's date of birth.

(G) Type and number of identification used to verify patron's identity.

(H) Patron's account number. Include the patron's account number if an account relationship has been established between the patron and the casino or the deposit receipt number.

(2) Part I. Section B. Identity of agent conducting the transaction (complete only if an agent conducts a transaction for the person), including the following information:

(A) Agent's last name, first name, and, if provided, middle initial.

(B) The last four (4) digits of the agent's Social Security number.

(C) Complete address of the agent, including the number and street, city, state, zip code, and country, if not in the United States.

(D) If the individual is an alien or nonresident of the United States, the passport number, alien registration number, or both, and the issuing country for both.

(E) Agent's date of birth.

(F) Type and number of identification used to verify patron's identity.

(3) Part II. Description of transaction, including the following:

(A) Whether multiple currency transactions, none of which individually exceeds ten thousand dollars ($10,000), comprise this report.

(B) The nature of the transaction. Indicate if more than one (1) type of transaction is involved, and indicate the amount for each:

(i) currency exchange;

(ii) cash in; or

(iii) cash out.

(C) The total amount of the cash transaction, in United States dollars, being reported. This must be completed for reports even if a check is being cashed.

(D) The date of the transaction.

(E) If the transaction involves currency other than United States currency, the name of the country that issued the currency.

(4) Part III. The casino reporting the financial transaction shall include the following information:

(A) Name of the casino cage employee or other occupational licensee who handled the transaction or prepared the form.

(B) Name and signature of the occupational licensee who reviewed and approved the currency transaction report. The occupational licensee responsible for reviewing, approving, and submitting the report shall sign the report.

(C) Name and commercial telephone number of a responsible individual to contact concerning questions about this form.

(D) Date on which the occupational licensee reviewed and approved the report.

(E) Currency transaction reports must be properly filed with the Internal Revenue Service by the fifteenth day after the date the transaction was completed with a copy simultaneously provided to an enforcement agent.

(Indiana Gaming Commission; 68 IAC 15-2-6; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3329; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1069; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-2-7 Occupational licensee's responsibility

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 7. Occupational licensees are prohibited from providing information to casino patrons in an effort to assist the patron in circumventing the reporting requirements. Occupational licensees are responsible for preventing a patron from circumventing the reporting requirements if the occupational licensee has knowledge, or through reasonable diligence in performing his or her duties, should have knowledge of the patron's attempt to circumvent the reporting requirements. *(Indiana Gaming Commission; 68 IAC 15-2-7; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3330; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 3. Cash Reserve Requirements and Distributions

68 IAC 15-3-1 General provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35; IC 5-13-10.5

Sec. 1. (a) This rule applies to casino licensees and casino license applicants.

(b) The following definitions apply throughout this rule:

(1) "Cash equivalents" means investments with an original maturity of three (3) months or less that would be permissible investments under Indiana law for state monies held by the state treasurer under IC 5-13-10.5.

(2) "Payout" means the drop less the amount of the casino licensee win.

(c) Violation of this rule may result in the initiation of a disciplinary action under 68 IAC 13-1. *(Indiana Gaming Commission; 68 IAC 15-3-1; filed Mar 9, 1998, 9:30 a.m.: 21 IR 2312; errata filed Apr 29, 1998, 10:00 a.m.: 21 IR 3366; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-3-2 Distributions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. (a) A casino licensee or casino license applicant shall not make distributions to its partners, shareholders, itself, or an affiliated entity if the distribution will impair the financial viability of the casino gambling operation. Factors to be considered when determining impairment include, but are not limited to, the following:

(1) Cash flow, casino cash, and working capital requirements.

(2) Debt service obligations and covenants associated with financial instruments.

(3) Requirements for repairs and maintenance.

(4) Requirements for capital improvements.

(5) Requirements of the casino licensee's or casino license applicant's financial projections.

(6) Requirements to meet the obligations of the casino licensee or casino license applicant pursuant to a development agreement or the equivalent between the local community and the casino licensee or the casino license applicant or the conditions that were made a part of the certificate of suitability or the casino owner's license, or both.

(b) Notwithstanding subsection (a), distributions to partners or shareholders that are used for the payment of federal or state taxes, or both, shall not violate this rule. *(Indiana Gaming Commission; 68 IAC 15-3-2; filed Mar 9, 1998, 9:30 a.m.: 21 IR 2312; errata filed Apr 29, 1998, 10:00 a.m.: 21 IR 3366; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-3-3 Cash reserve requirements

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. (a) Casino licensees shall maintain, in cash or cash equivalents, an amount sufficient to protect patrons against defaults in gaming debts owed by the casino licensee. The cash reserve requirement may be maintained in any combination of the following:

(1) Cash on hand in the casino licensee's cage that comprises the cage accountability.

(2) Cash in a bank account maintained in the state of Indiana.

(3) Cash equivalents that are not otherwise committed or obligated.

(b) Casino licensees shall maintain cash or cash equivalents in one (1) of the following amounts to ensure payment of a winning patron wager:

(1) For the first full or partial quarter of operation, based on a calendar year, one hundred percent (100%) of the casino licensee's or casino license applicant's projected payout for a three (3) day period.

(2) For the next quarter, based on a calendar year, one hundred percent (100%) of the casino licensee's actual payout for a three (3) day period. The actual payout shall be computed by calculating the daily average payout for the previous quarter of operation and multiplying the daily average payout by three (3).

(c) The cash reserve requirement that a casino licensee must maintain shall be rounded off to the nearest one thousand dollars ($1,000). The casino licensee shall not increase or decrease the cash reserve requirement each quarter unless the adjustment would increase or decrease the cash reserve requirement by at least fifty thousand dollars ($50,000). The casino licensee shall increase or decrease the cash reserve requirement by the twentieth day of the month following the end of the quarter.

(d) The cash or cash equivalents must be held in the name of the casino licensee.

(e) If the casino licensee's cash and cash equivalents fall below the amount outlined in subsection (b), the casino licensee

shall immediately notify the executive director. If the cash reserve requirement does not comply with this rule, the executive director shall order the casino licensee to establish a cash reserve requirement that is in compliance within a period not to exceed twenty (20) days.

(f) The casino licensee shall provide the executive director with a statement of the cash reserve account by the twentieth day of a month or within ten (10) days of the receipt of the statement by the casino licensee. *(Indiana Gaming Commission; 68 IAC 15-3-3; filed Mar 9, 1998, 9:30 a.m.: 21 IR 2312; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Feb 14, 2005, 10:10 a.m.: 28 IR 2014; readopted filed Nov 14, 2011, 12:10 p.m.: 20111214-IR-068110462RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 4. Token and Chip Inventories

68 IAC 15-4-1 Applicability; general provisions

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 1. This rule applies to riverboat licensees and riverboat license applicants. *(Indiana Gaming Commission; 68 IAC 15-4-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3330; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; readopted filed Nov 26, 2013, 3:58 p.m.: 20131225-IR-068130354RFA)*

68 IAC 15-4-2 Purchase and receipt of chips and tokens

Authority: IC 4-33-4
Affected: IC 4-33

Sec. 2. (a) The riverboat licensee or riverboat license applicant shall be responsible for establishing policies and procedures for the:

(1) purchase;
(2) receipt;
(3) inventory;
(4) storage; and
(5) destruction;

of chips and tokens. These policies and procedures must be submitted to and approved by the executive director in accordance with 68 IAC 15-1.

(b) Procedures for the purchase and receipt of chips and tokens shall include, but are not limited to, the following:

(1) Chips and tokens shall only be purchased from a licensed supplier. The riverboat licensee or riverboat license applicant shall be responsible for communicating with licensed suppliers to arrange secured shipment and receipt of chips or tokens. Shipment shall be made via an exclusive courier who shall be required to use sealed doors and implement procedures for documenting the stops along the route.

(2) The occupational licensee to whom the riverboat licensee has delegated the responsibility of ordering chips and tokens shall be at least the slot manager or cage manager level, or the equivalent.

(3) The commission shall be notified in writing before the delivery of chips or tokens. This notification shall include the following information:

(A) The date and time of the delivery.
(B) The location of the delivery.
(C) A detailed description of the method and details of the secured shipment that will be used to transport the chips or tokens.
(D) The amount of chips or tokens, by denomination.
(E) The occupational licensee who authorized the order of the chips or tokens.
(F) Any other information deemed necessary by the executive director or commission to ensure compliance with IC 4-33 and this title.

(4) At least two (2) occupational licensees from separate departments shall open and count the chips or tokens received. An enforcement agent shall also be present while the chips or tokens are being opened and counted.

(5) A:

(A) deviation between the:

(i) actual count of chips or tokens received; and

(ii) invoice or packing slip accompanying the chips or tokens; or

(B) defect in the chips or tokens;

shall be immediately reported to the executive director.

(6) The actual count of chips or tokens shall be recorded in a log or ledger. This log or ledger must be in a format approved by the commission. The following information shall, at a minimum, be included in the log or ledger:

(A) The date of receipt of the chips or tokens.

(B) The amount of chips or tokens, by denomination.

(C) Whether the chips are value chips or nonvalue chips.

(D) Whether the chips are part of the primary or reserve set of chips.

(E) The total token and chip inventory.

(F) Signatures of the occupational licensees counting the chips or tokens received.

(G) The name of the enforcement agent observing the delivery of the chips or tokens.

(H) The signature of the occupational licensee recording the entry.

(I) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33 and this title.

(7) If any of the chips are to be held in reserve, then those chips shall be stored in a locked cabinet separate from the other chips.

(Indiana Gaming Commission; 68 IAC 15-4-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3330; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1070; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-4-3 Storage of chips or tokens

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. The riverboat licensee or riverboat applicant shall establish procedures for the transfer or storage of chips and tokens. The procedures shall include, at a minimum, the following:

(1) Location and access of sensitive keys in accordance with 68 IAC 11-7.

(2) At least two (2) occupational licensees must be present for the transfer of the reserve or secondary chips and reserve tokens.

