



STATE OF WASHINGTON

GAMBLING COMMISSION

"Protect the Public by Ensuring that Gambling is Legal and Honest"

Dear House-Banked Card Room Applicant:

RE: Preparation and Submission of Internal Controls

Included in this packet is the internal control template outlining information you are required to submit to your local field agent.

The internal control packet is divided into different sections with each section covering the controls for various departments. This will allow for efficient use of your internal controls. For example, as part of the training for cage employees, a copy of the Cashier's Cage section should be given to each cage employee and discussed thoroughly with him/her, along with the applicable WAC rules.

All information requested in the table of contents will be submitted to the Special Agent assigned to complete your review. The internal control packet must be completed and submitted as scheduled by the Special Agent.

Please contact the Special Agent assigned to your review if you have any questions on this process.

INTERNAL CONTROLS
HOUSE-BANKED CARD GAMES

(Licensee Name)

(Date of Submission)

(Signature of CEO)

T A B L E O F C O N T E N T S

ADMINISTRATION

Include the following information in the Administration section of your Internal Controls

- **Organization Chart** – *Include your organization chart. (Include Management Company if used or include a separate organization chart for the management company.) It is not necessary to include the names of the specific individuals on the organization chart.*
- **Job Descriptions** –
 - *Include job descriptions for all positions requiring licensure.*
 - *Provide a separate listing that includes the name and title of officers, managers and department heads.*
- **Hours of Operation** – *Include your hours of operation and any approval for extended hours.*
- **Card Games** –
 - *Include card games you will play and the number of tables of each game. Include non-house banked games.*
 - *Keep a copy of the contract for all proprietary card games in play on your licensed premises. (Do not send a copy to your assigned Gambling Commission Agent.)*
- **Licensing Procedures** – *Include your procedures and records used for ensuring all card room employees are properly licensed and renewals are submitted on time. Your procedures must include detailed steps covering at least the following areas:*
 - *The specific steps taken to accomplish this. Examples might include:*
 - *Tracking procedures used to determine card room employee (CRE) license expiration;*
 - *How CRE's are notified of license expiration; and*
 - *Payment procedures for CRE licenses and renewals*
 - *The job title of the position responsible for performing the work;*
 - *How often the procedure is performed; and*
 - *The documentation maintained showing the work was completed.*
- **Key Control** – *Document in your internal controls how you will keep keys or combinations to each key control box secure.*
- *Include your key chart matrix which shows:*
 - *Where each key box is maintained;*
 - *Which keys are maintained in each box; and*
 - *Who has access to the boxes and keys.*
 - *You must also include keys associated with the operation of non-house-banked card games.*
- **Employee Training** – *Include your procedures for ensuring all employees are properly trained and knowledgeable of procedures and internal controls for their positions. Your procedures must include:*
 - *Job title(s) of position responsible for conducting training.*
 - *Documentation maintained showing training was completed.*

ACCOUNTING DEPARTMENT

Include the following information in the Accounting section of your Internal Controls

- **Reports** – *Include all the gambling related reports you maintain related to revenues and expenses. (Daily, weekly, monthly, yearly, etc.)*
- **Accounting Software** – *Include the following:*
 - *The name of the accounting software you use.*
 - *A listing of employee job positions that are authorized access to the accounting software. Include any access limitations to system users.*
- **Fiscal Year** – *Include your fiscal year.*
- **Bank Account for Prize funds** – *Include the following:*
 - *Name and location of the bank where the prize account will be maintained;*
 - *If the account is interest bearing; and*
 - *Signers on the bank account.*
- **Tip Procedures** – *Include your procedures for the accountability and distribution of tips. Your procedures must include at least the following:*
 - *Whether tips are pooled or retained by employees.*
 - *If you require tips to be pooled include the following:*
 - *Method for allocating tips among employees;*
 - *Procedures for counting and recording of chips received as tips; and*
 - *Procedures for payment of tip income.*
 - *Procedures for the accounting of tips received by authorized card room employees, to include the manner and time frame in which card room employees are required to report their tip income to their employer.*
- **Determination of Win/Loss** – *If your accounting department completes the win/loss portion of the master game report (instead of the count team) include that information.*

CASHIER'S CAGE

Include the following information in the Cage section of your Internal Controls

- **Alarm System** – *Include the following;*
 - *Provider of your alarm system and service for the cashier's cage, **if applicable**;*
 - *The location of the alarm;*
 - *Procedures for when the alarm is tripped. Include responsibilities and authorization level by job position; and*
 - *How often the alarm is tested.*

- **Check Acceptance** – *Include your check acceptance policies and procedures including:*
 - *Check cashing limits.*
 - *Who is authorized to approve checks, and to what level.*
 - *Guarantee service (if used). If you accept checks that have either been declined by the guarantee service or checks that are not run through the service, state that and include your procedures.*
 - *Check buy back procedures, if allowed.*

