

SUBCHAPTER 1. GENERAL PROVISIONS

Sections 1.40 through 1.49

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19:45-1.40 Jackpot and credit meter payouts that are not paid directly from the slot machine

(a) Whenever a patron wins a jackpot or requests a credit meter payout that is not totally and automatically paid directly from the slot machine (a “manual slot payout”) in coins, slot tokens or a gaming voucher, a Request for Jackpot Payout Slip (Request) shall be prepared after the preparer determines the appropriate amount of the manual slot payout by observing the jackpot display on the slot machine or the amount on its credit meter. If the manual slot payout is less than \$10,000, the preparer of the Request shall be a slot attendant or a slot attendant supervisor. If the manual slot payout is \$10,000 or more, the preparer of the Request shall be a slot attendant supervisor.

1. Notwithstanding the foregoing or any other provision of this section, a slot attendant may complete a Pouch Payout Slip instead of a Request and pay the winning patron the manual jackpot from imprest funds in a pouch or wallet in accordance with the procedures set forth in N.J.A.C. 19:45-1.40E, if the total amount of the slot machine jackpot is less than \$1,200 and the slot machine is connected to an approved computerized slot monitoring system.

2. Any casino licensee that chooses to use the pouch payout procedures authorized by N.J.A.C. 19:45-1.40E may request the approval of the Commission to use a combined Request/Pouch Payout Slip that satisfies the requirements of (b) below and N.J.A.C. 19:45-1.40E(b)2.

(b) The Request shall be, at a minimum, a one-part form or, if submitted electronically, the information required on it shall be maintained in stored data, access to which, prior to use or input, shall be restricted to slot attendants and slot attendant supervisors. The following information, at a minimum, shall be recorded on the Request or maintained in stored data:

1. The date and time that the jackpot display or credit meter amount was observed by the preparer;

2. The asset number of the slot machine on which the manual slot payout was registered;

3. The jackpot display designating the jackpot or a notation that it was a credit meter payout;
4. The amount of the manual slot payout to be paid to the winning patron;
5. The method of payment requested by the patron (cash, slot tokens, casino check or, if available, gaming chips);
6. The signature or identification code of the preparer; and
7. The signatures or identification codes of the following additional personnel attesting to the jackpot display or the amount on the credit meter and the amount to be paid to the patron if the slot machine, the progressive meter or the credit meter will be reset prior to the patron being paid or if payment will be made directly to the patron by a slot cashier, master coin bank cashier or general cashier:
 - i. A casino security department member; and
 - ii. A slot shift manager when the amount of the manual slot payout is \$25,000 or more.

(c) Following preparation, the Request shall be immediately transported by the preparer or a casino security department member, or the information maintained in stored data shall be available to a slot booth, the master coin bank or the cashiers' cage where it shall serve to authorize the preparation of a Jackpot Payout Slip (Payout) by a slot cashier, master coin bank cashier or general cashier. Notwithstanding the foregoing, if the manual slot payout will be paid from an automated jackpot payout machine and the Request was not electronically submitted, the preparer shall retain the Request, proceed to an automated jackpot payout machine and initiate the preparation of the Payout in accordance with this section.

(d) If the winning patron will not be paid before the slot machine, the progressive meter or the credit meter is reset, the preparer of the Request designated in (a) above shall also prepare a Jackpot Payout Receipt (Receipt). The Receipt shall be, at a minimum, a two-part form, and shall contain the following information:

1. The information required by (b)1 through 3 above;
 2. The amount of the manual slot payout to be paid to the winning patron or, if the patron has won an annuity jackpot with a cash payout option offered pursuant to N.J.A.C. 19:45-1.40B, the face amount of the jackpot displayed on the slot machine or progressive meter or provided by the slot system operator pursuant to N.J.A.C. 19:45-1.40C, stated in numbers and in words;
 3. The signature of the winning patron on the original form only;
- and
4. The signature of the preparer indicating that the information on the Receipt is correct and agrees with the information on the Request or as maintained in the stored data required by (b) above.

(e) Upon preparation, the Receipt shall be distributed as follows:

1. The original shall be immediately delivered to the slot cashier, master coin bank cashier or general cashier by the preparer or a casino security department member along with the Request, if the Request was manually generated; and
2. The duplicate shall be immediately presented to the winning patron who shall be required to present the duplicate Receipt before being paid the manual slot payout in accordance with the procedures set forth in this section.

(f) Payouts shall be serially prenumbered forms, each series of which shall be used in sequential order, and the series of numbers of all Payouts received by a casino licensee shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Payouts shall be marked "VOID" and shall require the signature of the preparer. Notwithstanding the above, a serially prenumbered combined jackpot payout hopper fill form may be utilized in conjunction with N.J.A.C. 19:45-1.41(b), as approved by the Commission, provided that the combined form shall be used in a manner which otherwise complies with the procedures and requirements established by this section.

(g) For establishments in which Payouts are manually prepared, the following procedures and requirements shall be observed:

1. Each series of Payouts shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

2. Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Payouts, placing Payouts in the dispensers, and removing from the dispensers each day the triplicates remaining therein. These employees shall have no incompatible functions.

(h) For establishments in which Payouts are computer prepared, including all Payouts generated by automated jackpot payout machines, each series of Payouts shall be a two-part form, at a minimum, and shall simultaneously print an original and a duplicate and store, in a machine-readable form, all information printed on the original and duplicate, other than the serial number of any casino check issued to the patron in payment of the manual slot payout for which the Payout was prepared; and discharge the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Payout. Notwithstanding the foregoing:

1. If it is necessary to override information in the slot monitoring system in order to generate a Payout, the manual slot payout shall be conducted in accordance with the following procedures:

- i. If the Request was manually prepared:

- (1) A supervisor of the preparer of the Request shall determine whether the information on the Request is accurate;

- (2) If the information on the Request is accurate, the supervisor of the preparer shall return the Request to the cashier;

(3) If the information on the Request is inaccurate, the supervisor of the preparer shall prepare a new Request in accordance with (b) above and transport the new Request to the cashier;

(4) The supervisor of the preparer shall sign the Request in the presence of the cashier, thereby attesting to the accuracy of the information on the Request, and shall cause his or her name or identification code to be input into the slot monitoring system to authorize the generation of a Payout by a system override;

(5) The cashier shall input his or her name or identification code into the slot monitoring system and generate a Payout containing the information on the Request by overriding, in a manner approved by the Commission, the information previously recorded in the slot monitoring system, provided that the slot monitoring system shall separately maintain the originally recorded information and the override information; and

(6) The manual slot payout shall thereafter be completed in accordance with the procedures in (l)3 through 6 or (m)2 through 9 below; or

ii. If the Request was electronically submitted:

(1) The supervisor of the preparer of the Request shall proceed to the slot machine where the manual slot payout was registered and observe the jackpot display or the amount on credit meter;

(2) The supervisor of the preparer shall cause his or her name or identification code to be input into the slot monitoring system to authorize the generation of a Payout by a system override and, based upon his or her observations, generate a Payout by overriding, in a manner approved by the Commission, the information previously recorded in the slot monitoring system, provided that the slot monitoring system shall separately maintain the originally recorded information and the override information; and

(3) The manual slot payout shall thereafter be completed in accordance with the procedures in (l)3 through 6 or (m)2 through 9 below; and

iii. Notwithstanding anything in i and ii above to the contrary, a Payout may be generated by a system override without a

supervisor of the preparer of the Request first verifying the accuracy of the information on the Request provided that:

(1) The manual slot payout is a linked progressive jackpot;

and

(2) The variance between the amount of the manual slot payout as input from the information on the Request and the amount recorded by the slot monitoring system is less than \$25.00.

2. If the Payout cannot be generated pursuant to (h)1 above because the slot monitoring system is temporarily not operational:

i. The Payout shall be manually prepared pursuant to (g) above;

ii. The manual slot payout shall be conducted in accordance with the procedures in (l) or (m) below; and

iii. The Payout shall not be generated in the slot monitoring system when it becomes operational again.