(3) Identification of occupational licensees authorized to transfer reserve and secondary chips.

(4) A process where at least two (2) occupational licensees, Level 2 or higher, from separate departments shall open and check the chips transferred. This entry in the procedures shall include identification of the occupational licensees, by title, involved in this process.

(5) Inventories of chips in reserve and secondary set of chips and reserve tokens shall be made on a monthly basis, and the results of the inventories shall be recorded in the chip inventory ledger. Physical inventories may be performed annually if the inventory procedures incorporate the sealing of locked compartments. The procedures for the performance of chip inventories, the procedures for sealing and accessing locked compartments, and the security measures to be taken with respect to these locked compartments shall be submitted to the commission for approval at least sixty (60) days prior to their implementation.

(6) During nongaming hours chips shall be stored and locked in the casino cages, main bank vault, or locked table trays at the live gaming devices.

(Indiana Gaming Commission; 68 IAC 15-4-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3331; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1071; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-

068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

Rule 5. Wagering Tax

68 IAC 15-5-1 General provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33-2-6; IC 4-35

Sec. 1. (a) This rule applies to casino licensees.
(b) The following definitions apply throughout this rule:
(1) "Department" has the meaning set forth in IC 4-33-2-6.
(2) "Form RG-1" means the Daily Adjusted Gross Receipts and Tax Remittance form.
(3) "Form RG-2" means the Monthly Statistical Information and Monthly Tax form.
(4) "Form RG-3" means the Balance Sheet form.
(5) "Form RG-4" means the Income Statement form.
(6) "Form RG-5" means the Statements of Changes in Stockholders' Equity form.
(7) "Form RG-6" means the Statements of Changes in Partners' or Proprietor's Equity form.
(8) "Form RG-7" means Statements of Cash Flows form.
(9) "Form RG-8" means the Schedule of Receivables and Patrons' Checks form.
(10) "Form RG-9" means the Employment and Payroll Report form.
(11) "Gaming day" means a twenty-four (24) hour period commencing at 6 a.m. one (1) day and concluding at 5:59 a.m. the following day.

(Indiana Gaming Commission; 68 IAC 15-5-1; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3305; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-5-1.5 Transfer of ownership

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3; IC 4-33-4-21; IC 4-33-13-1.5
Affected: IC 4-1-1-1; IC 4-33

Sec. 1.5. When a controlling interest, as determined by the commission, in an existing owner's license or operating agent contract is purchased or otherwise acquired from a licensed owner or operating agent, the subsequent licensed owner or operating agent must pay a wagering tax in accordance with IC 4-33-13-1.5 at a graduated tax rate to be calculated based upon the cumulative adjusted gross receipts received by both the:
(1) previous licensed owner or operating agent; and
(2) subsequent licensed owner or operating agent;
during the entire fiscal year, as defined in IC 4-1-1-1, in which the transaction occurred. *(Indiana Gaming Commission; 68 IAC 15-5-1.5; filed Jan 27, 2006, 3:05 p.m.: 29 IR 1876; readopted filed Nov 16, 2012, 10:51 a.m.: 20121212-IR-068120413RFA)*

68 IAC 15-5-2 Calculation of taxes

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33-13-1; IC 4-33-13-1.5; IC 4-35-8-1

Sec. 2. (a) The casino licensee shall calculate the amount of wagering taxes to be paid by completing Form RG-1 in accordance with the applicable rules of the department, this rule, and the instructions that accompany Form RG-1. Only the:
(1) general manager;
(2) assistant general manager;
(3) finance officer; or
(4) others as approved by the commission;

may sign as an officer on the RG-1.

(b) A casino licensee shall maintain an account at a designated financial institution capable of handling electronic fund transfers.

(c) The casino licensee shall submit the wagering tax liabilities via an Electronic Funds Transfer (EFT) system employing an automated clearinghouse debit method (ACH-debit) or other method approved by the department and the executive director.

(d) The casino licensee shall be required to file a Form RG-1 and remit the tax imposed by IC 4-33-13 to the department before the close of the business day following the day the wagers are made. In addition, a copy of Form RG-1 shall be filed with the commission.

(e) The casino licensee shall be required to maintain funds, at all times, sufficient to cover the tax liabilities due to the department in accordance with IC 4-33-13.

(f) The casino licensee that has not implemented flexible scheduling shall compute the amount of wagering tax due as set forth in IC 4-33-13-1. The casino licensee that has implemented flexible scheduling shall compute the amount of wagering tax due as set forth in IC 4-33-13-1.5 or IC 4-35-8-1.

(g) Casino licensees shall compute daily gross receipts in the following manner:

(1) Add the following figures as applicable:

(A) Total receipts from table games in accordance with section 3 of this rule.

(B) Total receipts from electronic gaming devices in accordance with section 4 of this rule.

(C) Net tournament receipts in accordance with section 5 of this rule.

(D) Net debit card receipts in accordance with section 6 of this rule.

(E) A tax remittance correction or adjustment, or both, in accordance with section 7 of this rule.

(2) Deduct the following figures:

(A) Allowable uncollectible gaming receivable deduction under 68 IAC 16-1-13 in accordance with section 8 of this rule.

(B) A tax remittance correction or adjustment, or both, in accordance with section 7 of this rule.

(h) If the amount of wagering tax due on a gaming day is a negative figure, the casino licensee shall remit no wagering tax for that gaming day but shall pay the appropriate amount of admission tax calculated under 68 IAC 15-6. Any negative wagering tax shall be carried over and calculated as an adjustment on Schedule E of Form RG-1 on the subsequent gaming days until the negative figure has been brought to a zero (0) balance. *(Indiana Gaming Commission; 68 IAC 15-5-2; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3305; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Feb 14, 2005, 10:10 a.m.: 28 IR 2014; readopted filed Nov 14, 2011, 12:10 p.m.: 20111214-IR-068110462RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-5-3 Receipts from table games

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 3. (a) The riverboat licensee shall compute the total receipts from table games by adding the table win as defined in 68 IAC 1-1-93 and the daily chip float adjustment.

(b) The daily chip float shall be computed in the following manner:

(1) Begin with the dollar value of chips on hand per the chip inventory ledger.

(2) Subtract the dollar value of the ending inventory of chips held by the riverboat licensee. The ending inventory shall include the dollar values of the following:

(A) Chips in the vault.

(B) Chips in the cage drawer.

(C) Chips in the change lockers.

(D) Chips on the live gaming device tables.

(3) The daily chip float must be calculated and recorded separately for each denomination of chips.

(c) The daily chip float adjustment shall be computed by subtracting the previous gaming day's chip float from the current gaming day's chip float.

(d) If any denomination of chip float becomes negative, the riverboat licensee must take the following steps:

(1) Immediately investigate the reason for the negative chip float.
(2) Immediately notify the enforcement agent.
(3) Notify the commission, in writing, on the next business day.

(Indiana Gaming Commission; 68 IAC 15-5-3; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3306; filed May 29, 1998, 5:15 p.m.: 21 IR 3702; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; readopted filed Nov 26, 2013, 3:58 p.m.: 20131225-IR-068130354RFA)

68 IAC 15-5-4 Receipts from electronic gaming devices

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. (a) The casino licensee shall compute the total receipts from electronic gaming devices in the following manner:

(1) Add the following applicable figures for electronic gaming device drop buckets:

(A) For electronic gaming devices that were not part of the drop bucket collection process under 68 IAC 11-2 for that gaming day, add the dollar value of the drop per the central computer system.

(B) For electronic gaming devices that were part of the drop bucket collection process under 68 IAC 11-2 for that gaming day, add the dollar value of the contents of the drop buckets, including foreign tokens, per the hard count.

(2) Add the following applicable figures for electronic gaming device bill validator drop boxes:

(A) For electronic gaming device bill validator drop boxes that were not part of the currency collection process under 68 IAC 11-3 for that gaming day, add the dollar value of the drop per the central computer system.

(B) For electronic gaming device bill validator drop boxes that were part of the currency collection process under 68 IAC 11-3 for that gaming day, add the dollar value of the contents of the bill validator drop boxes per the soft count.

(3) Deduct the dollar values of the following figures:

(A) The amount previously reported per the central computer system on a previous gaming day that is included in the drop bucket collection process or the bill validator collection process for the current gaming day.

(B) Manually paid jackpots.

(C) Hopper fills. The casino licensee shall not take a deduction for hopper fills that are made before the:

(i) commencement of gaming operations; or

(ii) use of an electronic gaming device.

The total of subdivisions (1) and (2) shall be added to the daily token float adjustment to arrive at the total receipts from electronic gaming devices.

(b) The casino licensee shall compute the daily token float in the following manner:

(1) Begin with the dollar value of tokens on hand per the token inventory ledger.

(2) Subtract the dollar value of the ending token inventory held by the casino licensee. The ending token inventory shall include the dollar values of the following:

(A) Tokens in the hard count room.

(B) Tokens in the vault.

(C) Tokens in the cage drawers.

(D) Tokens in the change lockers.

(E) Tokens in the hoppers. If this deduction is not based on an actual number of tokens in the hoppers, the figure used must be approved by the executive director or the executive director's designee.

(3) The daily token float must be calculated and recorded separately for each denomination of tokens.

(c) The daily token float adjustment shall be arrived at by subtracting the previous gaming day's token float from the current gaming day's token float.

(d) If any denomination of token float becomes negative, the casino licensee must take the following steps:

(1) Immediately investigate the reason for the negative token float.
(2) Immediately notify the enforcement agent.
(3) Notify the commission, in writing, on the next business day.

(Indiana Gaming Commission; 68 IAC 15-5-4; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3306; filed May 29, 1998, 5:15 p.m.: 21 IR

3703; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-5-5 Tournament receipts

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 5. The casino licensee shall compute the net tournament receipts to be used in arriving at the daily adjusted gross receipts in the following manner:

(1) Add the total receipts from tournaments.

