## Rules of Department of Public Safety

**Division 45—Missouri Gaming Commission**

**Chapter 8—Accounting Records and Procedures; Audits**

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Title 11—DEPARTMENT OF
PUBLIC SAFETY
Division 45—Missouri Gaming
Commission
Chapter 8—Accounting Records and
Procedures; Audits

11 CSR 45-8.010 Definition of Licensee

PURPOSE: This rule establishes definitions for the chapter.

(1) For purposes of this chapter, licensee shall mean a holder of a Class A license.


11 CSR 45-8.020 Record Retention; Noncompliance

PURPOSE: This rule establishes requirements for accounting records retention.

(1) Each licensee shall provide the commission, upon its request, with the records required to be maintained by this chapter. Unless the commission approves or requires otherwise in writing, each licensee shall retain all these records within Missouri for at least five (5) years after they are made. Failure to keep and provide such records is an unsuitable method of operation.


11 CSR 45-8.030 Ownership Records

PURPOSE: This rule establishes ownership records to be maintained.

(1) Each licensee shall keep and, upon request, provide to the commission the following records:
   (A) If a corporation—
      1. A certified copy of the Articles of Incorporation and any amendments;
      2. A certified copy of the bylaws and any amendments;
      3. A certificate of good standing from the state of its incorporation;
      4. A certificate of authority from the Missouri Office of Secretary of State authorizing it to do business in Missouri if the corporation is operating as a foreign corporation in Missouri;
      5. A list, including names and addresses, of all current and former officers and directors;
      6. A certified copy of minutes of all meetings of the stockholders and directors;
      7. A current list of all stockholders including the names of beneficial owners of shares held in street or other names; and
      8. The name of any business entity and a current list of all stockholders in that entity, including the names of beneficial owners of shares held in street or other names, in which the corporation has a direct or indirect interest;
   (B) If a partnership—
      1. A record showing the name and address of the proprietor and the amount and date of his/her original investment;
      2. A record of dates and amounts of subsequent additions to the original investment and any withdrawals; and
      3. A record for each year of the previous five (5) years of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.


11 CSR 45-8.040 Accounting Records

PURPOSE: This rule establishes standards for accounting records.

Editor’s Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) Each licensee shall maintain complete, accurate, legible and permanent records of all transactions pertaining to its revenues and expenses, assets, liabilities and equity. The commission, from time-to-time, may direct licensees to alter the manner in which these records are maintained.

(2) The accounting records shall be maintained in accordance with generally accepted accounting principles using a double entry system of accounting, with transactions recorded on the accrual basis and supported by detailed, supporting and subsidiary records.

(3) To insure consistency, comparability and effective disclosure of financial information, the commission shall prescribe a uniform...
general ledger chart of accounts and accounting classifications. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by each licensee.

(4) The detailed, supporting and subsidiary records shall include as a minimum the following:

(A) Detailed records identifying all revenues, expenses, assets, liabilities and equity for each licensee;
(B) Records of all investments, advances, loans and receivables due the licensee;
(C) Records related to investments in property and equipment;
(D) Records of all loans and other amounts payable by the licensee;
(E) Records of all patron checks initially accepted by the licensee, deposited in licensee's bank accounts, returned to the licensee as uncollected and ultimately written-off as uncollectible;
(F) Journal entries prepared by the licensee or the independent certified public accountant selected by the commission pursuant to 11 CSR 45-8.060(10);
(G) Tax workpapers used in preparation of any state or federal tax return;
(H) Records which identify table drop, table win and percentage of table win to table drop for each table game, and those records accumulated for each type of table game, either by shift or other accounting period approved by the commission, and accumulated on a month-to-date and year-to-date basis;
(I) Records which identify actual tokens-in/out, drop, payouts, fills, win amounts and percentages, and differences between theoretical and actual win amounts and percentages for each electronic gaming device on a per-day basis or other accounting period approved by the commission and accumulated on a month-to-date and year-to-date basis;
(J) Records of the cost for complimentary goods and services. Complimentary goods or services provided to patrons in the normal course of business shall be recorded at an amount based upon the full retail price normally charged for those goods or services;
(K) Records of the purchase, receipt and destruction of gaming chips and tokens;
(L) Records required to fully comply with all the federal financial recordkeeping requirements as enumerated in 31 CFR 103;
(M) Records of the number of persons admitted on the riverboat;
(N) Records required by the licensee’s internal control system; and
(O) Any other records that the commission requires be maintained.