(i) On Payout originals, duplicates, triplicates, or in stored data, the preparer shall record, or if computerized, the printer shall print, at a minimum, the following information:

1. The asset number of the slot machine on which the manual slot payout was registered;

2. The jackpot display designating the jackpot or a notation that it was a credit meter payout;

3. The date on which the manual slot payout occurred;

4. The amount indicated on the Request pursuant to (b)4 above that is to be paid from cashiers' cage, master coin bank, slot booth or automated jackpot payout machine funds, provided, however, that this amount may, in the casino licensee's discretion, be rounded up to the nearest denomination of coin or token or to the nearest whole dollar as long as any funds paid in excess of the actual amount recorded pursuant to (b)4 above are not deducted from gross revenue and are reported and adjusted by the casino

licensee once each month, at a minimum, in a manner approved by the Commission;

5. The method of payment (cash, slot tokens, casino check or gaming chips);

6. The location from which the amount is to be paid;

7. If the manual slot payout is conducted in accordance with N.J.A.C. 19:45-1.40F, a notation to that effect together with the name or identification code of the slot attendant or slot attendant supervisor who prepared the Request;

8. If the Payout is generated by a system override in accordance with (h)1 above, a notation to that effect and the name or identification code of the supervisor who authorized the system override; and

9. The signature or, if computer prepared, identification code of the preparer.

(j) The time of preparation of the payment and the serial number of any casino check issued in payment of the manual slot payout shall be recorded, at a minimum, on the original and duplicate upon preparation of the Payout.

(k) All cash or slot tokens paid, any casino check issued, or any gaming chips paid in accordance with (q) below to a patron as a result of a manual slot payout shall be:

1. Distributed by the slot cashier, general cashier or master coin bank cashier directly to the patron in accordance with the procedures in (l) below; provided, however, that if a Request is submitted electronically, a manual slot payout shall not be distributed by a cashier directly to a patron unless any additional attestations and signatures required by (b)7 above were obtained at the time the Request was prepared; or

2. Disbursed by a slot cashier, general cashier or master coin bank cashier to:

i. A slot attendant or slot attendant supervisor, who shall transport the cash, slot tokens, gaming chips or casino check directly to the patron for payment in accordance with (m) below; or

ii. A casino security department member, who shall transport the cash, slot tokens, gaming chips or casino check to a slot attendant or slot attendant supervisor for payment to the patron in accordance with (m) below; or

3. Dispensed by an automated jackpot payout machine to the slot attendant or slot attendant supervisor who prepared the Request and Payout for payment to the patron in accordance with (m) below.

(l) Whenever a patron is paid a manual slot payout directly by the slot cashier, general cashier or master coin bank cashier, the following procedures shall be followed:

1. The cashier shall prepare or generate a Payout in accordance with (i) and (j) above and then comply with the provisions of either (l)2 or 3 below;

2. If the Request was manually prepared and the specified personnel have not signed the Request pursuant to (b)7 above, the cashier shall summon the following personnel:

i. A casino security department member, who shall:

(1) Transport the Request to the slot machine identified on the Request;

(2) Verify that the jackpot display on the slot machine or the amount on the credit meter and the amount to be paid to the patron match the information on the Request;

(3) Sign the Request;

(4) If applicable, obtain the signature of the slot shift manager on the Request pursuant to (l)2ii below; and

(5) Immediately return the Request to the cashier; and

ii. If the amount of the manual slot payout is \$25,000 or more, a slot shift manager, who shall similarly verify that the jackpot display or the amount on the credit meter and the amount to be paid to the patron match the information on the Request and sign the Request;

3. If a Receipt was issued and all required verifications of the jackpot display on the slot machine or the amount on the credit meter were placed on the Request in accordance with (b) above, the cashier shall:

i. Summon the following personnel to witness the payment to the patron:

(1) The casino security department member and a slot attendant or slot attendant supervisor if the manual slot payout is less than \$25,000; or

(2) The casino security department member, a slot attendant supervisor and the slot shift manager if the manual slot payout is \$25,000 or more;

ii. Require the patron to present the duplicate Receipt to the cashier and sign it in his or her presence in order to receive payment; and

iii. Compare the duplicate Receipt to the original Receipt and, if in agreement, determine that all required signatures verifying the jackpot display or the amount on the credit meter and the amount to be paid to the patron have been placed on the Request;

4. The cashier shall then pay the patron in the presence of the following personnel, who shall sign the duplicate Payout attesting to the accuracy of the information on the Payout and the disbursement of the payment to the patron:

i. The casino security department member and the slot attendant or slot attendant supervisor in accordance with this section if the amount being paid is less than \$25,000; or

ii. The casino security department member, a slot attendant supervisor and the slot shift manager in accordance with this section if the amount being paid by the cashier is \$25,000 or more;

5. Once payment has been made and all required signatures obtained, the cashier shall give the duplicate Payout to the casino security department member, who shall as expeditiously as possible deposit it into a

locked accounting box at the casino security podium or other location as approved by the Commission; and

6. The cashier shall attach the Request, if applicable, and the original and duplicate Receipt, if applicable, to the original Payout. If the disbursement is made from a slot booth all forms shall be forwarded by the end of the gaming day to the master coin bank for reimbursement. If the disbursement is made from the cashiers' cage, all forms shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(m) Except for a pouch payout made by a slot attendant in accordance with the procedures in N.J.A.C. 19:45-1.40E, whenever a winning patron will be paid a manual slot payout by a slot attendant or slot attendant supervisor, the following procedures shall be followed:

1. The slot cashier, general cashier or master coin bank cashier shall prepare or generate a Payout in accordance with (i) and (j) above or, if payment will be made with cash dispensed by an automated jackpot payout machine, the slot attendant or slot attendant supervisor shall generate a Payout in accordance with (c), (i) and (j) above;

2. The cashier shall present the original and duplicate Payout, together with the cash, slot tokens, gaming chips or casino check and, if applicable, the original Receipt to:

i. The slot attendant or slot attendant supervisor who shall then:

(1) Verify the amount to be paid to the patron and sign the original and duplicate Payout attesting to the accuracy of the information on the Payout and the receipt of the payment and, if applicable, original Receipt from the cashier;

(2) Return the original Payout to the cashier who shall retain it until forwarded in accordance with (m)8 below;

(3) Transport the duplicate Payout and, if applicable, the original Receipt with the payment to the patron; and

(4) Comply with the provisions of either (m)3 or 4 below; or

ii. A casino security department member, who shall then:

(1) Verify the amount to be paid to the patron and sign the original and duplicate Payout attesting to the accuracy of the information on the Payout and the receipt of the payment and, if applicable, original Receipt from the cashier;

(2) Return the original Payout to the cashier who shall retain it until forwarded in accordance with (m)9 below;

(3) Transport the duplicate Payout and, if applicable, the original Receipt with the payment to the slot attendant or slot attendant supervisor; and

(4) Require the slot attendant or slot attendant supervisor to verify the amount to be paid to the patron and sign the duplicate Payout attesting to the accuracy of the information on the Payout and the receipt of the payment and, if applicable, original Receipt from the casino security department member;

3. If the Request has not been signed by the personnel specified in (b)7 above, the slot attendant or slot attendant supervisor shall summon the following personnel to the slot machine:

i. A casino security department member who shall verify that the jackpot display on the slot machine or the amount on the credit meter and the amount to be paid match those which appear on the duplicate Payout; and

ii. If the manual slot payout is \$25,000 or more, a slot shift manager who shall similarly verify that the jackpot display on the slot machine or the amount on the credit meter and the amount to be paid match those which appear on the duplicate Payout;

4. If a Receipt was issued and all required verifications of the jackpot display or the amount on the credit meter were completed in accordance with (b) above, the slot attendant or slot attendant supervisor shall:

i. Summon the following personnel to witness the payment to the patron:

(1) The casino security department member who signed the Request if the manual slot payout is less than \$25,000; or

(2) The casino security department member and the slot shift manager who signed the Request if the manual slot payout is \$25,000 or more;

ii. Require the patron to present the duplicate Receipt and sign it in his or her presence in order to receive the payment; and

iii. Compare the duplicate Receipt to the original Receipt;

5. If the manual slot payout is being dispensed to a slot attendant or slot attendant supervisor by an automated jackpot payout machine, that person shall cause his or her name or identification number and password to be input into the slot monitoring system, together with the asset number of the slot machine, the amount of the manual slot payout and the jackpot display or an indication that it is a credit meter payout and;

i. If the asset number of the slot machine and the amount of the manual slot payout entered agree, within two attempts, with the information recorded in the slot monitoring system, the automated jackpot payout machine shall indicate that the information agrees, and the slot attendant or slot attendant supervisor shall:

(1) Instruct the automated jackpot payout machine to dispense the amount of the manual slot payout;

(2) Generate the two-part Payout from the automated jackpot payout machine printer;

(3) Verify the amount of cash dispensed by the machine and the data on the Payout;

(4) Sign the original and duplicate Payout attesting to the accuracy of the information on the Payout and the receipt of the cash from the automated jackpot payout machine or any shortage or overage;

(5) Drop the original Payout with the Request attached thereto into a locked accounting box at the automated jackpot payout machine,

(6) Transport the manual slot payout and the duplicate Payout to the patron; and

(7) The manual slot payout shall thereafter be completed in accordance with the procedures in (m)6 through 9 below; provided, however, if the casino licensee satisfies the requirements of N.J.A.C. 19:45-1.40F and the amount of the manual slot payout is less than \$10,000, a casino security department member shall not be required to participate in the transaction.

ii. If the asset number of the slot machine or the amount of the manual slot payout do not agree, within two attempts, with the information recorded in the casino licensee's slot monitoring system, the manual slot payout shall not be paid from the automated jackpot payout machine, but shall be paid in accordance with the override procedures in N.J.A.C. 19:45-1.40(h)1.