(2) Deduct tournament payouts, including prizes at their historical cost basis.

The casino licensee may not take a deduction for net tournament receipts if the computation results in a negative number. *(Indiana Gaming Commission; 68 IAC 15-5-5; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3306; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-5-6 Debit card receipts

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 6. The casino licensee shall compute the net debit card receipts to be used in arriving at the daily adjusted gross receipts by deducting the total of cash returned on debit cards from total receipts from issuance of debit cards. *(Indiana Gaming Commission; 68 IAC 15-5-6; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3306; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-5-7 Tax corrections or adjustments

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 7. If the casino licensee makes an adjustment or correction in a calculation that it has previously reported on Form RG-1, the casino licensee shall incorporate the adjustment into the next Form RG-1 that it files with the department and the commission. The adjustment shall include any collection of uncollectible gaming receivables that were previously computed as uncollectible gaming receivables in completing a Form RG-1. The casino licensee shall fully and completely explain the reason necessitating an adjustment or correction on Schedule E of Form RG-1. *(Indiana Gaming Commission; 68 IAC 15-5-7; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3307; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-5-8 Uncollectible gaming receivables

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 8. The casino licensee shall be allowed a deduction against a total win for uncollectible gaming receivables. The deduction shall be the least of the following:

(1) Actual uncollectible gaming receivables.

(2) Two percent (2%) of the receipts from gaming operations for the gaming day, which includes the total of all sums received from patrons, whether collected or not, less the amount paid out by the casino licensee as winnings to patrons.

(3) A reasonable provision for uncollected patron checks received from gaming operations that is based on actual uncollectible gaming receivables for the prior month prorated per day.

(Indiana Gaming Commission; 68 IAC 15-5-8; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3307; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-5-9 Monthly forms

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 9. (a) The casino licensee shall prepare and submit the following forms to the commission office in Indianapolis, Indiana not later than fifteen (15) days after the end of a calendar month:

(1) Form RG-3.
(2) Form RG-4.
(3) Form RG-5.
(4) Form RG-6.
(5) Form RG-7.
(6) Form RG-8.
(7) Form RG-9.

(b) The casino licensee shall prepare and submit the Form RG-2 to the commission office in Indianapolis, Indiana not later than five (5) days after the end of a calendar month.

(c) The forms listed in this section shall be prepared in accordance with this rule and the instructions that accompany the form. The original forms shall be submitted to the commission office in Indianapolis, Indiana by the prescribed day of a month. Copies of each form shall be submitted to the department in Indianapolis, Indiana. Copies submitted via facsimile are not acceptable as being timely filed. *(Indiana Gaming Commission; 68 IAC 15-5-9; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3307; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 6. Admission Tax

68 IAC 15-6-1 General provisions

Authority: IC 4-33-4
Affected: IC 4-33

Sec. 1. (a) This rule applies to riverboat licensees.

(b) The admission procedures used by a riverboat licensee must be in compliance with this rule, and admission taxes must be reported in accordance with this rule.

(c) The following definitions apply throughout this rule:

(1) "Passenger" includes patrons and persons entitled to receive a tax-free pass.
(2) "Patron" means an individual who:
    (A) boards the riverboat to participate in a gambling excursion; and
    (B) is not entitled to receive a tax-free pass.
(3) "RG-1" means the Daily Adjusted Gross Receipts and Tax Remittance Form.
(4) "Tax-free pass" means a pass that is issued to persons listed in IC 4-33-12-3 that allows the individual to board the riverboat without paying an admission charge. The riverboat licensee does not have to remit the admission tax for persons who receive a tax-free pass. Persons on board the riverboat with a tax-free pass shall not participate in a gambling game.
(5) "Vendor" means a person who is on the riverboat to supply the riverboat licensee with a good or service necessary for the conduct of the riverboat gambling operation.

(Indiana Gaming Commission; 68 IAC 15-6-1; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3044; errata filed Oct 23, 1996, 12:00 p.m.: 20 IR 760; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-6-2 Admissions

Authority: IC 4-33-4
Affected: IC 4-33-6-6; IC 4-33-9-2

Sec. 2. (a) Admissions to the riverboat shall be conducted in the following manner:

(1) Should a riverboat licensee or operating agent choose not to observe flexible scheduling, the requirements are as follows:

(A) The embarkation period for each gaming excursion may not exceed a period of thirty (30) minutes.

(B) The disembarkation period for each gaming excursion may not exceed a period of thirty (30) minutes. During the disembarkation period, no new patrons shall be allowed to board the riverboat.

(C) The riverboat licensee or operating agent may allow patrons to disembark during the embarkation period for the next gaming excursion or at any time that the riverboat remains at the dock and gambling continues in accordance with IC 4-33-9-2. The riverboat licensee or operating agent is responsible for ensuring it is in compliance with subdivision (10) at all times. The admissions tax shall be paid by the patron, the riverboat licensee, or the operating agent for any patron who disembarks:

(i) during the embarkation period for the next gaming excursion; or

(ii) at any time during a gaming excursion after the conclusion of the thirty (30) minute disembarkation period.

(D) The admissions tax shall be paid by the carryover patron, the riverboat licensee, or the operating agent for each excursion that a patron remains on board.

(2) Should a riverboat licensee or operating agent choose to observe flexible scheduling, the:

(A) embarkation and disembarkation are not limited to any period; and

(B) patrons shall be allowed to board or exit at will.

(3) Whether or not a riverboat licensee or operating agent chooses to observe flexible scheduling:

(A) all patrons boarding or exiting the riverboat shall pass through an approved patron counting system; and

(B) the riverboat licensee or operating agent is responsible for ensuring that the approved patron counting system keeps an accurate count of the patrons who enter and exit the riverboat.

For purposes of this rule, "accurate count" means not less than an average of ninety-seven percent (97%) accuracy.

(4) Should a riverboat licensee or operating agent choose not to observe flexible scheduling, a patron count shall be completed for each gambling excursion.

(5) Should a riverboat licensee or operating agent choose to observe flexible scheduling, a patron count shall be completed for the gaming day.

(6) Should a riverboat licensee or operating agent choose to observe twenty-four (24) hour gaming, a patron count shall be computed at the end of each gaming day and shall include those patrons remaining on board the riverboat at the time of each new gaming day. The following four (4) counts will be recorded at the close of the gaming day:

(A) If applicable, the actual admissions ticket count.

(B) The patron ingress count.

(C) The patron egress count.

(D) If applicable, the total onboard count.

At the close of the gaming day, boarding and exiting will be momentarily suspended to allow for taking patron counts. The onboard count shall be added to the new gaming day's ingress patron count. The recording, resetting, and onboard additions to the ingress patron count shall be completed in the presence of and observed by an enforcement agent. For admission tax reporting for twenty-four (24) hour gaming, the count shall be adjusted to account for and include the onboard count.

(7) The riverboat licensee or operating agent shall submit a patron count plan to the executive director at least sixty (60) days before the commencement of gambling operations. The riverboat licensee or operating agent shall submit changes to its patron count plan to the executive director at least thirty (30) days before any change goes into effect. The patron count plan shall include, but not be limited to, the following:

(A) A description of the primary system that will be utilized to complete a patron count.

(B) The form that will be utilized to report the patron count.

(C) The procedure that will be utilized to ensure patron boarding occurs only during the appropriate embarkation period should a riverboat licensee or operating agent choose not to observe flexible scheduling.

(D) A description of the secondary system referenced in subsection (c) that will be utilized to complete a patron count in case the primary patron counting system malfunctions or fails.

(E) The manner in which the riverboat licensee or operating agent will ensure that the total number of patrons does not exceed the capacity of the riverboat as set forth in the:

(i) certificate of inspection issued by the United States Coast Guard; or

(ii) certificate of compliance issued by the commission under IC 4-33-6-6.

(F) Any other information deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.

(8) The riverboat licensee or operating agent shall notify the enforcement agent immediately if the primary patron counting system malfunctions or fails.

(9) The following individuals are entitled to a tax-free pass and do not have to pass through the patron counting system when boarding the riverboat:

(A) Occupational licensees.

(B) Other employees of the riverboat licensee or operating agent who are boarding the riverboat in the performance of official duties.

(C) Commission:

(i) members;

(ii) staff; and

(iii) agents.

(D) Official guests approved by commission:

(i) members;

(ii) staff; and

(iii) agents.

(E) Vendors who have completed the appropriate vendor log in accordance with section 4 of this rule.

(F) Any other person authorized by the executive director or the commission to ensure compliance with the Act and this title.

(10) All persons boarding the riverboat on a tax-free pass shall have an appropriate badge.

(11) At no time shall the riverboat licensee or operating agent allow the total number of passengers to exceed the capacity of the riverboat as set forth in the:

(A) certificate of inspection issued by the United States Coast Guard; or

(B) certificate of compliance issued by the commission under IC 4-33-6-6.

(b) Patron counting systems shall tally the number of patrons passing through an identified point of ingress and egress at a rate of not less than an average of ninety-seven percent (97%) accuracy, as measured by standards established by an independent lab designated by the executive director. If a riverboat licensee or operating agent uses a patron counting system other than turnstiles, the riverboat licensee or operating agent shall use its patron counting system at an established clear point of entry beyond which underage patrons shall not pass.

(c) Each riverboat licensee or operating agent shall maintain a secondary system that is:

(1) subject to approval by the executive director; and

(2) in the event of a malfunction or failure of the primary system, promptly deployed to track patron ingress and egress in a manner consistent with the requirements established in IC 4-33.

The secondary system need not be the same system as the primary system and need not be mechanical or electronic.

(d) All mechanical or electronic patron counting systems used by a riverboat licensee or an operating agent shall be approved by the executive director prior to implementation. The riverboat licensee or operating agent shall provide the following information to the executive director for purposes of approval:

(1) Documentation illustrating the riverboat licensee's or operating agent's due diligence in establishing that the patron counting system meets or exceeds a minimum average of ninety-seven percent (97%) accuracy. This information shall include, but not be limited to, evidence that the patron counting system:

(A) has been subject to a field test, conducted by an independent lab designated by the executive director, at the appropriate riverboat; and

(B) meets minimum accuracy standards during peak and nonpeak hours.