(5) If a licensee fails to maintain records used by it to compute taxes or fees due the state or any political subdivision of the state, the commission may compute and determine the amounts due on the basis of an audit conducted by the commission, available information, statistical analysis, or a combination of these.

(6) Each licensee shall permit the commission or commission agents access to its books and records upon request.


**11 CSR 45-8.050 Standard Financial and Statistical Reports**

**PURPOSE:** This rule establishes the standards for financial and statistical reports.

(1) Each licensee shall file monthly, quarterly and annual reports of financial and statistical data with the commission using electronic transmission and software formats as prescribed.

(2) The commission shall periodically prescribe and send licensees a set of standard reporting forms and instructions to be used in filing monthly, quarterly and annual reports. All reports required under this rule shall be prepared in accordance with generally accepted accounting principles.

(3) Annual reports shall be based on the licensee's fiscal year. Quarterly reports shall be based on the licensee's fiscal quarter. Monthly reports shall be based on calendar months.

(4) The electronically transmitted reports required to be filed pursuant to this section shall be authorized by individuals designated by the licensee. In addition, a letter shall be submitted by the licensee attesting to the data and shall be signed by—

(A) Director of Finance; or
(B) Controller.

(5) Signatures required by section (4) of this rule shall mean attestation to the completeness and accuracy of the electronically submitted reports. The letter of attestation may not be signed by the person(s) that prepared the reports.

(6) Letters shall be addressed to the commission and postmarked or faxed no later than the required filing date and reports shall be transmitted no later than the required filing date. The required filing dates are as follows:

(A) Monthly reports shall be due on the fifteenth calendar day of the following month or the next business day if the fifteenth falls on a weekend or legal holiday;
(B) Quarterly reports shall be due twenty (20) calendar days following the end of the licensee's fiscal quarter;
(C) Annual reports shall be due ninety (90) calendar days following the end of the licensee's fiscal year or ten (10) days after Form 10-K is filed with the Securities and Exchange Commission, whichever come first;
(D) The licensee shall submit supporting schedules and documentation for the reports as prescribed by the commission; and
(E) Any adjustments to the reports resulting from review and/or audit by the commission shall be made by the licensee within five (5) business days after written notification.

(7) Delays in mailing, mail pickups postmarking and electronic transmissions are the licensee's responsibility.

(8) In the event of a termination or suspension of licenses, voluntary or involuntary change in business entity, or change in ownership of more than a twenty percent (20%) interest, a licensee shall file an interim monthly report as of the date of occurrence of the event, unless this event has already been disclosed in a regular monthly report or unless exempted by the commission. The filing date shall be thirty (30) calendar days after the date of occurrence of the event.

(9) Any adjustments resulting from the quarterly and annual audits performed by the independent certified public accountant (C.P.A.) as required in 11 CSR 45-8.060 shall be recorded in the accounting records of the period to which it relates. In the event that the adjustments were not reflected in the licensee's quarterly or annual reports and the commission concludes the adjustments are significant, a revised report may be required from the licensee. The revised filing shall be due within thirty (30) calendar days after written notification to the licensee.

(10) Each licensee shall furnish to the commission, upon its written request, statistical
and financial data for the purpose of compiling, evaluating and disseminating financial information regarding the economics and trends within the gaming industry in Missouri.


11 CSR 45-8.060 Audits

PURPOSE: This rule establishes standards for audits.

(1) Independent certified public accountants (C.P.A.’s) registered or licensed in Missouri under Chapter 326, RSMo, selected by the commission from a list of at least three (3) C.P.A.’s submitted by the applicant or licensee, shall conduct quarterly and annual audits of each licensee, as follows:

(A) On a quarterly calendar basis, except as noted—

1. Audit the respective quarter’s adjusted gross receipts and related taxes from gambling games, and total number and amount of fees received from admissions in order to report on the fair presentation of such amounts. A reconciliation of these audited amounts to similar amounts in monthly financial reports required by 11 CSR 45-8.050 shall be provided;