- **NSF Checks** – *Include your NSF check procedures. Your procedures must include at least the following:*
 - *The job position responsible for receiving checks returned NSF;*
 - *The job position responsible for maintaining the NSF check log;*
 - *The job position authorized to write off NSF checks and criteria used to determine when a check maybe written off;*
 - *How often the NSF check log is updated; and*
 - *If you keep a list of people you will not accept checks from, include your procedures for determining how names are added or removed.*

- **Automated Teller Machines (ATM)** – *Include your ATM procedures if the cage is included in any part of the process.*

- **Imprest Amounts** – *Include your cage imprest amount, unless you have received authorization to run a floating balance in your cage.*

- **Minimum Cash on Hand** – *Include the time you will meet the minimum cash on hand requirements of WAC 230-15-050. This time must be within three hours of opening for the business day.*

- **IRS Requirements** – *Include procedures for completing IRS requirements for large prize payouts.*

COUNT TEAM

Include the following information in the Count Team section of your Internal Controls

- **Count Time** – *Include the time your count is performed.*
- **Completion of Master Game Report** – *Include who will record information from fill, credit, and table inventory slips on the Master Game Report (count team or cage cashier).*

SURVEILLANCE

Include the following information in the Surveillance section of your Internal Controls, for all required CCTV coverage

- **Surveillance Room** – *Include a listing of job positions authorized in the surveillance room. If you have more than one surveillance room provide separate lists.*
- **Digital Recording** – *State if you use motion activated recording. Provide the name or position of your system administrator. Include the level of access by job position for all your surveillance staff and any others with access to the system. Include make, model and the digital surveillance system manufacturer specification sheet.*
- **Camera Placement** – *Include a floor plan showing the placement of all cameras. Include the corresponding digital or analog recording device.*
- **Camera Views** – *Include a chart describing the view of each camera. Note which cameras are used to cover the movement of drop boxes.*
- **Multiplexing or Quad Recording** – *Include the camera views recorded on each multiplexing and quad recording device.*
- **Monitoring Large Payouts** – *Include your procedures stipulating how surveillance personnel are monitoring payouts in excess of \$3,000.*

SECURITY

Include the following information in the Security section of your Internal Controls

- **Drop Box Storage** – *Include where your drop boxes will be stored. (In a trolley, cabinet, or on the gaming table.)*
- **Card, Chip, and Equipment Accountability** – *Include your procedures for receipt, storage, and destruction of cards, chips and other equipment (such as dealing shoes). Include at least the following:*
 - *Records used,*
 - *The job position who is responsible for carrying out the duties,*
 - *How often duties will be completed.*

GAMBLING DEPARTMENT

Include the following information in the Gambling Department section of your Internal Controls

- **Gambling Equipment** – *Include pictures, diagrams or drawings of the following:*
 - Chips;
 - Cards;
 - All Gambling equipment and layouts;
 - Dealing shoes;
 - Card peeking devices;
 - Bill changer devices;
 - Shuffling devices;
 - Other equipment that may be required for use in authorized games.
- **Gambling Equipment Accountability** – *Include procedures for the receipt and storage of all gambling equipment when issued to employees on the gambling floor including, but not limited to, cards, chips, dealing shoes and Gambling tables and layouts.*
- **Underage Gambling**
 - Document any training provided to staff to prevent underage patrons from being allowed to gamble.
 - Include any policies and procedures for ensuring minors are not allowed to gamble.
- **Card Games** – *Include the following for each authorized game you will offer.*
 - Game rules (rules posted on the agency website do not need to be included);
 - Minimum and maximum permissible wagers;
 - Shuffling, cutting, and dealing techniques, as applicable;
 - Dealer take and pay procedures;
 - Chip purchase procedures (including proving of chip and coin inventory);
 - Table opening and closing procedures (including proving of chip and coin inventory);
 - Payout odds on each form of wager, including any aggregate limits;
 - Procedures to be followed on occurrence of irregularities, including explanation of irregularities as applicable to each game; and
 - Prohibitions on side betting between and against player and against the house.
- **Tip Acceptance Procedures** – *Include procedures for the acceptance of gratuities (See Accounting Department section for procedures to account for tips.)*
 - Actions required of dealers so floor supervisors and surveillance are able to observe tips dealers receive.

RECORDS

All records contained in the House-banked Card Room Record Keeping Packet provided to you shall be maintained in the prescribed format and provided in this section. Modifications to the appearance, but not the content, are allowed, but must be approved by the local agent prior to implementation.

Any additional records, forms, or documents not found in the House-banked Card Room Record Keeping Packet but used by the organization must also be included in this section.