(2) Information regarding the riverboat licensee's or operating agent's patron counting system plan, including the following:

(A) Security measures.

(B) Procedures for controlling ingress and egress onto the riverboat property.

(C) Procedures for controlling riverboat capacity.

(D) A description of the secondary system required by subsection (c).

(3) Evidence demonstrating the riverboat licensee's or operating agent's ability to continually verify the accuracy of the patron counting system on an ongoing basis and documentation illustrating the testing methodology is consistent with the standards established by an independent lab as required by subsection (b).

(4) Any other information deemed necessary by the commission to ensure compliance with the Act and this title.

(e) A riverboat licensee or operating agent shall test or cause to be tested the patron counting system at any time deemed necessary by the executive director to ensure proper functionality or accuracy, but at least annually. The riverboat's patron counting system testing methodology shall be consistent with standards established by an independent lab as required by subsection (b).

(f) The executive director may require a manufacturer or distributor of patron counting systems to submit the system to an independent lab designated by the executive director, as outlined in 68 IAC 2-7-2. Unless otherwise provided, all patron counting systems shall meet the requirements and provisions outlined in 68 IAC 2-7. *(Indiana Gaming Commission; 68 IAC 15-6-2; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3045; filed Aug 20, 1997, 7:11 a.m.: 21 IR 19; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Feb 14, 2005, 10:10 a.m.: 28 IR 2015; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Jul 31, 2009, 8:32 a.m.: 20090826-IR-068090005FRA)*

68 IAC 15-6-3 Ticketing (Repealed)

Sec. 3. *(Repealed by Indiana Gaming Commission; filed Jul 31, 2009, 8:32 a.m.: 20090826-IR-068090005FRA)*

68 IAC 15-6-4 Vendor log and visitor log

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. (a) The casino licensee's security department shall maintain a vendor and visitor log on forms prescribed or approved by the commission.

(b) Vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.

(c) Vendors and visitors in the casino may not participate in a gambling game.

(d) Vendors and visitors in the casino must wear, in a conspicuous location, a badge issued by the security department.

(e) The vendor and visitor log shall contain the following information:

(1) The name of the vendor or visitor.

(2) The company or organization the vendor or visitor represents.

(3) The date and time the vendor or visitor entered the casino.

(4) The purpose that necessitates the vendor or visitor entering the casino.

(5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.

(6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.

(7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(f) Vendors and visitors must be counted in the calculation of the total count to determine that the total occupancy does not exceed the capacity of the casino as set forth in the certificate of inspection issued by the commission or the United States Coast Guard, if applicable. *(Indiana Gaming Commission; 68 IAC 15-6-4; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3046; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012,*

2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-6-5 Computation of tax

Authority: IC 4-33-4
Affected: IC 4-33

Sec. 5. (a) The riverboat licensee or operating agent shall complete an RG-1 for each gaming day and indicate the total number of admissions for each day. Only the:

(1) general manager;
(2) assistant general manager;
(3) finance officer; or
(4) others as approved by the commission;

may sign as an officer on the RG-1.

(b) The admissions tax shall be computed utilizing the patron count that results from the patron counting system approved under section 2 of this rule.

(c) In the event the executive director determines that the primary and secondary systems referenced in section 2 of this rule failed to tabulate an acceptably accurate patron admission count for any gaming day, the executive director may require the admission tax paid for that day be equal to the highest amount paid based for a recent comparable gaming day at the same riverboat. The recent comparable gaming day shall be approved by the executive director prior to being used for purposes of paying admission tax.

(d) If the riverboat licensee or operating agent chooses not to observe flexible scheduling, the tax on carryover patrons shall be computed utilizing Schedule A of the RG-1.

(e) If the riverboat licensee or operating agent chooses to observe flexible scheduling, the tax on the count in subsection (b) shall be computed utilizing Schedule A of the RG-1 with only one (1) figure filed for all admissions during the gaming day. *(Indiana Gaming Commission; 68 IAC 15-6-5; filed Jul 3, 1996, 5:00 p.m.: 19 IR 3046; filed May 29, 1998, 5:05 p.m.: 21 IR 3701; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Feb 14, 2005, 10:10 a.m.: 28 IR 2016; filed Jul 31, 2009, 8:32 a.m.: 20090826-IR-068090005FRA)*

68 IAC 15-6-6 Deviations from provisions

Authority: IC 4-33-4
Affected: IC 4-33; IC 4-35

Sec. 6. The executive director or the commission may approve deviations from the provisions of this article upon written request if the executive director or the commission determines that the:

(1) requirement or procedure is impractical or burdensome; and
(2) alternative means of satisfying the requirement or procedure:
    (A) fulfills the purpose of the article;
    (B) is in the best interest of the public and gaming in Indiana; and
    (C) does not violate IC 4-33 or IC 4-35.

(Indiana Gaming Commission; 68 IAC 15-6-6; filed Jul 31, 2009, 8:32 a.m.: 20090826-IR-068090005FRA)

Rule 7. Audit Procedures

68 IAC 15-7-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees.

(b) The casino licensee must submit policies and procedures in connection with the daily review, reconciliation, and posting

of transactions in accordance with 68 IAC 15-1 and this rule.

(c) Occupational licensees who hold revenue audit positions are responsible for the daily review, reconciliation, and posting of transactions for their respective departmental audits.

(d) As used in this rule, "Form RG-1" means the Daily Adjusted Gross Receipts and Tax Remittance Form. *(Indiana Gaming Commission; 68 IAC 15-7-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3331; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-7-2 Table games

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 2. (a) The riverboat licensee shall require the revenue auditor or its equivalent to perform certain procedures on a daily basis. These procedures should be performed on a sample basis for both computerized and manual forms and shall include, at a minimum, the following:

(1) Trace table game fills and credit slips originals to duplicate copies and to orders for fills and credits to verify agreement.

(2) Review the table game fills and credits slips for the proper number of authorized signatures, date-time stamps, and accurate arithmetic.

(3) Verify and account for the numerical sequence of the table games fills and credits slips.

(4) Review all voided table game fills and credits for appropriate handling and required number of authorized signatures. Assure that all appropriate forms are attached.

(5) Verify that credits and fills are properly recorded for the computation of win.

(6) Trace opening drop cards to the previous shift's closing inventory slip to verify agreement and test for completeness and propriety.

(7) Trace fills and credits, opening and closing table chip inventories, and marker transactions to the marker gaming reports.

(8) Trace the detail from the master gaming report into the accounting entries recording the transactions and to the total cash summary.

(9) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.

(b) The riverboat licensee shall require that all variances or discrepancies from subsection (a) shall be investigated, recorded, and reported to the head of the accounting department or its equivalent. The information shall be made available upon demand by the commission staff or enforcement agent.

(c) Any variances or discrepancies that affect the calculation of the win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day. *(Indiana Gaming Commission; 68 IAC 15-7-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3331; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; readopted filed Nov 26, 2013, 3:58 p.m.: 20131225-IR-068130354RFA)*

68 IAC 15-7-3 Electronic gaming devices

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. (a) The casino licensee shall require, on a daily basis, the revenue auditor or its equivalent to perform certain procedures on the calculation of the electronic gaming device win. These procedures shall include, at a minimum, the following:

(1) Tracing the total of the "bills-in" meter readings as recorded by the bill acceptor flash report or equivalent to the actual count performed by the soft count team to verify agreement.

(2) Comparing the total of tokens dropped as reported by the central computer system with the actual wrap count as reported by the slot drop count team. The head of the accounting department, or equivalent, shall document, investigate, and report any variance of greater than two percent (2%).

(3) Generating the following reports and reconcile them with all validated/redeemed TITOs:

(A) Ticket issuance report.
(B) Ticket redemption report.
(C) Ticket liability report.
(D) Ticket drop report.
(E) Transaction detail report.
(F) Cashier report.

(4) Reviewing all voided electronic gaming device jackpot and fill slips for accuracy and proper handling. Verify proper number of authorized signatures.

(5) Tracing the electronic gaming device count documentation into the cage checkout sheet and subsequent posting to the general ledger.

(6) Verifying that all manual electronic gaming device jackpot and fill slips are entered into the central computer system.

(b) The casino licensee shall require that all variances or discrepancies from subsection (a) shall be investigated, recorded, and reported to the head of the accounting department or its equivalent and the commission staff.

(c) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day.

(d) The casino licensee shall require the revenue auditor or its equivalent to perform certain procedures, on a sample basis, on the electronic gaming devices on a daily basis. These procedures shall be performed for both computerized and manual forms and shall include, at a minimum, the following:

(1) Comparing the original electronic gaming device fills and jackpot slips to the duplicate fills and jackpot slips to verify accuracy.

(2) Reviewing the electronic gaming device fills and jackpot slips for the proper number of authorized signatures.

(3) Verifying and accounting for the numerical sequence of the electronic gaming device fills and jackpot slips.

(4) Recalculating the electronic gaming device documentation for accuracy and recording.

(5) Randomly selecting certain days to verify the accuracy of the total of fills and jackpots and re-foot and trace to the jackpot and fill report.

(e) The casino licensee shall require that all variances or discrepancies of greater than two percent (2%) from subsection (a) or (d) shall be investigated, recorded, and reported to the head of the accounting department or equivalent.

(f) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day. *(Indiana Gaming Commission; 68 IAC 15-7-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3332; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1071; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)*

68 IAC 15-7-4 Admission revenue

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 4. (a) The riverboat licensee shall establish auditing procedures in connection with admissions revenue. These procedures shall be performed on a daily basis and shall include, at a minimum, the following:

(1) Reviewing the passenger count form and summary passenger count form for propriety and completeness.