2. Consider, in connection with the audit of adjusted gross receipts and admission fees referred to in paragraph (1)(A)1., the related internal control structure and report whether there exists any material weaknesses and report any reportable conditions identified. This evaluation shall include, at a minimum, walk-throughs of the internal control system, inquiries of licensee personnel, examination of supporting documents and unannounced observations of pit activity and table games and electronic gaming device drop and count procedures. For purposes of these procedures, unannounced means that no officers, directors or employees of the licensee are given advance information regarding the dates or times of the observations; and

3. Report on compliance of the licensee’s operating procedures and written system of internal controls with the requirements of 11 CSR 45-9.030 and 11 CSR 45-9.040(1). Whenever, in the opinion of the independent C.P.A. the licensee’s operating procedures or written system of internal controls has deviated from the minimum internal control standards or variations to the standards approved by the commission, the report shall enumerate these deviations, regardless of materiality; and

(B) On an annual basis—

1. Report on reportable conditions found during the annual audit of the licensee’s financial statements. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which would adversely affect the licensee’s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report; and

2. Audit, in accordance with generally accepted auditing standards, the licensee’s annual financial statements covering all financial activities of the licensee’s operation in order to report on the fair presentation of the financial statements in conformity with generally accepted accounting principles. The audited annual financial statements must be prepared in a format consistent with the reporting requirements under 11 CSR 45-8.050(2). Unless the commission approves otherwise in writing, these statements must be prepared on a comparative basis. If the licensee or a person controlling, controlled by or under common control with the licensee owns or operates room, food or beverage facilities at the establishment, the financial statements must cover those operations as well as gaming operations;

(C) Sixty (60) days prior to the commencement of the annual financial audit, the independent C.P.A. shall submit to the commission a detailed written audit plan for approval. The audit plan shall include a complete description of procedures to be performed by the licensee’s internal auditor, if applicable. At its discretion, the commission may require the independent C.P.A. to perform additional testing and/or procedures; and

(D) The licensee’s internal auditor may provide direct assistance to the independent C.P.A. during the annual financial audit only pursuant to commission approval of the audit plan.

(2) The licensee shall prepare and send to the commission a written response to the independent C.P.A. reports required by paragraphs (1)(A)2. and 3., (1)(B)1. and 2. The response shall indicate in detail the licensee’s statement addressing each item and corrective actions taken.

(3) Four (4) copies of the reports required by section (1) shall be received by the commission or postmarked, no later than the required filing date.

(A) Quarterly reports shall be due not later than ninety (90) calendar days after the last day of the quarter; and

(B) Annual reports shall be due not later than ninety (90) calendar days after the last day of the licensee’s fiscal year or ten (10) days after Form 10-K is filed with the Securities and Exchange Commission, whichever comes first.

(4) In the event of a license termination, change in business entity or a change in the percentage of ownership of more than twenty percent (20%), the licensee or former licensee, not later than ninety (90) days after the event, shall submit to the commission four (4) copies of audited financial statements covering the period since the period covered by the previous statement. If a license termination, change in business entity or a change in the percentage of ownership of more than twenty percent (20%) occurs within ninety (90) days after the end of business year for which a statement has not been submitted, the licensee may submit statements covering both the business year and the final period of business.

(5) If a licensee changes its business year, the licensee shall prepare and submit audited financial statements to the commission covering the stub period from the end of the previous business year to the beginning of the new business year not later than ninety (90) days after the end of the stub period or incorporate the financial results of the stub period in the statements for the new business year.

(6) Delays in mailing, mail pickups and postmarkings are the licensee’s responsibility.

(7) The commission may request additional information and documents from either the licensee or the licensee’s C.P.A., through the licensee, regarding the financial statements or the services performed by the accountant. Failure to submit the requested information or documents is an unsuitable method of operation.
(8) All of the audits and reports required by this rule, and any special audits of a licensee required by the commission or its director, shall be prepared at the sole expense of the licensee.

(9) Any audits conducted in accordance with this rule, shall be conducted by independent C.P.A.s registered or licensed in Missouri under Chapter 326, RSMo, and selected by the commission. The commission shall consider the following:

(A) Prior experience of the firm in auditing gaming entities of similar size;
(B) Availability of sufficient numbers of qualified personnel;
(C) Submission of the firm to a peer review, and successful results; and
(D) Other factors as determined by the commission.