6. Once the verifications required by (m)3 , 4 or 5 above have been completed, the slot attendant or slot attendant supervisor shall pay the winning patron in the presence of the following personnel, who shall sign the duplicate Payout attesting to the verification of the jackpot display on the slot machine or the amount on the credit meter, the accuracy of the information on the Payout and the disbursement of the payment to the patron:

i. The casino security department member who verified the jackpot display and the amount to be paid or the amount on the credit meter if the payment is less than \$25,000; or

ii. The casino security department member and the slot shift manager who verified the jackpot display and the amount to be paid or the amount on the credit meter if the payment is \$25,000 or more;

7. Once the patron has been paid and all necessary signatures have been obtained on the duplicate Payout in accordance with (m)6 above, a casino security department member shall as expeditiously as possible deposit the duplicate Payout into a locked accounting box at the security podium or other location as approved by the Commission;

8. The slot attendant or slot attendant supervisor shall immediately return the original and duplicate Receipt, if applicable, to the slot booth, cashiers' cage or master coin bank; and

9. The cashier shall attach the Request, if applicable, and the original and duplicate Receipt, if applicable, to the original Payout. If the disbursement is made from a slot booth all forms shall be forwarded by the end of the gaming day to the master coin bank for reimbursement. If the disbursement is made from the cashiers' cage, all forms shall be forwarded by the end of the gaming day to the main bank for reimbursement.

(n) Nothing in this section or N.J.A.C. 19:45-1.40F shall preclude a casino licensee, in its discretion, from rounding, either manually or automatically, the amount of a manual slot payout recorded on a Request or recorded by a slot monitoring system, up to the nearest denomination of coin or token or the nearest whole dollar as long as any funds paid in excess of the actual amount recorded on the Request pursuant to (b)4 above are not deducted from gross revenue and are reported and adjusted by the casino licensee once each month, at a minimum, in a manner approved by the Commission.

(o) At the end of each gaming day, at a minimum, all forms required by this section shall be forwarded as follows:

1. The original Payout with the attached Request, if applicable, and the original and duplicate Receipt, if applicable, shall be forwarded to the accounting department, which, as soon as reasonably practicable after receipt, shall confirm that the information required to appear thereon pursuant to (b), (d) and (i) above agrees with the information required to appear on the triplicate Payout or in stored data pursuant to (i) above; and

2. The duplicate Payout shall be collected from the locked accounting boxes located at the security podium or other approved location by an accounting department employee and returned to the accounting department, which, as soon as reasonably practicable after receipt, shall record the information therefrom on the Slot Win Sheet and shall confirm that the

information required to appear on the duplicate Payout pursuant to (i) above agrees with:

i. The information recorded pursuant to N.J.A.C. 19:45-1.42(o); and

ii. The information required to appear on the triplicate Payout or in stored data pursuant to (i) above.

(p) At the end of each gaming day, at a minimum, all forms generated by the gaming voucher system in accordance with a casino licensee's approved internal controls that support a jackpot payout shall be forwarded to the casino accounting department, which, as reasonably practicable after receipt, shall confirm that the information contained thereon agrees with the information required to appear on the Payout or in stored data in accordance with (i)1, 3, and 4 above.

(q) All gaming chips paid to a patron as a result of winning a jackpot shall be:

1. Distributed or disbursed by a general cashier or slot cashier in accordance with the applicable procedures in (k) above, provided that the cashier shall only use gaming chips that were obtained from patrons in previous exchanges authorized by the rules of the Commission; or

2. Distributed or disbursed by a master coin bank cashier in accordance with the applicable procedures in (k) above, provided that the master coin bank cashier shall only use gaming chips that were received from slot cashiers in previous exchanges authorized by the rules of the Commission.

(r) No casino licensee shall offer a jackpot of prize tokens unless that jackpot is totally and automatically paid directly from the slot machine.

(s) Notwithstanding any other provision in this section to the contrary, a casino licensee may pay a jackpot of less than \$10,000 that is not totally and automatically paid by the slot machine by causing the exact amount of the jackpot to be registered on the credit meter of the slot machine, provided that:

1. The slot machine is equipped with a jackpot-to-credit-meter switch as set forth in N.J.A.C. 19:45-1.37(h) and 19:46-1.26(e);
2. A slot attendant or slot attendant supervisor causes the exact amount of the jackpot to be registered on the credit meter of the slot machine by activating the jackpot-to-credit-meter switch on the slot machine with a key prior to resetting the slot machine or progressive meter; and
3. The casino licensee has a slot monitoring system that has been approved by the Commission, following testing by the Division, as having the capability of:
 - i. Precluding the jackpot-to-credit-meter switch from being activated with respect to a specific jackpot if a Jackpot Payout Slip has already been generated with respect to the jackpot;
 - ii. Precluding a Jackpot Payout Slip from being generated with respect to a specific jackpot if the jackpot has already been registered on the credit meter by activating the jackpot-to-credit-meter switch; and
 - iii. Differentiating jackpots that are paid by a cashier, slot attendant or slot attendant supervisor pursuant to (l) or (m) above from jackpots that are paid by activating a jackpot-to-credit-meter switch.

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**19:45-1.40A Jackpot payouts of merchandise or other things of value;
cash jackpot payouts offered together with or as an
alternative to jackpot payouts of merchandise or other
things of value**

(a) This section shall apply to all jackpot payouts of merchandise or other things of value, including all annuity jackpots offered pursuant to N.J.A.C. 19:45-1.40B, except where such annuity jackpots are specifically exempted herein. If, pursuant to (m) below, a slot machine jackpot offers a winning patron both a cash payout and a payout of merchandise or other thing of value or the option to choose between a cash payout and a payout of merchandise or other thing of value, any cash payout shall be made in accordance with the provisions of N.J.A.C. 19:45-1.40 and any payout of merchandise or other thing of value shall be made in accordance with this section; provided, however, that an annuity jackpot with a cash payout option shall also be subject to the requirements of N.J.A.C. 19:45-1.40B.

(b) Whenever a casino licensee offers any merchandise or thing of value as part of a slot machine payout, such merchandise or thing of value shall not be included in the total of all sums paid out as winnings to patrons for purposes of determining gross revenue or be included in determining the payout percentage of any slot machine. The cash equivalent value of such merchandise or thing of value shall be determined in accordance with the following requirements:

1. Any merchandise or thing of value of a type sold directly to the public in the normal course of a casino licensee's business shall be recorded at an amount based upon full retail price normally charged for such item;

2. Any merchandise or thing of value which is of a type not offered for sale to the public in the normal course of a casino licensee's business but

which is provided directly to the patron by the casino licensee shall be recorded at an amount based upon the actual cost to the casino licensee of providing such item;

3. Any merchandise or thing of value provided directly or indirectly to the patron on behalf of a casino licensee by a third party not affiliated with the casino licensee shall be recorded at an amount based upon the actual cost to the casino licensee of having the third party provide such item;

4. Any merchandise or thing of value provided directly or indirectly to the patron on behalf of a casino licensee by a third party who is affiliated with the casino licensee shall be recorded by the casino licensee in accordance with the provisions of this section as if the affiliated party were the licensee.