(2) Recalculating the admissions revenue and admissions tax per the passenger count forms and reconcile the total to the summary passenger count form.

(3) Ensuring the numbers on the passenger count forms and summary passenger count forms correspond to the numbers entered on Schedule A of Form RG-1.

(4) On a sample basis, the auditor or his or her equivalent will verify admissions revenue and tax by:
(A) counting the boarding passes; and
(B) comparing the total to the passenger count form.

(b) The riverboat licensee shall require that all variances or discrepancies from subsection (a) be investigated, recorded, and reported to the head of the accounting department or equivalent and the commission staff or enforcement agent.

(c) Any variances or discrepancies that affect the calculation of table game wins shall be adjusted for in the financial statements and reported on Form RG-1 on the gaming day the variance or discrepancy was discovered. *(Indiana Gaming Commission; 68 IAC 15-7-4; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3332; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; readopted filed Nov 26, 2013, 3:58 p.m.: 20131225-IR-068130354RFA)*

Rule 8. Internal Audit Procedures

68 IAC 15-8-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees.

(b) The casino licensee must establish policies and procedures in connection with the internal audit function of its casino operations, including, but not limited to, the following:

(1) The casino licensee or its parent company must establish an independent audit committee of its board of directors, or equivalent board.

(2) The internal audit department or its equivalent shall report directly to the independent audit committee of the board of directors, or equivalent board. If the parent company of the casino licensee establishes the independent audit committee, the internal audit department or its equivalent may report to the person at the parent company who is responsible for internal audit, who in turn shall report directly to the independent audit committee.

(3) The internal audit department must consist of at least two (2) full-time on-site internal auditors.

(c) A casino licensee or its parent company must establish policies that ensure the independence of the independent audit committee, including, at least, the following:

(1) The chair of the independent audit committee must be an independent director.

(2) The independent director must not, other than in his or her capacity as a member of the independent audit committee, the board of directors, or any other board committee:

(A) accept any consulting, advisory, or other compensatory fee from the casino licensee or any affiliates;

(B) be a present employee or affiliate of the casino licensee or any of its affiliates; or

(C) have a relationship with the casino licensee that would affect his or her exercise of independent judgment.

(3) An independent director must fulfill all of the considerations for a financial expert under 15 U.S.C. 7265(b).

(d) The casino licensee must document all procedures and results of compliance testing performed under this rule. All material instances of noncompliance with the submitted internal controls must be investigated and reported immediately to the commission staff.

(e) The casino licensee shall submit quarterly reports to the commission staff. The quarterly reports submitted under this section shall:

(1) document the results of compliance testing under this rule;

(2) be submitted to the audit director at the commission office in Indianapolis, Indiana, within thirty (30) days of the close of the quarter that the report covers; and

(3) identify repeat findings and list all corrective action that was taken or will be taken to avoid similar problems in the future.

(f) At any time errors are uncovered in the computation of win, the errors shall be corrected and reported on Form RG-1 for the appropriate gaming day. *(Indiana Gaming Commission; 68 IAC 15-8-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3333; filed Aug 20, 1997, 7:11 a.m.: 21 IR 20; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1072; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Aug 16, 2010, 3:37 p.m.: 20100915-IR-068100064FRA)*

68 IAC 15-8-2 Observation of live table games

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 2. The riverboat licensee shall establish procedures to observe, unannounced, the compliance with the system of internal controls that have been submitted in accordance with 68 IAC 11 and 68 IAC 15 for live gaming devices. The procedures shall be performed quarterly and shall include, at a minimum, the following:

(1) Observe and review the opening, closing, and shift procedures.
(2) Observe and review the live gaming device fill and credit procedures.
(3) Observe and review the live gaming device pit marker procedures.
(4) Observe and review the live gaming device drop box and tip box removal procedures.
(5) Observe and review the soft count procedures, including the count of the live gaming device drop boxes and currency acceptor cash storage boxes, and the subsequent transfer of the funds.
(6) Observe and review the location and control over sensitive keys.
(7) Observe and review card and dice control procedures, including the card and dice removal and cancellation logs.
(8) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.

(Indiana Gaming Commission; 68 IAC 15-8-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3333; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1072; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA)

68 IAC 15-8-3 Examination of live gaming device documents

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 3. The riverboat licensee shall establish procedures for the internal audit department or its equivalent to review, on a sample basis, the compliance with the internal control system for live gaming devices that have been submitted in accordance with 68 IAC 11 and 68 IAC 15. The procedures shall be performed quarterly and shall include, at a minimum, the following:

(1) Trace live gaming device fills and credits slip originals to duplicate copies and to orders for fills and credits to verify agreement.
(2) Review the live gaming device fills and credits slips for the proper number of signatures, proper level of authorization, date-time stamps, and accurate arithmetic.
(3) Verify and account for the numerical sequence of the live gaming device fills and credits slips.
(4) Review all voided live gaming device fills and credits for appropriate handling and required number of authorized signatures. Assure that all appropriate forms are attached.
(5) Verify that credits and fills are properly recorded for the computation of win.
(6) Trace opening drop cards to the previous shift's closing inventory slip to verify agreement and test for completeness and propriety.
(7) Trace fills and credits, opening and closing table chip inventories, and marker transactions to the master gaming reports.
(8) Trace the detail from the master gaming report into the accounting entries recording the transactions and to the total cash summary.
(9) Test online fill, credit and soft count system for compliance. Test the central computer system for the proper recording of the transactions.
(10) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.

(Indiana Gaming Commission; 68 IAC 15-8-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3333; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA)

68 IAC 15-8-4 Observation and testing of electronic gaming devices

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. The casino licensee shall establish procedures to observe, unannounced, the compliance with the system of internal controls for the electronic gaming devices that have been submitted in accordance with 68 IAC 11 and this article. The procedures shall be performed quarterly and shall include, at a minimum, the following:

(1) Observe and review the following:
(A) Jackpot payout and fill procedures.
(B) The electronic gaming device drop procedures.
(C) The hard count and subsequent transfer of funds.
(2) Perform surprise testing of the weigh scales and token counters.
(3) Observe and review the location and control over the sensitive keys.
(4) Test the contents of the hoppers.
(5) Compare the original electronic gaming device fills and jackpot slips to the duplicate fills and jackpot slips to verify accuracy.
(6) Review the electronic gaming device fills and jackpot slips for the proper number of authorized signatures.
(7) Verify and account for the numerical sequence of the electronic gaming device fills and jackpot slips.
(8) Recalculate the electronic gaming device documentation for accuracy and recording.
(9) Randomly select certain days to verify the accuracy of the total of fills and jackpots and re-foot and trace to the jackpot and fill report.
(10) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-8-4; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3334; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-8-5 Observation and testing of casino cashiering and credit

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 5. (a) The casino licensee shall establish procedures for the observation and testing of the compliance with the system of internal controls for casino cashiering and credit.

(b) The internal auditor or equivalent shall observe and review, on a quarterly basis, the following procedures, at a minimum:
(1) The countdown procedures.
(2) The casino cage accountability to the general ledger.
(3) The casino cage accountability to the main bank, vault, token booth, and change banks.
(4) Check cashing procedures and issuance of credit procedures.
(5) Shift and day procedures.
(6) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(c) The internal auditors or equivalent shall test, on a quarterly basis, the following procedures, at a minimum:
(1) Reconcile summary sheets to physical instruments on a sample basis.
(2) Review processing of payments on returned checks.
(3) If applicable, review procedures and controls over the primary, secondary, and nonvalue chip inventory.
(4) Ascertain compliance with credit limits and other preestablished credit issuance procedures.
(5) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-8-5; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3334; readopted filed Nov 25, 2002, 10:11

a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-8-6 Currency transaction reporting

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 6. The casino licensee shall establish procedures for the internal auditor or equivalent to review, on a sample basis, the compliance with the internal control system for currency transaction reporting. The observation and review shall be performed on a quarterly basis and shall include, at a minimum, the following:

(1) The pit, currency, cage, and electronic gaming device transaction procedures.
(2) Transactions report and corresponding supporting documents.
(3) The documentation and control over source documents.
(4) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-8-6; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3334; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-8-7 Adjusted gross receipts and admissions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 7. (a) The casino licensee shall establish procedures for the internal auditors or equivalent to review, on a sample basis, the computation of the daily adjusted gross receipts and admission tax remittance forms, if applicable, in accordance with 68 IAC 15-5. These procedures shall be performed on a quarterly basis.

(b) If applicable, the internal auditor or equivalent shall observe and review procedures for the reading and recording of the passenger count included in the admission tax calculation in accordance with 68 IAC 15-6. These procedures shall be performed on a quarterly basis. *(Indiana Gaming Commission; 68 IAC 15-8-7; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3335; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 9. Tips and Gratuities; Chips and Tokens Redeemed by Nongaming Occupational Licensees

68 IAC 15-9-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees.

(b) The following definitions apply throughout this rule:

(1) "Gaming occupational licensee" means an occupational licensee that is:
  (A) actively involved in dealing a game; or
  (B) assisting with the direct operation of a gambling game.
(2) "Nongaming employee" means an occupational licensee or other casino employee who is not:
  (A) actively involved in dealing a game; or
  (B) assisting with the direct operation of a gambling game.
(3) "Tip count team" means a team comprised of at least two (2) individuals. The individuals making up the tip count team may be:
  (A) one (1) dealer and one (1) casino cage cashier;

(B) two (2) casino cage cashiers; or

(C) other job titles as specified in the casino licensee's internal controls.

(c) Gaming occupational licensees may accept chips and tokens as a tip or gratuity only in accordance with this rule.

(d) The casino licensee or casino license applicant shall establish policies for the acceptance of tips and gratuities for gaming occupational licensees and nongaming employees. These policies shall include, at a minimum, the following requirements:

(1) No gaming occupational licensee shall accept currency as a tip or gratuity.

(2) No casino gambling operation key person or occupational licensee who serves in a supervisory position shall solicit or accept tips or gratuities from a patron.