(10) The term independent as used in section (9) of this rule is consistent with that set forth in 4 CSR 10-3.020, and definitions set forth by the American Institute of Certified Public Accountants or the rules of the Securities and Exchange Commission, or both, to the extent applicable.


11 CSR 45-8.080 Accounting Controls Within the Cashier’s Cage

**PURPOSE:** This rule establishes cashier’s cage accounting controls.

(A) The original, duplicate and triplicate copies shall be color-coded and have the destination of the original copy identified on the duplicate and triplicate copies; and
(B) Whenever forms or serial numbers are required to be accounted for or copies of forms are required to be compared for agreement and exceptions are noted, these exceptions shall be reported immediately and in writing to the commission.


11 CSR 45-8.090 Mandatory Count Procedure

**PURPOSE:** This rule establishes mandatory count requirements.

(1) Each licensee shall report to the commission, the time(s) when drop boxes and slot drop buckets will be removed and the contents counted. All drop boxes and slot drop buckets must be removed and counted at the time(s) previously designated to the commission. Removal and counting of contents at other than the designated time(s) is prohibited unless the licensee provides advance written notice to the commission of a change in time(s) or the commission requires a change of authorized times.

(2) Within ten (10) days after the end of each calendar quarter, each licensee shall submit a list of the employees who are authorized to be in the count room during the count (personnel list) and those employees who are authorized to participate in the count and those employees who are authorized to be in the count room during the count (personnel list) during and as of the end of the calendar quarter. The count personnel list shall indicate those persons, if any, who hold an interest in the licensee and shall indicate what relationship by blood or marriage, if any, exists between any person on this list or any interest holder or employee of the gaming establishment. The count personnel list shall also indicate the Social Security number of each count employee and the job position held by each count employee.


11 CSR 45-8.070 Forms, Records and Documents

**PURPOSE:** This rule establishes accounting forms.

(1) All information required by this chapter to be recorded shall be recorded in a permanent form.

(2) Whenever duplicate or triplicate copies of a form, record or document are required by these rules—

(A) The original, duplicate and triplicate copies shall be color-coded and have the destination of the original copy identified on the duplicate and triplicate copies; and
(B) Whenever forms or serial numbers are required to be accounted for or copies of forms are required to be compared for agreement and exceptions are noted, these exceptions shall be reported immediately and in writing to the commission.


11 CSR 45-8.100 Count Room—Characteristics

**PURPOSE:** This rule establishes count room characteristics.

(1) Each casino shall have a room(s) specifically designated for counting the contents of drop boxes and drop buckets which shall be known as the count room.
(2) The count room shall be designed and constructed to provide maximum security for materials housed in and the activities conducted in that room.

(3) The security department shall establish a sign-out procedure for all count room keys. An alarm device shall be connected to the entrance of the count room that causes a signaling to the monitors of the closed circuit television system and to the commission office on the boat whenever the door to the count room is opened.

(4) Located within the soft count room shall be a table constructed of clear glass or similar material for the emptying, counting and recording of the contents of drop boxes which shall be known as the soft count table.


11 CSR 45-8.130 Tips and Gifts

PURPOSE: This rule establishes regulations regarding the acceptance of tips and gifts.

(1) Except as provided in this rule, no occupational licensee may accept a tip, gift, or loan from any player or patron.

(2) Level II occupational licensees may accept tips for casino-related services performed by the licensee, or paid leave based on work, that is performed in a nonsupervisory capacity as a dealer, poker dealer, cage cashier, slot attendant, food and beverage personnel, valet, ticketing personnel, or other positions as approved by the director.

(3) Occupational license applicants or occupational licensees eligible to accept tips shall receive such tips only in the form of currency, chips, and tickets.

(4) No occupational license applicant or occupational licensee shall solicit any tip, gift, or loan from any player, patron, or vendor of the Class B licensee where the occupational licensee is employed or working. This in no way prohibits an occupational licensees to receive winnings from the gambling game as an agent of the Class B licensee, and who uses an approved shuffling machine during the course of the poker game. If tips are received by poker dealers on an individual basis, all tips shall be immediately placed into a locked individual transparent tip box.