(c) The casino licensee shall retain and make available to the Commission and Division upon request supporting documentation relating to the acquisition and valuation of any merchandise or thing of value to be offered as a payout and shall accumulate the total cash equivalent value and number of such payouts. The supporting documentation shall include a detailed description of the merchandise or thing of value and shall specifically identify which slot machines offer which merchandise or things of value as payouts. If the payout is in the form of an annuity jackpot, the documentation shall include all annuity contracts or treasury instruments purchased pursuant to N.J.A.C. 19:45-1.40B.

(d) Whenever a patron wins a jackpot which includes any merchandise or thing of value, an accounting representative, with no incompatible functions, shall prepare a Payout Slip ("Slip"). Such Slips shall be serially prenumbered forms, each series of Slips shall be used in sequential order, and the series of numbers of all Slips received by a casino shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Slips shall be marked "Void" and shall require the signature of the preparer.

(e) For establishments in which Slips are manually prepared, the following procedures and requirements shall be observed:

1. Each series of Slips shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual Slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original Slip and a duplicate copy while the triplicate copy remains in a continuous, unbroken form in the dispenser; and

2. Access to the triplicate copy shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Slips, placing Slips in the dispensers, and removing from the dispensers each day the triplicate copy remaining therein. These employees shall have no incompatible functions.

(f) For establishments in which Slips are computer prepared, each series of Slips shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original Slip and duplicate copy; store, in machine readable form, all information printed on those copies; and discharge the original Slip and duplicate copy. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Slip.

(g) On the original and all copies of the Slip, or in stored data, the preparer shall record, at a minimum, the following information:

1. The asset number of the slot machine on which the jackpot was registered;

2. The winning jackpot display;

3. The date, shift and time when the jackpot occurred;

4. A description of the merchandise or thing of value won and, unless the jackpot is an annuity jackpot, its cash equivalent value;

5. If the jackpot gives the patron the option to choose between a cash payout and a payout of merchandise or other thing of value pursuant to (m) below, the jackpot selected by the patron and the signature of the patron attesting to his or her selection; provided, however, that for annuity jackpots with a cash payout option, "annuity/cash option" shall be recorded and the additional procedures set forth in N.J.A.C. 19:45-1.40B shall be followed;

6. The time of the Slip's preparation; and
7. The signature or, if computer prepared, identification code of the preparer.

(h) Signatures attesting to the accuracy of the information contained on the Slip shall be, at a minimum, of the following personnel at the following times:

1. The original:
 - i. An accounting representative with no incompatible functions upon preparation; and
 - ii. A slot supervisor after observing the jackpot display on the slot machine; and
2. The duplicate:
 - i. An accounting representative with no incompatible functions upon preparation;
 - ii. A slot supervisor after observing the jackpot display on the slot machine; and
 - iii. A security department member after observing the jackpot display on the slot machine.

(i) Upon meeting the signature requirements as described in (h) above, the security department shall maintain and control the duplicate copy of the Slip, and the accounting department shall maintain and control the original Slip.

(j) At the end of each gaming day, at a minimum, the original Slip and duplicate copy of the Slip shall be forwarded as follows:

1. The original Slip shall be forwarded to the accounting department for agreement with the triplicate copy of stored data; and
2. The duplicate Slip shall be forwarded to the accounting department for agreement with the triplicate copy or stored data.

(k) Except as otherwise provided in (m) below, any merchandise or thing of value to which a patron is entitled as a result of a slot machine payout shall be given to the patron. Documentation supporting the receipt by the patron of

such merchandise or thing of value shall be prepared by a representative of the casino licensee and shall be agreed to the triplicate copy of the Slip or stored data by a representative of the accounting department.

(l) Except as otherwise provided in N.J.A.C. 19:45-1.39(n) with regard to progressive annuity jackpots, a casino licensee may, at any time, establish a time limit of not less than 30 days for the offering of a jackpot of merchandise or other thing of value by providing notice of the time limit in accordance with N.J.A.C. 19:45-1.37(a)4.

(m) A casino licensee may, in its discretion, offer a slot machine jackpot that includes both a cash payout and a payout of merchandise or other thing of value (a “combination jackpot”) or the option to choose between a cash payout and a payout of merchandise or other thing of value, including an annuity jackpot with a cash payout option (an “alternative jackpot”). If an alternative jackpot is offered, the cash payout may but need not be equal to the cash equivalent value of the alternative payout of merchandise or other thing of value; provided, however, that the value of an annuity jackpot with a cash payout option shall be governed by the provisions of N.J.A.C. 19:45-1.40B.

1. Any merchandise or other thing of value offered as part of a combination or alternative jackpot shall not be included in determining the minimum 83 percent payout of any slot machine pursuant to N.J.A.C. 19:45-1.37(h) and shall not be included, when won by a patron, in the total of all sums paid out as winnings for purposes of determining gross revenue.

2. Any cash offered as part of a combination or alternative jackpot shall be included in determining the minimum 83 percent payout of any slot machine pursuant to N.J.A.C. 19:45-1.37(h). Notwithstanding the foregoing, if the jackpot to be offered is an annuity jackpot with a cash payout option, the jackpot shall be treated like an annuity jackpot when determining whether the slot machine satisfies the minimum 83 percent payout requirement; in other words, only an amount which is equal to the initial or reset amount of the jackpot divided by the number of years over which the jackpot will be paid shall be included in the calculation of the theoretical payout percentage of the

slot machine.

3. Any cash offered as part of a combination or alternative jackpot, including an annuity jackpot with a cash payout option as set forth in N.J.A.C. 19:45-1.40B, shall be included, when won and paid to a patron, in the total of all sums paid out as winnings for purposes of determining gross revenue; in other words, if the winning patron selects the cash payout option, the present value thereof shall be deductible from gross revenue when actually paid to the patron.

4. If a progressive jackpot is offered as part of a combination jackpot, all elements of the combination jackpot shall continue to be offered until the jackpot is won by a patron or transferred to another progressive slot machine or slot system pursuant to N.J.A.C. 19:45-1.39(n).

5. If a progressive jackpot is offered as part of a alternative jackpot, all elements of the alternative jackpot shall continue to be offered until the amount of the progressive jackpot is equal to or greater than the cash equivalent value of the merchandise or other thing of value offered as an alternative jackpot, at which time the merchandise or other thing of value offered as an alternative jackpot may be discontinued in accordance with the provisions of (l) above. The progressive jackpot shall then remain available to be won by a patron unless it is transferred to another progressive slot machine or slot system pursuant to N.J.A.C. 19:45-1.39(n).

(n) Any advertising involving slot machine payouts of any merchandise or thing of value by the casino licensee shall include an accurate description of the merchandise or thing of value, the dates the merchandise or thing of value will be offered if the casino licensee establishes a time limit (a time limit shall not be permitted for a progressive annuity jackpot) for offering the merchandise or thing of value pursuant to (l) above, and, except for annuity jackpots, the cash equivalent value of the merchandise or thing of value. Any advertising concerning annuity jackpots shall also provide clear notice of the following:

1. That the jackpot will be paid over time and not in one lump sum, unless the annuity jackpot includes a cash payout option, in which event

the option shall be described; and

2. The number of payments and the time interval between payments.

(o) Until the expiration of any time limit established in accordance with (l) above or, if no such time limit is established by the casino licensee, until the merchandise or thing of value offered as a slot machine payout is won by a patron, a casino licensee shall not decrease the probability of winning the merchandise or thing of value, increase the denomination of the machine, nor in any other way vary the terms upon which the merchandise or thing of value is offered to the public.

(p) Slot machines which are linked to offer the same merchandise jackpot shall have the same probability of winning that jackpot, provided, however, that the probability may vary among such machines when necessary to enable a casino licensee to institute a change in the probability which is otherwise permitted by this section, if the change is completed expeditiously in accordance with procedures that have been filed with and approved by the Commission.

(q) Except as otherwise authorized by this section, a slot machine which offers merchandise or some other thing of value as a payout which is removed from the gaming floor shall be returned to or replaced on the gaming floor within five days. If the machine is not returned or replaced, the merchandise or thing of value shall, within five days of the slot machine's removal, be offered as a payout on a slot machine or slot system approved by the Commission which offers the same or a greater probability of winning the merchandise or thing of value, and accepts a denomination of coin or slot token the same or less than the denomination accepted by the slot machine which was removed. Any time limit for offering a jackpot of merchandise or other thing of value shall be extended by the number of days during which the merchandise or thing of value was not offered as the result of any action taken by a casino licensee pursuant to this subsection.