(3) No casino employee shall solicit any tip or gratuity.

(4) No portion of a winning tip bet is allowed to remain in action. All tip bets won shall be shown to the surveillance camera and then immediately placed in the tip box by the dealer.

(5) Any other policies deemed necessary by the executive director of the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(e) A patron may pay for food and beverages with chips or tokens purchased or won by the patron. Chips and tokens received as payment for food and beverages shall be redeemed in accordance with section 4 of this rule. *(Indiana Gaming Commission; 68 IAC 15-9-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3335; filed Mar 21, 1997, 10:00 a.m.: 20 IR 2098; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)*

68 IAC 15-9-2 Key control over tip boxes

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. The casino licensee shall submit procedures relating to the controls over access to the key for removing tips and gratuities in accordance with 68 IAC 11-7. These procedures shall include, at a minimum, the following:

(1) A list of authorized occupational licensees who have access to the key.

(2) A key control log that shall be completed prior to a person checking out the key. The key control log shall contain, at a minimum, the following information:

(A) The date and time the key is checked out.

(B) The signature of the members of the tip count team who receive the key.

(C) The reason for accessing the key.

(D) The time the key is returned.

(3) Location where the casino licensee shall store the key.

(4) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-9-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3335; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-9-3 Removal, collection, and counting of tip boxes

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. (a) The casino licensee or operating agent must establish policies and procedures in connection with the removal, collection, and counting of the tip box contents for subsequent distribution to gaming occupational licensees. These policies and procedures must include, at a minimum, the following:

(1) Tip boxes must be dropped and counted at the end of each day. Surveillance must be notified before the emptying of any tip boxes.

(2) The tip count team must perform the drop and count once per day in the presence of a security officer.

(3) The results of the tip count must be:
(A) documented on at least a two-part tip and gratuity form; and
(B) signed by the tip count team before transportation to the casino cage.
(4) The tip count team must transport tips and the original and duplicate copy of the tip and gratuity form to a casino cage. The casino cashier, in the presence of the tip count team, must do the following:
(A) Verify the drop.
(B) Sign the original and duplicate of the tip and gratuity form.
(C) Maintain the duplicate for accountability.
(D) Return the original to the tip count team.
(5) The cage must forward the duplicate copy to accounting.
(6) Tips must be deposited into a bank for pro rata distribution among the employees.
(7) Distribution of tips and gratuities must be:
(A) made following the casino licensee's or operating agent's payroll accounting practices; and
(B) subject to all applicable state and federal withholding taxes.
(8) Any other policies and procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.
(b) The casino licensee or operating agent must establish procedures for the emptying of full tip box containers during the day. The procedures must include, at a minimum, the following:
(1) The contents are to be placed in a locked, secured container within the pit area.
(2) At least two (2) occupational licensees to perform the drop.
(3) Surveillance must be notified before the drop.
(4) Procedures for the checking out of the key for access to the tip box. These procedures must be in accordance with 68 IAC 11-7.
(5) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title.

(Indiana Gaming Commission; 68 IAC 15-9-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3335; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; filed Dec 15, 2008, 11:29 a.m.: 20090114-IR-068080430FRA)

68 IAC 15-9-4 Chips and tokens redeemed by nongaming employees

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. (a) The casino licensee shall establish and submit policies and procedures for the redemption of chips, tokens, and TITOs received by nongaming employees as tips and gratuities or as payment for food and beverages. The casino licensee shall allow the redemption of chips, tokens, and TITOs by nongaming employees at any cage location in the casino or any cage location in the pavilion.
(b) A nongaming employee redemption log will be maintained at each cage location to document the redemption of all chips, tokens, and TITOs by nongaming employees. This log shall include, at a minimum, the following entries:
(1) The nongaming employee name.
(2) The occupational licensee number for a nongaming employee who is an occupational licensee.
(3) The title of the nongaming employee.
(4) The date and time.
(5) The dollar amount of chips redeemed.
(6) The dollar amount of tokens redeemed.
(7) The dollar amount of TITOs redeemed.
(8) The total dollar amount of chips, tokens, and TITOs redeemed.
(9) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-9-4; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3336; filed Mar 21, 1997, 10:00 a.m.: 20 IR 2098; filed Jul 10, 2000, 4:48 p.m.: 23 IR 3070; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Sep 30, 2004, 11:05 a.m.: 28 IR 530; readopted filed Sep 21, 2010, 3:55 p.m.: 20101020-IR-068100360RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)

Rule 10. Main Bank Responsibilities

68 IAC 15-10-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to casino licensees.

(b) A casino licensee shall submit policies and procedures that shall describe the location, functions, and controls for the casino cashiering areas. These policies and procedures shall be submitted to and approved by the executive director in accordance with 68 IAC 15-1.

(c) The casino licensee shall submit:

(1) the locations of bank areas that will operate on an imprest basis; and

(2) the imprest amount for each bank area.

The casino licensee shall submit the locations and the imprest amount to the executive director in accordance with 68 IAC 15-1.
(Indiana Gaming Commission; 68 IAC 15-10-1; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3336; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-2 Transactions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. (a) The casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following:

(1) All transactions shall be recorded on a main bank or vault accountability form or its equivalent on a per shift basis.

(2) All increases or decreases to the main bank or vault shall be supported by the appropriate documentation.

(3) At the end of a shift, the cashiers assigned to the outgoing shift shall:

(A) record on a main bank or vault accountability form, or its equivalent, the face value of each cage inventory item counted and the total of the opening and closing cage inventories; and

(B) reconcile the total closing inventory with the total opening inventory.

(4) At the conclusion of gaming activity each day, copies of the main bank or vault accountability forms and all supporting documentation shall be forwarded to the accounting department.

(5) Signature requirements shall be established for outgoing and incoming cashiers.

(6) Any other policies and procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(b) The casino licensee shall establish policies and procedures for the type of transactions to be performed by each casino cashiering area. The following transactions shall be identified by each cage performing the transaction:

(1) Issuance of markers.

(2) Receipt of marker payments.

(3) Cash personal checks and traveler's checks.

(4) Processing electronic gaming device fills and jackpots.

(5) Sell chips and tokens.

(6) Redemption of chips and tokens.

(7) Acceptance of front money, safekeeping deposits, or both.

(8) Live gaming device fills and credits.
(9) Even-money exchanges.
(10) Acceptance of hard and soft count drops.
(11) Any other transactions deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-10-2; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3336; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-3 Opening of cage

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. The casino licensee shall establish policies and procedures for the opening of cages. These policies and procedures shall include, but not be limited to, the following:

(1) Designation of the individual responsible for checking out the cage key.
(2) Requirement for signing the key control log in accordance with 68 IAC 11-7.
(3) Requirement for the oncoming cashier to count the station and agree to the duplicate copy of the cashier drawer check in and out form or the equivalent. If variances are found, the casino cage supervisor shall be notified and the variance investigated.
(4) Any other policies and procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-10-3; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3337; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-4 Closing of cages

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. The casino licensee shall establish policies and procedures for the closing of cages. These policies and procedures shall include, but are not limited to, the following:

(1) Requirement that all cages, other than the main bank or vault, or both, sell the cash equivalents (checks, markers, or other negotiable instruments) to the main bank or vault for cash.
(2) The off-going cashier counts the station and records the count on a cage accountability form and signs the form.
(3) The cage accountability form, along with any overage, is transferred to the main bank or vault and any shortage is paid by the main bank or vault to bring the cage cash to an imprest balance.
(4) Any other policies and procedures deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-10-4; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3337; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-4.1 Cage variances

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4.1. (a) Cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.

(b) Cage variances of five hundred dollars ($500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:

(1) The security department.

(2) The surveillance department.

(3) An enforcement agent.

(c) Variances of five thousand dollars ($5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:

(1) The security department.

(2) The surveillance department.

(3) An enforcement agent.

These variances must be reported to the commission audit staff at the beginning of the next business day.

(d) Variances of five hundred dollars ($500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars ($5,000), the results of the investigation must also be reported to the commission audit staff.

(e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8. *(Indiana Gaming Commission; 68 IAC 15-10-4.1; filed Jun 19, 2000, 10:34 a.m.: 23 IR 2702; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; filed Sep 30, 2004, 11:05 a.m.: 28 IR 530; filed Dec 6, 2006, 2:52 p.m.: 20070103-IR-068060191FRA; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-10-5 Even exchanges

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 5. The casino licensee shall establish policies and procedures for the even exchange of funds between two (2) casino cashiering areas or between a casino cashiering area and token and change banks, which shall include the following:

(1) A designation of the occupational licensee who may process the even exchange transaction.

(2) A description of the even exchange form and the required information and signatures. The form shall be at least a two (2) part form.

(3) A description of the distribution of each part of the form.

(4) Types of items allowed to be exchanged.

(5) Requirement that security personnel must accompany the transfer of the funds between locations.

(6) Any other policy or procedure deemed necessary by the executive director or commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(Indiana Gaming Commission; 68 IAC 15-10-5; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3337; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-6 Token and change banks

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 6. The casino licensee shall establish policies and procedures for the control of token and change banks by the main bank

or vault. These banks shall be on an imprest basis. *(Indiana Gaming Commission; 68 IAC 15-10-6; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3338; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-10-7 Token dispensing machines

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 7. The casino licensee shall establish policies and procedures for the control of token dispensing machines. These procedures shall include, but are not limited to, the following:

(1) A description of the procedures for the reimpressment of the machines.

(2) Designation of the occupational licensees who shall reimpress the machine.

(Indiana Gaming Commission; 68 IAC 15-10-7; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3338; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)

68 IAC 15-10-8 Overages and shortages of cages

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 8. The casino licensee shall establish policies and procedures concerning overages and shortages in closing out the cages. These policies and procedures shall include the requirements for documentation and investigation of overages and shortages. *(Indiana Gaming Commission; 68 IAC 15-10-8; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3338; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-10-9 Cash deposits

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 9. The casino licensee shall establish policies and procedures for the preparation and deposit of funds to the bank. *(Indiana Gaming Commission; 68 IAC 15-10-9; filed Jul 18, 1996, 8:45 a.m.: 19 IR 3338; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 11. Electronic Gaming Device Hopper Fills and Credits (Expired)

(Expired under IC 4-22-2.5, effective January 1, 2009.)

