

§1742. Minimum Internal Accounting Control

A. Effective July 1, 1991, all licensees whose gaming activities grossed over \$25,000 in the prior license year or any new licensee who the division projects to gross over \$25,000 in a year, must establish and maintain an internal accounting control system which meets minimum standards established by the Division of Charitable Gaming Control. The system must provide reasonable assurance that all transactions are properly and accurately recorded, that gaming proceeds are disbursed in accordance with established policy of the licensed organization and that assets are protected against loss or theft. The director may waive this requirement for organizations whose gaming activities gross over \$25,000 but less than \$100,000 provided that the organization demonstrates competency and proficiency in utilizing an accounting system acceptable to the director.

B. The following are minimum internal accounting controls which must be implemented by all licensees:

1. the results of each gaming session must be fully and accurately documented. The "Division's Model Accounting System" will be used in its entirety by all licensed organizations with an anticipated annual gross of \$25,000 or more in order to ensure strict accountability for the handling of cash and inventory by all participating members; provide a sound audit trail; and allow for the systematic accumulation of data needed for preparation of the division's quarterly report;

2. a specific member must be designated as session manager for each gaming session. This person will be held responsible for the overall control of cash, inventory, and accounting at the session. A record of such designees must be maintained; and,

3. the organization must maintain a single separate charitable gaming checking account. All checks on this account must be prenumbered. Checks made payable to cash are prohibited; and,

4. all proceeds from each gaming session, other than that amount paid out as cash prizes and that amount retained as a cash bank, must be deposited into the separate gaming account no later than the next banking day following the close of the session; and,

5. gaming session reports and deposits must be reviewed quarterly by a designated organization member who is not associated with gaming operations; and,

6. the separate gaming account must be reconciled monthly by someone other than a person who is authorized to sign checks on that account; and,

7. all disbursements from the separate gaming account must be in strict compliance with established written policy of the organization; must be fully supported by permanently filed receipts, invoices, or

other sufficient documentation; and must be properly and accurately recorded; and,

8. detailed inventory records must be maintained on all gaming supplies. These records must be verified by means of a physical count made at least semi-annually by an organization member who is not associated with gaming operations. A record of these physical counts must be maintained; and,

9. all forms, bank records, and other documentation described herein must be maintained for a period of three years.

C. Accounting for Sale of Bingo Hard Cards. Every organization, with an anticipated annual gross of \$25,000 or more, which uses reusable bingo cards (slide, shutter or hard cards) must employ the receipting and recordkeeping procedures described by this rule, or submit to the division for preapproval an accounting system of their own design which similarly accounts for the sale of each card and provides a sound audit trail. The following procedures are required unless advance approval is obtained from the division for use of an alternative system.

1. Each hard card must be assigned a distinct card control number. This number, along with the name of the card owner, or hall location, must be permanently and conspicuously printed or stamped on the card.

2. Duplicate preprinted serially-numbered receipts must be used to account for all hard card sales. A receipt must be prepared and issued upon each individual sale of one or more cards, with the licensee retaining the duplicate copy of the receipt. Each receipt must be initialed by the issuer (worker) and show the date of the session, the control number(s) of the card(s) issued, and the dollar amount of the sale. A line should be drawn under the last card number listed on the sheet so as to preclude anyone from adding extra card numbers to the list of paid cards.

3. All voided receipts must be initialed by the issuer, and retained by the organization.

4. Upon redemption of a winning card, the player must present his or her receipt showing purchase of the card. The checker must verify that the winning card number is listed on the receipt, and that the date of the receipt is current. In addition, should the receipt bear any apparent alterations, scratch-throughs, suspect initials, or other suspect markings, then the authenticity of the receipt must be verified by comparison to the licensee's duplicate.

5. At the end of each session, all receipts must be accounted for, and the licensee must reconcile total sales per duplicate copies of issued receipts with actual dollar amount collected from the sale of hard cards. A written record of this reconciliation must be prepared and retained by the organization.

6. The licensee shall be held strictly accountable for all receipt forms or booklets purchased and for all

receipts issued. All receipt numbers must be fully accounted for, and all duplicate copies of issued receipts and voided receipts must be retained for a period of three years.

In addition to the above procedures, each organization using hard cards must attach a statement to each of their Charitable Gaming Quarterly Reports which shows the total amount collected during the quarter from the sale of hard cards.

D. Failure of an organization to establish and maintain an acceptable internal accounting control system will subject that organization to restriction, suspension or revocation of its gaming license.

E. Training sessions and accounting forms are available from the division to assist licensees in complying with this requirement.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:385 (April 1991).