Effective: 07/20/87

As amended, effective: 05/07/90
As amended, effective: 05/06/91
As amended, effective: 12/02/91
As amended, effective: 02/03/92
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As amended, effective: 11/06/95
As amended, effective: 10/06/97
As amended, effective: 07/19/99; Operative Date: 01/15/00
As amended, effective: 08/21/00
As amended, effective: 09/03/02; Operative Date: 10/18/02
As amended, effective: 01/03/05

19:45-1.40B Jackpot payouts in the form of an annuity

(a) For purposes of this section, the phrase "annuity jackpot" refers to any slot machine jackpot offered by a casino licensee or multi-casino progressive slot system pursuant to which a patron wins the right to receive cash payments at specified intervals in the future. No annuity jackpot shall be permitted unless it provides for the payment of fixed amounts at fixed intervals. In addition, no annuity jackpot shall be permitted unless it expressly prohibits the winner from encumbering, assigning or otherwise transferring in any way his or her right to receive the future cash payments, except as permitted by paragraph (k)2i below or by N.J.S.A. 5:12-100.1. A casino licensee or slot system operator may, with the prior approval of the Commission, terminate all future payments to a winner who attempts to encumber, assign or otherwise transfer the right to receive future payments in violation of this prohibition.

1. Notwithstanding the foregoing or any other provision of this chapter to the contrary, a casino licensee or slot system operator that offers an annuity jackpot that is payable over a period of at least 10 years may offer a winning patron the option to be paid a single cash payment, in lieu of the annuity jackpot, in an amount that is equal to the present value of the face amount of the jackpot (a "cash payout option").

i. The present value of a cash payout option shall be determined by applying a discount rate to each of the future annuity jackpot

payments, taking into consideration the number of years until each jackpot payment would otherwise have been received, and adding thereto the amount of the first cash payment that would otherwise have been received.

ii. The discount rate shall equal the United States Treasury constant maturity rate for 20-year United States government securities for the week ending prior to the date of the jackpot as identified in the applicable H.15 Statistical Release issued by the Federal Reserve Board, plus one-half of one percent (0.50%).

2. When a patron wins an annuity jackpot which includes a cash payout option, the casino licensee or slot system operator shall:

i. Complete the appropriate documentation required by N.J.A.C. 19:45-1.40, 1.40A and 1.40C, as applicable;

ii. Within three business days, either personally deliver or mail to the winner (by certified mail, return receipt requested) the original of a Jackpot Declaration, a two-part form, at a minimum, on which the winning patron shall indicate his or her decision to receive either the annuity jackpot or the cash payout option, which form shall include, without limitation, the following information:

(1) The face amount of the annuity jackpot, the number of years over which the annuity would be paid and the amount of the initial cash payment and each annual annuity payment;

(2) A summary of the restrictions on alienation of annuity jackpots as set forth in (a) above;

(3) The present cash value of the face amount of the jackpot, the method used to calculate the present cash value, and the discount rate used to calculate that value;

(4) A statement that the winning patron is under no obligation to accept the cash payout option in lieu of the annuity jackpot;

(5) A statement that the winning patron shall have until 5:00 P.M. of the 21st day following the date of the winning jackpot, expressed as a date certain, within which to select or decline the cash payout option and

to inform the casino licensee or slot system operator of his or her decision by returning the original signed Jackpot Declaration in a manner specified on the form;

(6) A statement that once a method of payment has been selected through the return of the Jackpot Declaration, the method of payment cannot be changed; and

(7) A statement that if the patron fails to return the completed Jackpot Declaration by the time set forth therein, the patron shall receive the annuity jackpot rather than the cash payout option; and

iii. Forward the duplicate Jackpot Declaration to the casino accounting department or such other location designated by approved internal controls where it shall be retained with the Jackpot Payout Slip and, if applicable, original Jackpot Payout Receipt until the patron returns the original Jackpot Declaration or the time period for selecting the cash payout option expires.

3. Upon receipt of a completed Jackpot Declaration from a winning patron or the expiration of the time period for selecting the cash payout option, a casino licensee or slot system operator shall complete the awarding of the jackpot as follows:

i. If a winning patron selects the cash payout option, the casino licensee or slot system operator shall, within five business days of its receipt of the Jackpot Declaration, issue a check or authorize an electronic payment to the winning patron in an amount equal to the present value of the annuity jackpot at the time the jackpot was won; or

ii. If a winning patron either declines the cash payout option or fails to return the Jackpot Declaration in a timely manner, the casino licensee or slot system operator shall, within five business days of the triggering event, issue a check or authorize an electronic payment to the winning patron in an amount equal to the first installment of the annuity jackpot. The casino licensee or slot system operator shall then establish and

fund the trust required by (b) below to pay the remainder of the annuity jackpot in accordance with the provisions of this section.

(b) Any casino licensee or slot system operator planning to offer an annuity jackpot shall establish a trust fund which shall be used to make the future cash payments. The trust fund shall be administered in accordance with a written trust agreement which shall be reviewed and approved by the Commission prior to the offering of the jackpot. The trust agreement shall, at a minimum, require that:

1. Any trustee for the trust fund be a casino licensee or slot system operator who signed the slot system agreement for the slot system offering the annuity jackpot;

2. The monies in the trust fund be used to purchase annuity contracts or United States treasury bonds, treasury notes, or treasury bills in accordance with (c) or (d) below to assure that the trust will have sufficient monies available in each year to make all annuity jackpot payments which are required under the terms of the annuity jackpots which are won;

3. A reserve be established and maintained within the trust fund which is sufficient to purchase the annuity contracts, treasury bonds, treasury notes or treasury bills required under (b)2 above as annuity jackpots are won;

4. The trust continue to be maintained until all payments owed to winners of the annuity jackpots have been made; and

5. The trustees obtain and file with the Commission and Division within 30 days of receipt an annual audit by an independent certified public accountant licensed to practice in the State of New Jersey attesting to:

- i. The financial position of the trust fund, including whether the trust has sufficient assets as required by (b)2 above to pay all of its obligations to annuity jackpot winners when due; and

- ii. Disclosing whether the records and control procedures examined are maintained in accordance with the Act, the Commission's regulations, and generally accepted accounting principles.

(c) If the trustee or trustees purchase annuity contracts in satisfaction of (b)2. above, a separate annuity contract shall be purchased for each annuity jackpot won. The annuity contract shall name the trust fund as beneficiary, shall provide for annuity payments which are equal to or greater than the payments required under the annuity jackpot, and shall provide for each annuity contract payment to be made to the trust fund prior to the date the payment is required to be made under the annuity jackpot. The annuity contract shall be purchased within 180 days after the annuity jackpot is won, unless it is purchased pursuant to subsection (d) below, and a copy of the contract shall be provided to the Commission and Division within 30 days of its purchase. The annuity contract shall be issued by an insurance company which:

1. Has fidelity and fiduciary insurance or bonding coverage for 100 percent of the value of the annuity contract;
2. Has a combined capital and surplus of at least 100 million dollars, assets of at least one billion dollars, and an A.M. Best Company rating of A plus (superior); and
3. Is authorized to issue annuities in New Jersey by the State's Commissioner of Insurance and is either licensed to sell annuities in this State, or represented by an entity so licensed.

(d) If the trustee or trustees purchase United States treasury bonds, treasury notes or treasury bills in satisfaction of (b)2 above, a separate treasury bond, note or bill shall be purchased for each payment which is required to be made under the terms of the annuity jackpot.

1. Except as provided herein, each treasury bond, note or bill shall have a surrender value at maturity, excluding any interest which is paid before the maturity date, which is equal to or greater than the value of the corresponding annuity jackpot payment, and shall have a maturity date which is prior to the date the annuity jackpot payment is required to be made. For purposes of administrative convenience, the trustee or trustees may fund up to \$1,000.00 of each annual annuity jackpot payment with cash.

2. Within 180 days after the annuity jackpot is won, all required treasury bonds, notes or bills shall be purchased and placed in the trust fund established by the agreement required pursuant to (b) above, together with any cash authorized by (d)1 above and necessary to fully fund all of the annual annuity jackpot payments. A copy of the bonds, notes, bills and a record of all cash deposits shall be maintained for inspection by the Commission and Division upon request.

3. No treasury bond, note or bill purchased pursuant to this section shall be sold prior to its maturity date unless the proceeds are used to purchase another treasury bond, note or bill or an annuity contract in compliance with the requirements of this section to assure that the remaining deferred payments are made as promised, which purchase must be completed within 30 days of the sale of the bonds, notes or bills.

