

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 138: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES
AND INTERNAL CONTROLS

138.28: Gaming Day

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall specify ~~what~~ the hours of operation for the gaming establishment and ~~what the~~ incorporate a 'gaming day' ~~will be~~ for accounting purposes **that begins at 6:00:00 a.m. and ends the following day at 5:59:59 a.m.** ~~Each gaming licensee may establish a gaming day for slot machines which is different from its gaming day for table games; provided, however, that no gaming day shall be longer than 24 hours.~~

138.33: Removal of Slot Drop Containers: Unsecured Currency Funds; Recording of Meter Readings for Slot Machine Drop

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures and protocols relative to the removal of slot drop containers, unsecured currency, and the recording of meter readings for slot machine drop that, at a minimum, incorporates the following requirements:

(7) Whenever currency, a gaming voucher, or a coupon is found inside a ~~bill-changer slot machine~~ but outside of the slot ~~cash-storage drop box (unsecured drop)~~ during the collection of slot ~~cash-storage drop~~ boxes **it shall be deemed "unsecured funds."** **When unsecured funds are located,** a count team member and a member of the casino security department shall complete and sign an **unsecured funds** form which includes the asset number in which the unsecured ~~drop funds~~ **was were** found, the date the unsecured ~~drop funds~~ **was were** found, and the total value of the unsecured ~~drop funds~~. The unsecured ~~drop funds~~ and the original **unsecured funds** form shall be transported to the count room. **A determination shall be made as to whether the unsecured funds registered on the coin-in meter of the slot machine from which they were retrieved. If the unsecured funds registered on the coin-in meter of the slot machine, the funds shall be counted as part of the gross gaming revenue for the slot machine and counted and recorded with the contents removed from the corresponding slot cash-storage drop box. If it is determined that the unsecured funds did not register on the coin-in meter of the slot machine, the funds shall be transferred along with the original and duplicate unsecured funds form to the cashiers' cage and processed as unclaimed cash in accordance with 205 CMR 138.68(1)(b). If after a count of the contents of a slot drop box it is determined that the total value of currency, gaming vouchers, and coupons is greater than the corresponding value indicated on the coin-in meter for the subject slot machine, the excess value shall be considered unsecured funds and the value shall be reflected on an**

unsecured funds form and transferred to the cashiers' cage and processed as unclaimed cash in accordance with 205 CMR 138.68(1)(b).

The duplicate of the unsecured funds form shall be placed in a locked accounting box. Upon completion of the count, the original unsecured funds form relative to funds that registered on the coin-in meter shall be placed in a locked accounting box located in the count room. The accounting department will shall retrieve the original form and reconcile it to the duplicate. A copy of the form shall be provided to the IEB.

(8) Whenever unsecured drop funds is are found inside a slot machine but outside of the slot drop box at times other than the collection of slot cash storage drop boxes, a slot department member shall notify the surveillance department and complete and sign the unsecured funds form referenced in 205 CMR 138.33(7). The unsecured drop funds and the original form shall be transported by the slot department member, escorted by a security department member, to the cashiers' cage where a cashier shall sign the form acknowledging receipt. The unsecured drop funds and original form shall be retained by the cashier, and the slot department member shall place the duplicate form in a locked accounting box. The accounting department shall reconcile the original form to the duplicate. handled in accordance with the process described in 205 CMR 138.33(7).

(9) Upon receipt of an unsecured gaming voucher or coupon, the cage cashier in the presence of the slot department member shall deface or otherwise deactivate the gaming voucher or coupon, to the extent necessary, so as to prevent subsequent redemption.

(10) At the end of the gaming day, at a minimum, the original unsecured drop funds forms and as applicable, gaming vouchers and coupons, shall be forwarded to the accounting department. The accounting department shall reconcile the original and duplicate forms and record the appropriate amount on the Slot Win Report or unclaimed cash report, as applicable. Reconciliation of unsecured funds shall be completed by the end of the gaming day on which the count of the slot machine drop for the machine in which the unsecured funds were located is performed.