Rule 12. Live Gaming Device Fills and Credits

68 IAC 15-12-1 General provisions

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 1. (a) This rule applies to riverboat licensees.

(b) Live gaming device fills shall be conducted in compliance with this rule.

(c) Live gaming device fills may be generated manually or by computer. *(Indiana Gaming Commission; 68 IAC 15-12-1; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3309; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA)*

68 IAC 15-12-2 Policies and procedures

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 2. (a) In accordance with 68 IAC 15-1-3, the riverboat licensee or riverboat license applicant shall submit policies and procedures covering live gaming device fills and credits.

(b) The policies and procedures for live gaming device fills and credits shall include, but are not limited to, the following areas:

(1) The title of the occupational licensee that may generate a live gaming device fill or credit, or both.

(2) The multiple-part form or forms that will be utilized to document a live gaming device fill or credit.

(3) The manner in which manual live gaming device fills and credits will be processed if it differs from the way that computer-generated live gaming device fills and credits will be processed.

(4) The manner in which the chips or tokens, or both, will be transported to or from the live gaming device for purposes of a live gaming device fill or credit.

(5) The manner in which the copies of the live gaming device fill or credit slip will be reconciled.

(6) The level of occupational licensee who may verify the chips or tokens, or both, that are received at a live gaming device.

(7) The titles of the occupational licensee who will be responsible for transporting live gaming device credit slips from the casino cage to the appropriate pit area.

(8) The manner in which the riverboat licensee will handle live gaming device fill or credit slips that do not match the denomination and amount of chips or tokens, or both, that are received in the pit area or the casino cage.

(9) The department that shall be responsible for notifying surveillance that a live gaming device fill is being processed.

(c) The riverboat licensee may utilize an input form within the pit area to initiate a live gaming device fill or credit. The input form shall, at a minimum, include the following information:

(1) The name of the riverboat licensee.

(2) The date and time the input form is generated.

(3) The shift and pit number.

(4) The live gaming device type and number that needs the fill or credit.

(5) The denomination and total of all chips or tokens, or both, that are requested for the fill or credit.

(6) The total dollar amount of all chips or tokens, or both, that are requested as a fill or credit.

(7) Whether the transaction is a fill or credit.

(8) The name and occupational license number of the individual generating the input form. If a hard copy of the input form is printed, the signature of the individual generating the input form.

(d) A 3-part live gaming device fill or credit slip must be generated from the information contained in the input form before a live gaming device fill or credit can be completed. Live gaming device fill or credit slips that are generated by a computer must be prenumbered forms that are sequentially numbered. Live gaming device fill or credit slips that are generated manually must be prenumbered forms that sequentially numbered. The live gaming device fill or credit slip must be on a form prescribed or approved by the commission. The live gaming device fill or credit slip must contain, at a minimum, the following information:

(1) The name of the riverboat licensee.

(2) The date and time the live gaming device fill or credit slip is generated.

(3) The shift and pit number.

(4) The live gaming device type and number that needs the fill or credit.

(5) The denomination and total of all chips or tokens, or both, that are requested as a fill or credit.

(6) The total dollar amount of all chips or tokens, or both, that are being requested as a fill or credit.

(7) Whether the transaction is a fill or a credit.

(8) The name, occupational license number, and signature of the occupational licensees who are involved in completing the fill or credit.

(Indiana Gaming Commission; 68 IAC 15-12-2; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3309; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA)

68 IAC 15-12-3 Live gaming device fill procedures

Authority: IC 4-33-4
Affected: IC 4-33

Sec. 3. (a) Live gaming device fills shall proceed in the following manner:

(1) The appropriate occupational licensee shall initiate a live gaming device fill by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.

(2) The appropriate occupational licensee uses the input form to prepare and print a live gaming device fill slip.

(3) Surveillance shall be notified that a live gaming device fill is being processed.

(4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips or tokens, or both, and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips or tokens, or both, and the fill slip to the security officer.

(5) The security officer shall verify that the denomination and amount of chips or tokens, or both, match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips or tokens, or both, match the fill slips. The security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify that the live gaming device fill was completed. If there is a discrepancy with the live gaming device fill, the same security officer who began the live gaming device fill must accompany the fill back to the cage to resolve the discrepancy.

(6) The casino cashier shall retain one (1) copy of the fill slip in the casino cage.

(7) The security officer shall transport the chips or tokens, or both, to the appropriate pit area.

(8) The appropriate level of occupational licensee shall count the chips or tokens, or both, that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.

(9) If the amounts in subdivision (4) agree, the occupational licensee who counted fill shall sign the fill slip. The pit supervisor or the equivalent shall also sign the fill slip. A copy of the fill slip or the original shall be inserted into the drop box of the live gaming device that received the fill. A copy of the fill slip or the original fill slip shall be returned to the casino cage.

(10) If the amounts in subdivision (4) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips or tokens, or both, and the fill slip to the casino cage.

(b) The casino cashier or appropriate department shall use copies of the completed live gaming device fill slip to balance the cage. All completed live gaming device fill slips shall be used to complete the soft count.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. A voided live gaming device fill shall be retained and deposited into a locked accounting box. *(Indiana Gaming Commission; 68 IAC 15-12-3; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3310; filed Jul 10, 2000, 4:46 p.m.: 23 IR 3064; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed May 14, 2014, 10:57 a.m.: 20140611-IR-068120659FRA)*

68 IAC 15-12-4 Live gaming device credit procedures

Authority: IC 4-33-4-1; IC 4-33-4-2; IC 4-33-4-3
Affected: IC 4-33

Sec. 4. Live gaming device credits shall proceed in the following manner:

(1) The appropriate occupational licensee shall initiate a live gaming device credit by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.

(2) The input form is utilized to prepare and print a live gaming device credit slip.

(3) Surveillance shall be notified that a live gaming device credit is being processed.

(4) The live gaming device credit slip shall be transported or transmitted to the appropriate pit area.

(5) A security officer shall be called to the pit area to observe that the appropriate denomination and amount of chips or tokens, or both, to complete the live gaming device credit are counted and removed from the live gaming device. A pit

supervisor or the equivalent shall also observe the removal of the appropriate chips or tokens, or both. After the appropriate chips or tokens, or both, are removed from the live gaming device, the credit slip shall be signed by the following individuals:

(A) The occupational licensee who removed the chips or tokens, or both.

(B) The pit supervisor or the equivalent who observed the removal of the chips or tokens, or both.

(C) The security officer who observed the removal of the chips or tokens, or both, and who will transport the chips or tokens, or both, to the casino cage.

The security officer who begins the live gaming device credit must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the live gaming device credit was completed. If there is a discrepancy with the live gaming device credit, the same security officer who began the live gaming device credit must accompany the live gaming device credit back to the live gaming device or the cage to resolve the discrepancy.

(6) A copy of the live gaming device credit slip shall be retained at the table from which the chips or tokens, or both, were removed.

(7) The security officer shall transport the chips or tokens, or both, to the casino cage.

(8) In the presence of the security officer, the casino cashier shall verify that the denominations and amounts of chips or tokens, or both, match the information contained on the credit slip.

(9) If the amounts in subdivision (8) agree, the casino cashier shall sign the credit slip. A copy of the credit slip or the original shall be retained by the casino cashier. A copy of the credit slip or the original credit slip is returned to the live gaming device from which the chips or tokens, or both, were removed.

(10) The original credit slip and the duplicate credit slip that was retained at the live gaming device are matched and deposited into the live gaming device drop box.

(11) If the amounts in subdivision (8) do not agree, the credit slip shall not be signed by the casino cashier and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips or tokens, or both, to the appropriate live gaming device.

(Indiana Gaming Commission; 68 IAC 15-12-4; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3310; filed Jul 10, 2000, 4:46 p.m.: 23 IR 3065; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA)

Rule 13. Manually Paid Jackpots

68 IAC 15-13-1 General provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) This rule applies to all casino licensees.

(b) The following definitions apply throughout this rule:

(1) "Manually paid jackpot" means a jackpot that is paid by a slot attendant who obtains the funds and completes the necessary paperwork provided by the cage.

(2) "Pouch pay jackpot" means a manually paid jackpot of less than one thousand two hundred dollars ($1,200) that the slot attendant immediately and directly pays from funds in the slot attendant's money pouch.

(3) "Short pay" means a manually paid jackpot that is manually paid because either:

(A) the electronic gaming device hopper does not have a sufficient number of tokens to complete the payment of the jackpot; or

(B) a malfunction is preventing the electronic gaming device from being able to pay the jackpot.

(c) Manually paid jackpots shall be conducted in compliance with this rule.

(d) Manually paid jackpot slips may be handwritten or generated by computer. *(Indiana Gaming Commission; 68 IAC 15-13-1; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3311; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)*

68 IAC 15-13-2 Manually paid jackpot procedures

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. (a) In accordance with 68 IAC 15-1-3, the casino licensee or casino license applicant shall submit policies and procedures covering manually paid jackpots.

(b) The policies and procedures for manually paid jackpots shall include, but not be limited to, the following areas:

(1) The manner in which the slot attendant will verify the validity of the jackpot.

(2) The three-part form that will be used to document a manually paid jackpot.

(3) The manner in which the process for manually paid jackpots will differ if the form is handwritten rather than generated by computer.

(4) Deviation in the level of occupational licensee or job title of those individuals who can participate in the processing of a manually paid jackpot for specified dollar amounts.

(5) Instances when surveillance will photograph the patron other than in accordance with 68 IAC 15-2-3 or 68 IAC 15-2-6.