(e) Any casino licensee offering an annuity jackpot individually and any slot system operator who is obligated to make annuity jackpot payments pursuant to the slot system agreement for a slot system which offers an annuity jackpot shall be strictly and immediately liable for any payment which is owed to a bona fide winner of such a jackpot, as ascertained by the rules of the Commission, in the event that the payment is not made by the trust when due. The obligation to pay a progressive jackpot or establish an annuity jackpot guarantee shall be the sole responsibility of the casino licensee or slot system operator designated in the slot system agreement, and no other party shall be jointly or severally liable for the payment or funding of such jackpots or guarantees unless such liability is specifically established in the slot system agreement.

(f) All monies received by the trust under the annuity contracts and all monies received upon the sale or surrender of the treasury bonds, notes or bills shall be deposited in the bank account of the trust or, with the approval of the Commission, in an account with a non-bank broker dealer which is registered with the Securities and Exchange Commission and is a member of the Securities Investor Protection Corporation, and immediately recorded on an

Annuity Deposit Log. The Annuity Deposit Log shall contain, at a minimum, the following:

1. The date the payment is received;
2. The amount of the payment;
3. The source of the payment, including, if applicable, the name of the insurance company issuing the payment;
4. The method of payment (cash, check, electronic payment or other payment method approved by the Commission); and
5. The signature of the person making the entry.

(g) Upon the deposit of the payments received in accordance with (f) above, the trust may invest such proceeds in United States Treasury notes, bonds or bills or in shares of mutual funds which invest only in such Treasury securities. The term of any such investment shall not exceed 90 days and shall not interfere with the ability of the trust to make any annuity jackpot payout when due. If an investment authorized by this subsection is made by the trust, the Annuity Deposit Log shall contain, at a minimum, the following information for each investment:

1. The date of purchase or sale;
2. The purchase or sale price;
3. A description of the investment; and
4. The signature of the person making the entry.

(h) The trust shall make all payments owed to a patron as the result of that patron winning an annuity jackpot by check made payable to the winning patron or by an electronic payment to an account provided by the patron and verified by the trust. Such payments shall be recorded on an Annuity Payment Log which shall contain, at a minimum, the following:

1. The patron's name and address;
2. The check number and the date the check was mailed or presented to the patron or, if applicable, the type and details of the electronic payment;
3. The amount of the check or electronic payment;

4. The date the payment was due;
5. The names of the persons signing the check or authorizing the electronic payment; and

6. The signature of the person making the entry.

(i) The trust shall also maintain an Annuity Jackpot Summary Log for each patron who wins an annuity jackpot to summarize the payments owed and made to the winning patron. The Annuity Jackpot Summary Log shall be prepared when a patron wins an annuity jackpot.

1. At the time of preparation, the Log shall contain at a minimum, the following information:

- i. The patron's name and address;
- ii. The date the annuity jackpot was won;
- iii. The total amount of the annuity jackpot;
- iv. The amount of each annuity payment;
- v. The date each annuity payment is due; and
- vi. The signature of the preparer.

2. As annuity payments are made to the patron, the following information, at a minimum shall be entered in the Log:

- i. The date of the payment;
- ii. The amount of the check or electronic payment;
- iii. The check number or, if applicable, an identifiable reference to the electronic payment; and
- iv. The signature of the person making such an entry.

(j) Any casino licensee or slot system which offers an annuity jackpot shall comply with the display and sign requirements established in N.J.A.C. 19:45-1.37(a)4 and 19:46-1.26(a)5, except that the display or sign need not include the cash equivalent value. In addition, each such display or sign shall provide clear notice of the following:

1. That the displayed jackpot will be paid over time and not in one lump sum;

2. The number of payments and the time interval between payments; and

3. That the right to receive the jackpot payments may not be encumbered, assigned, or otherwise transferred in any way except as permitted by N.J.S.A. 5:12-100.1 and the rules of the Commission, and that any attempt to make a prohibited transfer may result in the winner forfeiting the right to receive future payments.

(k) Any casino licensee or slot system planning to offer an annuity jackpot shall first be required to establish to the satisfaction of the Commission either that:

1. A winning patron will not be liable for income tax on the deferred portion of the annuity jackpot in the tax year in which the jackpot is won; or

2. Reasonable accommodations have been made to enable a winning patron to satisfy any income tax liability attributable to the deferred portion of the annuity jackpot which is incurred in the tax year in which the jackpot is won.

i. If the casino licensee or slot system complies with this section by lending funds to a winning patron to pay the income tax liability, the casino licensee or slot system may require a winning patron to encumber, assign or transfer to it or them the right to receive a portion of the future payments sufficient to repay such a loan.

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As amended, effective: 04/01/91

As amended, effective: 12/02/91

As amended, effective: 12/16/91

As amended, effective: 08/01/94

As amended, effective: 02/18/97

As amended, effective: 08/21/00

As amended, effective: 03/19/01

As amended, effective: 04/18/05

As amended, effective: 11/17/08

19:45-1.40C Multi-casino slot system jackpot payouts of cash

(a) Any slot machine jackpot payout of cash or slot tokens which will be included in the calculation of gross revenue by two or more casino licensees as part of a multi-casino progressive slot system shall be subject, except as otherwise provided in this section, to any procedural or documentation requirement established in N.J.A.C. 19:45-1.40. All forms utilized in the preparation or payment of a multi-casino progressive slot system jackpot shall be clearly identified a forms used for such purpose.

(b) For establishments in which Jackpot Payout Slips ("Payouts") are manually prepared, a separate series of Multi-Casino Jackpot Payout Slips ("Multi-Casino Payouts") shall be used in lieu thereof and shall be subject to the following additional procedures and requirements:

1. Each series of Multi-Casino Payouts shall be a four-part form, at a minimum, and shall be inserted in a locked dispenser that will:
 - i. Permit an individual Multi-Casino Payout in the series and its copies to be written upon simultaneously while still locked in the dispenser; and
 - ii. Discharge the original, duplicate and triplicate while the quadruplicate remains in a continuous, unbroken form in the dispenser;
2. The duplicate and triplicate Multi-Casino Payouts shall be treated like a duplicate Payout under N.J.A.C. 19:45-1.40, except that:
 - i. The amount of the Multi-Casino Payout shall not be included in the daily calculation of the Slot Win Sheet but shall be reported as a periodic adjustment in a manner approved by the Commission; and
 - ii. At the end of each gaming day, at a minimum, the triplicate Multi-Casino Payout shall be forwarded by the accounting department to the casino licensee or slot system operator for comparison and agreement with the combined system readings and reports, and for calculation of tax deductions and cash reimbursements, if applicable; and
3. The quadruplicate Multi-Casino Payout shall be treated like a triplicate Payout under N.J.A.C. 19:45-1.40.

(c) For establishments in which Payouts are computer prepared, a separate series of Multi-Casino Payouts shall be used in lieu thereof and shall be subject to the following additional procedures and requirements:

1. Each series of Multi-Casino Payouts shall be a three-part form, at a minimum, and shall be inserted in a printer which shall:

i. Simultaneously print an original, duplicate and triplicate Multi-Casino Payout while the computer stores, in machine-readable form, all information printed on the Multi-Casino Payout; and

ii. Discharge the original, duplicate and triplicate;

2. Stored data shall not be susceptible to change or removal by any personnel after preparation of a Multi-Casino Payout; and

3. The duplicate and triplicate Multi-Casino Payout shall be treated like a duplicate Payout under N.J.A.C. 19:45-1.40, except that:

i. The amount of the Multi-Casino Payout shall not be included in the daily calculation of the Slot Win Sheet but shall be reported as a periodic adjustment in a manner approved by the Commission; and

ii. At the end of each gaming day, at a minimum, the triplicate Multi-Casino Payout shall be forwarded by the accounting department to the slot system operator for comparison and agreement with the combined system readings and reports, and for calculation of tax deductions and cash reimbursements, if applicable.

(d) If a multi-casino slot machine system will not permit slot department personnel employed by the casino licensee where the jackpot is won to determine from the slot machine or the progressive display the actual amount of the jackpot payout of cash or slot tokens won by the patron, the following additional requirements shall apply:

1. The slot cashier who is responsible for preparing the Multi-Casino Payout shall request the slot system operator to provide documentation of the actual amount of the jackpot payout of cash or slot tokens won by the patron;

2. The slot system operator shall provide, in a form and manner approved by the Commission, documentation of the actual amount of the jackpot payout to the slot cashier, who shall use the documentation in the preparation of the Multi-Casino Payout and attach the documentation to the original Multi-Casino Payout; and

3. The documentation required by 1. above shall include the winning jackpot amounts which should be displayed on the slot machine or the progressive meter on the floor of the casino.