(11) In conjunction with the removal of any slot drop container box, a gaming licensee shall manually read, or cause an approved slot monitoring system to record, the slot machine's accounting meters that are used to calculate gross gaming revenue, as described by GLI-11, 5.4.1 *Electronic Accounting and Occurrence Meters*, including the in-meter, drop meter, out-meter, attendant paid jackpots meter, attendant paid cancelled credits meter, bill meters and handle pull meter. In addition, the following meters shall be read and recorded:

- (a) If the slot machine accepts gaming vouchers, the numerical and value cashable gaming voucher meters, and the numerical and value non-cashable gaming voucher meters;
- (b) If the slot machine accepts coupons enrolled in the gaming voucher system, the numerical and value cashable coupon meters and numerical and value non-cashable coupon meters;
- (c) If the slot machine accepts promotional credits, the electronic cashable credit meter and the electronic non-cashable credit meter; and

(d) If the slot machine accepts funds from an account based wagering system, the wagering account transfer-in meter and the wagering account transfer out meter.

(12) The slot monitoring system shall provide a report to the accounting department for a comparison of the meter readings to the count room reports and the calculation of each slot machine's payout percentage. **In the event it is determined after a count that a shortage exists between the total registered on a slot machine's accounting meters that are used to calculate gross gaming revenue, as described by GLI-11, 5.4.1 *Electronic Accounting and Occurrence Meters*, the licensee shall investigate to determine the cause and record the findings. Only members of the accounting department shall have the authority to adjust meter readings subsequent to the count, provided that notification is provided to the IEB and the commission's finance office if the shortage was caused by a technical malfunction. The IEB and/or finance office may take any action necessary to ensure the integrity of the adjustment prior to the month end reconciliation and public reporting of gross gaming revenue.**

(13) Nothing in 205 CMR 138.00 or a gaming licensee's internal controls shall preclude the IEB from requiring a gaming licensee to read a slot machine meter manually as a remedial measure in the event of a malfunction or as it may otherwise deem necessary to ensure the integrity of gaming and the accurate reporting of gross revenue.

138.68: Expiration of Gaming-related Obligations Owed to Patrons: Payment to the Gaming Revenue Fund

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the expiration of gaming-related obligations, **and unclaimed cash and prizes** that provide, at a minimum, that:

(a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, §§ 53 and 59-;

(b) Any unsecured funds that did not register on a slot machine's coin-in meter, as described in 205 CMR 138.33(7), must be claimed by the owner within one year of the date the funds are located or the obligation of the gaming licensee to pay the patron will expire. Provided, verification procedures designed to prevent fraudulent claims shall be included in the provision. Upon expiration of the obligation, the cash or equivalent cash value of the subject funds shall be transferred to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, §§ 53 and 59; and

~~(b)~~ (c) A gaming licensee shall maintain a record of all **unclaimed cash and prizes and gaming-related obligations** that have expired.

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205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 140: GROSS GAMING REVENUE TAX REMITTANCE AND REPORTING

140.02: Computation of Gross Gaming Revenue

(3) Slot Machines and Other Electronic Gaming Devices. For purposes of complying with 205 CMR 140.01 relative to the gross gaming revenue payment for slot machine and other electronic gaming device gross gaming revenue, a gaming licensee shall pay the amount calculated by the commission. Disputed amounts shall be reconciled on a monthly basis as described in 205 CMR 140.04(1). Gross gaming revenue equals *drop*, minus jackpot payouts, including vouchers issued by the gaming device, and any hopper fills to the machine, subject to the following:

- (a) For purposes of 205 CMR 140.02(3), *drop* means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, plus the value of currency, and gaming vouchers in a slot cash storage box, **unsecured funds located inside a slot machine but outside the slot drop box that registered on the coin-in meter**, and electronic credits withdrawn from a patron's account.
- (b) The initial hopper load, if any, shall not be considered a fill.
- (c) A gaming licensee shall not include the cash equivalent value of any merchandise or thing of value as part of the sum paid out as winnings or a jackpot.