(5) No dealers, poker dealers, cage cashiers, or slot attendants shall accept currency from any player or patron except as a tip and only if the Class B licensee allows such a practice and has provided procedures for accepting such tips in its internal controls which have been approved by the commission. All tips given to dealers, poker dealers, cage cashiers, and slot attendants shall be—

(A) Immediately deposited into a transparent locked box reserved for that purpose except that chips received at table games and poker games may first be immediately placed in a color up tube if approved internal controls are in place for such action. If nonvalue chips are received at a roulette table, the marker button indicating their specific value at the time shall not be removed or changed until after a dealer in the presence of a supervisor has converted the nonvalue chips into value chips which are immediately deposited in a transparent locked box reserved for the purpose;

(B) Accounted for by a recorded count conducted by a randomly selected dealer, poker dealer, cage cashier, or slot attendant for such respective count, and a randomly selected nongaming employee of the accounting department; and

(C) Placed in separate pools for pro rata distribution among the dealers, poker dealers, cage cashiers, and slot attendants from this pool shall be made following the Class B licensee’s payroll accounting practices and shall be subject to all applicable state and federal withholding taxes.

(D) The previous provisions of this subsection notwithstanding, a Class B licensee may, subject to internal controls approved by the commission, allow dealers of poker as defined in 11 CSR 45-1.090 to receive tips on an individual basis. The receiving of tips individually may be allowed only when the dealer does not make decisions that can affect the outcome of the gambling game, is not eligible to receive winnings from the gambling game as an agent of the Class B licensee, and who uses an approved shuffling machine during the course of the poker game. If tips are received by poker dealers on an individual basis, all tips shall be immediately placed into a locked individual transparent tip box that shall be assigned to and maintained by the dealer while working. The locked individual tip box shall be turned in to the Class B licensee at the end of the shift for counting, withholding of taxes, and subsequent payment during the normal payroll process. For the purposes of this subsection, winnings from a gambling game shall not include commissions, commonly referred to as the “ rake,” withheld from amounts wagered in a game. Poker dealers may be permitted to
receive tips on an individual basis only if the Class B licensee has internal controls governing such practice that have been approved by the commission.

(6) Upon receipt of a tip from a patron, a dealer, poker dealer, cage cashier, or slot attendant shall extend his/her arm in an overt motion and deposit the tip into the transparent locked box or color up tube reserved for such purposes.

(7) Occupational license applicants or occupational licensees other than surveillance and security personnel may accept gifts from suppliers of goods and services to the Class B licensee provided the Class B licensee allows such practice and has provided procedures for accepting gifts in its internal controls which have been approved by the commission. No gifts may be accepted from liquor distributors (11 CSR 45-12.090). Gifts having a reasonable market value of twenty-five dollars ($25) or more shall be reported to the commission on a form and in a manner prescribed by the commission.

(8) Applicable state and federal taxes shall be withheld on tips and gifts received by occupational license applicants or occupational licensees.


11 CSR 45-8.150 Cash Reserve Requirements

PURPOSE: This rule establishes cash reserve requirements.

(1) The licensee shall maintain in cash or cash equivalents an amount sufficient to protect patrons against defaults in gaming debts owed by the licensee. Cash equivalents are investments with an original maturity of three (3) months or less which would be permissible investments under Missouri law for state moneys held by the state treasurer. The commission shall distribute to licensees and make available to all interested persons a formula approved by the commission by which licensees determine the minimum bankroll requirements of this rule (see Appendix A). If, at any time, the licensee’s available cash or cash equivalents should be less than the amount required by this rule, the licensee must immediately notify the commission of this deficiency. Failure to maintain the minimum bankroll required by this rule, or a higher bankroll as required by the commission pursuant to this rule, or failure to notify the commission of any deficiencies, is an unsuitable method of operation.


Appendix A
Commission Formula Minimum Bankroll Requirements

The Class A licensee shall maintain the following minimum bankroll requirements to insure payment of patrons’ win.

First month of operation one hundred percent (100%) of licensee’s projected payout to patrons (electronic gaming device and table game drop minus licensee win) for a weekly period, defined as seven (7) gaming days, based on the average daily payout multiplied by seven (7).

Second and subsequent months of operation one hundred percent (100%) of licensee’s actual payout to patrons (electronic gaming device and table game drop minus licensee win) for a weekly period, based on the aver-