(e) Prize tokens shall not be available as a Multi-Casino Payout.

Adopted, effective: 05/07/90

As amended, effective: 10/03/94

As amended, effective: 04/18/05

19:45-1.40D Inspection of slot machine jackpots

(a) Prior to the payment of any slot machine jackpot of greater than \$75,000 pursuant to N.J.A.C. 19:45-1.40, any jackpot of merchandise or a thing of value with a cash equivalent value of greater than \$75,000 pursuant to N.J.A.C. 19:45-1.40A, or any manual jackpot where there is evidence of a malfunction, a casino licensee shall notify the Division that a jackpot has been registered and permit the Division to inspect any slot machine, progressive equipment or related equipment involved.

1. Upon notification by the casino licensee, the Division shall advise the casino licensee whether the Division will conduct an inspection. Unless there is evidence of a malfunction or unless otherwise directed by the Division pursuant to its authority under the Act, the casino licensee may award payment of the jackpot to the winning patron prior to completion of the inspection.

2. Failure of the Division to object to the payment of the jackpot prior to or upon completion of its inspection shall not constitute waiver or estoppel of any charge, issue or claim raised in any criminal or regulatory

complaint subsequently filed against any person in connection with the winning or payment of that jackpot.

(b) Nothing in (a) above shall be deemed to limit the obligation or a casino licensee under the Act and the Commission's rules to cooperate with the Division or Commission in any inquiry or investigation concerning slot machine jackpots.

Effective: 02/06/89

Recodified from 19:45-1.40B to 1.40D: 05/07/90 (no change in text)

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As amended, effective: 12/03/01

As amended, effective: 01/03/05

As amended, effective: 07/03/06

19:45-1.40E Jackpot payouts of cash by a slot attendant from an imprest pouch

(a) A casino licensee may, in its discretion and in accordance with the provisions of this section, permit a slot attendant, in the presence of a member of the casino security department, to use an imprest inventory of funds secured in a pouch or wallet to pay a jackpot of less than \$1,200 that is not totally and automatically paid directly from the slot machine ("pouch payout"). Any pouch or wallet used pursuant to this section shall be approved by the Commission, contain an imprest amount not to exceed \$5,000, and be carried and used only by slot attendants to pay such jackpots and to exchange currency and coupons pursuant to N.J.A.C. 19:45-1.12(h).

(b) When a slot attendant carrying an imprest fund pursuant to (a) above is informed that a patron has won a jackpot of less than \$1,200 that is not totally and automatically paid directly from the slot machine, the slot attendant shall:

1. After observing the jackpot display on the slot machine and determining the appropriate amount of the payout, initiate, in a manner approved by the Commission, the electronic generation of a Jackpot Payout

Slip (“Payout”), which Payout shall:

- i. Comply with the requirements of N.J.A.C. 19:45-1.40(f),(h), (i) and (j);
- ii. Identify the slot attendant who initiates the generation of the Payout;
- iii. Identify the transaction as a pouch payout and the amount recorded on the Pouch Payout Slip; and
- iv. Either be queued in the computer terminal of a slot cashier, master coin bank cashier or general cashier for later printing, or be automatically printed immediately after the generation of the Payout is initiated;

2. Complete a Pouch Payout Slip, which shall be obtained from a slot supervisor and not be available to a slot cashier, master coin bank or general cashier, and which shall be, at minimum, a two-part form containing the following information:

- i. The date and time of the jackpot;
- ii. The asset number of the slot machine on which the jackpot was registered;
- iii. The jackpot display designating the jackpot;
- iv. If the casino licensee uses a combined Request for Jackpot Payout Slip/Pouch Payout Slip as permitted by N.J.A.C. 19:45-1.40(a)2, an indication that payment is being made to the winning patron as a pouch payout;
- v. The total amount of the jackpot and, if it is different, the amount of the manual jackpot to be paid to the winning patron by the preparer, which amount shall be rounded up to the nearest whole dollar; provided, however, that:

(1) Any funds paid in excess of the actual amount recorded pursuant to N.J.A.C. 19:45-1.40(b)4 shall not be deductible from gross revenue, and shall be reported and adjusted by the casino licensee once each month, at a minimum, in a manner approved by the Commission; and

(2) The difference between the amount of the jackpot recorded pursuant to N.J.A.C. 19:45-1.40(b)4 and the amount of the rounded up pouch payout shall not be considered a discrepancy for the purposes of (c)3 or (e)1 below;

vi. A space for the signature of the preparer, indicating that the information on the Pouch Payout Slip is correct;

vii. A space for the signature of the casino security department member who verifies the jackpot, the accuracy of the information recorded on the Pouch Payout Slip, and the payment of the jackpot to the winning patron by the preparer; and

viii. A space for the subsequent insertion of the serial number of the matching Jackpot Payout Slip by the slot cashier, master coin bank cashier or general cashier;

3. Request a member of the casino security department to appear at the slot machine in question to witness and verify the jackpot, the accuracy of the information recorded on the Pouch Payout Slip and the payment of the jackpot to the winning patron by the preparer of the Pouch Payout Slip;

4. Sign the original and the duplicate of the Pouch Payout Slip, and obtain the signature on the original and duplicate of the casino security department member who verifies the jackpot and the information recorded on the Pouch Payout Slip and witnesses the payment of the jackpot to the winning patron;

5. Pay the winning patron the amount of the manual jackpot, rounded up to the nearest whole dollar in accordance with (b)2v above, after the requirements of (b)1 through 4 above have been satisfied; and

6. Retain the original Pouch Payout Slip in his or her pouch, and give the duplicate of the Pouch Payout Slip to the casino security department member, who shall promptly deposit it in a secure, locked box controlled by the casino accounting department at the security podium or other location as approved by the Commission.

(c) At any time during his or her shift, a slot attendant authorized to

make pouch payouts may exchange an original Pouch Payout Slip with a slot cashier, master coin bank cashier or general cashier, as may be necessary to replenish the cash in his or her imprest pouch. Prior to exchanging any cash for a Pouch Payout Slip, the slot cashier, master coin bank cashier or general cashier shall:

1. Ensure that the Pouch Payout Slip contains all required signatures and information;
 2. Print the corresponding Jackpot Payout Slip, if it has not already been printed;
 3. Compare the original Pouch Payout Slip to the original Jackpot Payout Slip for the jackpot in question, insert the serial number of the Jackpot Payout Slip on the original Pouch Payout Slip in the space provided, and either verify that the information on the two slips agrees or note any discrepancies between the two on a log, which log shall:
 - i. Include, at a minimum, the serial number of the Jackpot Payout Slip, the asset number of the slot machine in question and a detailed explanation of the discrepancy; and
 - ii. Be forwarded to the casino accounting department for review no later than the end of each gaming day;
 4. Have the slot attendant who initiated the Jackpot Payout Slip and prepared the corresponding Pouch Payout Slip sign the original and duplicate of the Jackpot Payout Slip; and
 5. Sign the original and duplicate of the Jackpot Payout Slip, indicating that the foregoing requirements have been satisfied, and:
 - i. Attach the signed original and duplicate Jackpot Payout Slip to the original Pouch Payout Slip; or
 - ii. Attach the signed original Jackpot Payout Slip to the original Pouch Payout Slip and observe the slot attendant immediately deposit the duplicate Jackpot Payout Slip into the secure locked box controlled by the casino accounting department at the cashiers' cage.
- (d) No later than the end of his or her shift, each slot attendant who has

received an imprest pouch payout fund shall return any remaining cash and executed original Pouch Payout Slips to a slot cashier, master coin bank cashier or general cashier, who shall comply with the procedures in (c)1 through 5 above.