(c) A three-part jackpot paid slip must be generated before a jackpot can be manually paid. Manually paid jackpot slips must be prenumbered forms that are sequentially numbered. The manually paid jackpot slip must contain, at a minimum, the following information:

(1) The name of the casino licensee.

(2) The date and time the manually paid jackpot form was generated.

(3) The electronic gaming device number and denomination.

(4) The location of the electronic gaming device.

(5) The amount of the jackpot in alphabetical and numerical form.

(6) The name, occupational license number, and signature of the slot attendant and casino cashier who complete the manually paid jackpot.

(7) An indication of whether the manually paid jackpot is to pay a jackpot that exceeds the payout capability of the electronic gaming device or a short pay.

(d) Manually paid jackpots shall proceed in the following manner:

(1) The jackpot shall be verified in accordance with the policies and procedures submitted under subsection (b)(1).

(2) Based on the information contained on the manually paid jackpot slip, the casino cashier shall present the proper amount of cash to the slot attendant.

(3) The slot attendant shall ensure that the amount of cash presented by the casino cashier matches the information contained on the manually paid jackpot slip.

(4) After the slot attendant and the casino cashier ensure the cash presented matches the information contained on the manually paid jackpot slip, both the slot attendant and the casino cashier shall sign the manually paid jackpot slip.

(5) The casino cashier shall retain the original copy of the manually paid jackpot slip and issue remaining copies to the slot attendant.

(6) A security officer or slot department employee shall escort the slot attendant from the cage to the appropriate electronic gaming device. The security officer or slot department employee who begins completing the manually paid jackpot must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the manually paid jackpot was completed. If there is a discrepancy with the manually paid jackpot, the same security officer or slot department employee who began the manually paid jackpot must accompany the manually paid jackpot back to the cage to resolve the discrepancy.

(7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following:

(A) Verify the jackpot.

(B) Witness the jackpot payout to the patron.

(C) Complete the appropriate sections of the manually paid jackpot slip.

(8) The slot attendant shall reset the electronic gaming device so that play on the electronic gaming device may continue. The electronic gaming device shall be relocked after it is cleared. The security officer or slot department employee shall

remain present throughout this procedure.

(9) One (1) copy of the completed manually paid jackpot slip shall be deposited into a locked accounting box so that it will not be available to slot attendants or other persons who participate in manually paid jackpots.

(10) The remaining copy of the completed manually paid jackpot slip shall be returned to the casino cage.

(e) The casino cashier or appropriate department shall use copies of the completed manually paid jackpot slips to balance the cage. All completed manually paid jackpot slips shall be used to complete the hard count and shall be verified by the accounting department.

(f) If a manually paid jackpot slip is erroneous, it shall be voided and a new manually paid jackpot slip generated. The person voiding the manually paid jackpot slip shall indicate the reason the manually paid jackpot slip was voided and sign the slip. A voided manually paid jackpot slip shall be retained and deposited into the locked accounting box.

(g) If a manually paid jackpot exceeds three thousand dollars ($3,000), the appropriate multiple transaction log must be completed in accordance with 68 IAC 15-2-3.

(h) If a manually paid jackpot exceeds ten thousand dollars ($10,000), the appropriate currency transaction report must be completed in accordance with 68 IAC 15-2-6. *(Indiana Gaming Commission; 68 IAC 15-13-2; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3311; filed Jul 10, 2000, 4:46 p.m.: 23 IR 3066; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

68 IAC 15-13-2.5 Pouch pay jackpots

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2.5. In accordance with 68 IAC 15-1-3, a casino licensee or casino license applicant must submit policies and procedures covering pouch pay jackpot winnings. *(Indiana Gaming Commission; 68 IAC 15-13-2.5; filed Sep 30, 2004, 11:05 a.m.: 28 IR 531; readopted filed Sep 21, 2010, 3:55 p.m.: 20101020-IR-068100360RFA; filed Apr 13, 2011, 11:20 a.m.: 20110511-IR-068100498FRA)*

68 IAC 15-13-3 Internal Revenue Service filings

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. If a manually paid jackpot exceeds one thousand two hundred dollars ($1,200), the casino licensee shall complete and file the forms required by the Internal Revenue Service. *(Indiana Gaming Commission; 68 IAC 15-13-3; filed Jul 18, 1996, 8:55 a.m.: 19 IR 3312; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 6, 2012, 2:32 p.m.: 20130102-IR-068110786FRA)*

Rule 14. Financial Statement Audits

68 IAC 15-14-1 Applicability; general provisions

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 1. (a) Each casino licensee shall undergo an annual audit of its annual financial statements.

(b) The casino licensee shall recommend an independent certified public accountant to perform the audit. The executive director or the executive director's designee must approve of the selection of the independent certified public accountant prior to the commencement of a contract between the accountant and the casino licensee.

(c) The audit shall:

(1) be performed in accordance with generally accepted accounting principles; and

(2) contain the opinion of the independent certified public accountant as to its fair presentation in accordance with generally accepted accounting principles.

(d) The casino licensee is responsible for the cost of audits required by this section. *(Indiana Gaming Commission; 68 IAC 15-14-1; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1073; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Aug 16, 2010, 3:37 p.m.: 20100915-IR-068100064FRA)*

68 IAC 15-14-2 Qualifications

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 2. (a) An independent certified public accountant or independent certified public accounting firm selected to perform a financial statement audit must meet the following qualifications and must affirm that it meets these qualifications as part of a written agreement with the casino licensee to perform the audit:

(1) Be independent with respect to the casino licensee, its parents, and investors. Standards of independence are to be determined by pronouncements of the American Institute of Certified Public Accountants and the Securities and Exchange Commission.

(2) Be licensed to practice in Indiana.

(3) Have sufficient experience in the gaming industry or related industries.

(4) Have an adequate number of professional personnel to meet the requirements of the engagement in a timely and efficient manner.

(b) An independent certified public accountant or independent certified public accounting firm selected to perform a financial statement audit must not express an opinion on financial statements of a casino licensee unless it is independent from that casino licensee. Impairments to independence include, but are not limited to, the following:

(1) During the period of the professional engagement to perform an audit, or at the time the opinion was issued, the auditing person:

(A) had or was committed to acquire any direct or material indirect financial interest in the casino licensee;

(B) was a trustee of any trust or executor or administrator of any estate if the trust or estate had or was committed to acquire any direct or material indirect financial interest in the casino licensee;

(C) had any joint closely held business investment with the casino licensee or any key person or substantial owner thereof that was material in relation to the auditing person or the auditing person's firm's net worth; or

(D) had any loan to or from the casino licensee or any key person or substantial owner thereof, when made under normal lending procedures, terms, and requirements, except:

(i) loans that are not material to the net worth of the borrower;

(ii) home mortgages; and

(iii) other secured loans, except loans guaranteed by the auditing person's firm that are otherwise unsecured.

(2) During the period covered by the casino licensee's financial statements, during the period of the professional engagement to perform an audit, or at the time the opinion is issued, the auditing person was:

(A) connected with the casino licensee as a promoter, underwriter, voting trustee, key person, or in any capacity equivalent to that of a key person or employee; or

(B) a trustee for any pension or profit-sharing trust of the casino licensee.

(3) Functioning as if a key person of the casino licensee.

(4) Performing an audit of the independent certified public accountant or independent certified public accounting firm's own work.

(5) Advocacy for the casino licensee.

(6) Having any other role with the casino licensee or affiliates other than as the independent auditor.

(Indiana Gaming Commission; 68 IAC 15-14-2; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1073; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Aug 16, 2010, 3:37 p.m.: 20100915-IR-068100064FRA)

68 IAC 15-14-3 Conditions of engagements

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 3. An independent certified public accountant or independent certified public accounting firm selected to perform a financial statement audit must agree to abide by the following conditions of engagement, which must be stated in a written agreement with the casino licensee, to perform the audit:

(1) Inform the commission with respect to material errors and irregularities or illegal acts that come to its attention during the course of an audit.

(2) Inform the commission in writing of matters that come to its attention that represent significant deficiencies in the design or operation of the internal control structure.

(3) Provide each member of the professional audit staff assigned to the engagement a minimum of sixteen (16) hours of training in the gaming industry.

(4) Retain and make available to the commission all reports, working papers in both current and permanent files, audit programs, tax returns, and other information relating to engagements for a period of five (5) years after completion of the engagement.

(5) Respond timely to all reasonable requests of successor auditors.

(6) Submit peer reviewed reports to the commission.

(7) Have all engagement letters approved by the commission prior to undertaking assignments.

(8) Send copies of all reports and management letters directly to the commission in compliance with this rule.

(9) At the conclusion of the engagement, provide management and the commission, in a mutually agreeable format, recommendations designed to help the entity make improvements in its internal control structure and operation, and other matters that are discovered during the audit.

(Indiana Gaming Commission; 68 IAC 15-14-3; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1073; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Dec 15, 2008, 11:29 a.m.: 20090114-IR-068080430FRA; filed Aug 16, 2010, 3:37 p.m.: 20100915-IR-068100064FRA)

68 IAC 15-14-4 Special audits

Authority: IC 4-33-4; IC 4-35-4
Affected: IC 4-33; IC 4-35

Sec. 4. (a) To ensure the integrity of gaming or compliance with IC 4-33, IC 4-35, and this title, the commission may require, at any time, a special audit of a casino licensee to be conducted by an independent certified public accountant who is, or whose firm is, licensed in Indiana. The commission may establish the scope, procedures, and reporting requirements of a special audit.

(b) The casino licensee is responsible for the costs of a special audit. *(Indiana Gaming Commission; 68 IAC 15-14-4; filed Dec 2, 2001, 12:35 p.m.: 25 IR 1074; readopted filed Nov 25, 2002, 10:11 a.m.: 26 IR 1261; readopted filed Nov 14, 2008, 12:51 p.m.: 20081210-IR-068080730RFA; filed Aug 16, 2010, 3:37 p.m.: 20100915-IR-068100064FRA)*

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