(e) At the end of each gaming day, at a minimum, all Jackpot Payout Slips and Pouch Payout Slips shall be forwarded as follows:

1. The original of each Pouch Payout Slip with the attached original and, if applicable pursuant to (c)5 above, duplicate of the corresponding Jackpot Payout Slip shall be forwarded to the casino accounting department, which, as soon as reasonably practicable after receipt, shall either confirm that all information and signatures required to appear thereon are present and that the information on the Pouch Payout Slip agrees with the information on the corresponding original and duplicate Jackpot Payout Slips, or note any omissions or discrepancies, in accordance with procedures approved by the Commission; and

2. A casino accounting department employee shall collect each duplicate Pouch Payout Slip from the locked accounting boxes located at the security podium or other approved location and, if applicable pursuant to (c)5 above, each duplicate Jackpot Payout Slip from the locked accounting box located at the cashiers' cage, and return them to the casino accounting department, which, as soon as reasonably practicable after receipt, shall compare the original and duplicate Jackpot Payout Slips with the original and duplicate Pouch Payout Slips and stored data for each jackpot, and shall either confirm that all the information on the slips and stored data agrees, or note any omissions or discrepancies, in accordance with procedures approved by the Commission.

(f) If there is any variance between the amount of a pouch payout as shown in stored data, the Pouch Payout Slip or the Jackpot Payout Slip, only the smallest of these amounts shall be permitted to be deducted from gross revenue pursuant to N.J.S.A 5:12-24.

(g) Any overage or shortage in the imprest pouch of a slot attendant who

makes pouch payouts shall be included as part of the main bank or master coin bank accountability, and shall in no way affect the reporting of gross revenue or any deductions therefrom.

Adopted, effective: 05/06/02

As amended, effective: 01/03/05

19:45-1.40F Alternative procedures for a manual slot payout of less than \$10,000

(a) A casino licensee may conduct a manual slot payout in accordance with the procedures set forth in this section (express jackpot) rather than the procedures otherwise required by N.J.A.C. 19:45-1.40, provided that:

1. The amount of the manual slot payout is less than \$10,000;
2. The patron is paid the manual slot payout before the slot machine, the progressive meter or the credit meter is reset;
3. The slot cashiers of the casino licensee are under the supervision of the casino accounting department in accordance with the provisions of N.J.A.C. 19:45-1.11(b)7;
4. The slot machine for which the manual slot payout is requested is connected to a computerized slot monitoring system that satisfies the requirements of this section and has been:
 - i. Tested by the Division pursuant this section and N.J.A.C. 19:46-1.20 and 1.28; and
 - ii. Approved by the Commission pursuant to N.J.A.C. 19:46-1.20 and 1.28 after a minimum 60-day field test under terms and conditions established by the Commission;
5. The Jackpot Payout Slip does not contain any modification, override or deletion of the information transmitted from the slot machine and recorded by the slot monitoring system in accordance with (c)1i through iv below; and

6. The casino licensee has an approved system of internal controls that satisfies the requirements of (d) below.

(b) The computerized slot monitoring system used in conjunction with the express jackpots authorized by this section shall:

1. Be housed in a secure location that includes, at a minimum, a lock system, key controls and a sign-in/sign-out log;
2. Be under the control of employees of the MIS department, who shall have no incompatible functions;
3. Provide for Commission and Division access, in a manner and from such locations as may be approved by the Commission and Division, to:
 - i. The slot monitoring system; and
 - ii. All current and archived data generated by the slot monitoring system so that the Commission and Division can view and recreate all current and prior gaming day reports and all associated transaction logs, all of which shall be maintained in accordance with N.J.A.C. 19:45-1.8(c)3; and
4. Accurately perform the functions set forth in (c)1 through 7 below. In addition, if the casino licensee elects to generate Payouts for certain linked progressive jackpots by a system override without the authorization of a supervisor of the preparer of a Request, as permitted by N.J.A.C. 19:45-1.40(h)1iii, the slot monitoring system shall also accurately perform the functions set forth in (c)8 below.

(c) A computerized slot monitoring system used pursuant to this section shall:

1. Automatically and independently record the following information in accordance with (c)2 below whenever a manual slot payout is registered with the system by a slot machine:
 - i. The date and time that the manual slot payout was registered;
 - ii. The asset number of the slot machine on which the manual slot payout was registered;

iii. The amount of the manual slot payout, which amount shall be automatically and independently determined by the slot machine; and

iv. An indication whether the manual slot payout was a jackpot, a progressive jackpot or a credit meter payout;

2. Record the information transmitted to the slot monitoring system pursuant to (c)1 above in an electronic data file that is:

i. Identified in the approved internal controls of the casino licensee;

ii. Not susceptible to change; and

iii. As to (c)1iii above, not available for viewing by employees outside the surveillance and internal audit departments prior to the generation of the Payout pursuant to (e)3 below, N.J.A.C. 19:45-1.40(h)1 or (m)5i(2) or the generation of the report required by (c)7 below; provided, however, in the event of a slot monitoring system malfunction the amount of a manual slot payout may be viewed by a supervisor of the MIS department in the course of running a diagnostic program in accordance with internal controls approved by the Commission;

3. Record on the Payout and in stored data the name or identification code of the slot attendant or slot attendant supervisor verifying the manual slot payout in accordance with (e)1 below;

4. Upon recordation of the information in (c)3 above, permit a Payout containing the information in N.J.A.C. 19:45-1.40(i) to be generated at a slot booth, cashiers' cage or master coin bank in accordance with the procedures in (e)3 and 4 below or, if the casino licensee has satisfied the requirements of N.J.A.C. 19:46-1.28C, at an automated jackpot payout machine in accordance with the applicable procedures in N.J.A.C. 19:45-1.40, provided that:

i. The amount of the manual slot payout as shown on the Request or the automatically rounded amount, if applicable, is input into the slot monitoring system without access to or knowledge of the amount recorded by the slot monitoring system pursuant to (c)1iii above; and

ii. Within two attempts, the amount of the manual slot payout input pursuant to (c)4i above agrees with the amount recorded by the slot monitoring system;

5. Permit a Payout to be generated by a system override in accordance with the procedures in N.J.A.C. 19:45-1.40(h)1 when the amount of the manual slot payout, as input from the Request in accordance with (c)4i above does not, within two attempts, agree with the amount recorded by the slot monitoring system pursuant to (c)1iii above;

6. Automatically round up the amount of the manual slot payout to the nearest denomination of coin or token or the nearest whole dollar if the casino licensee elects to round up such payouts, provided that the funds paid in excess of the actual amount of the manual slot payout shall not be deducted from gross revenue;

7. Automatically generate, on a daily basis, a report (Manual Slot Payout Report) which contains the manual slot payout information recorded by the slot monitoring system pursuant to (c)1 above in a format approved by the Commission, which report may be generated by the casino accounting department if it is not susceptible to alteration or deletion or provided by the MIS department; and

8. Notwithstanding the provisions of (c)4 and 5 above, permit a Payout to be generated without the authorization of a supervisor of the preparer of the Request if the manual slot payout is a linked progressive jackpot and the variance between the amount of the manual slot payout as input from the information on the Request and the amount recorded by the slot monitoring system is less than \$25.00.

(d) The approved system of internal controls for any casino licensee that conducts express jackpots pursuant to this section shall address, without limitation, the following:

1. The procedures by which the slot monitoring system will preclude the amount of a manual slot payout recorded pursuant to (c)1iii above from being viewed in accordance with the provisions of (c)2iii above;

2. The procedures by which the MIS department will control, issue and terminate access to the slot monitoring system including, without limitation, a specification of minimum password requirements;

3. The procedures by which access to information related to manual slot payouts including, without limitation, files, menus, screens and reports, will be limited to authorized personnel;

4. The procedures for maintaining a list of all positions authorized to access the slot monitoring system, including a specification of each item, menu, screen or report that may be accessed and whether such access is read-only, read-write, execute or modify;

5. The procedures for controlling, issuing and terminating any identification code required to be entered into the system by personnel participating in a manual slot payout;

6. The procedures for issuing and controlling the asset number of each slot machine connected to the slot monitoring system;

7. The procedures by which the casino accounting department will reconcile, on a daily basis, the Manual Slot Payout Report required by (c)7 above to the stored data report of all generated Payouts; and

8. The procedures for performing any modification to the slot monitoring system, which procedures shall include, without limitation, adequate change controls to ensure that all modifications are performed in accordance with (g) and (h) below and documented by the casino licensee in order to provide an audit trail of all modifications.

(e) A casino licensee that has satisfied the criteria set forth in (a) above may conduct manual slot payouts of less than \$10,000 in accordance with the following procedures:

1. Upon notification that a manual slot payout has been registered by a slot machine, a slot attendant or slot attendant supervisor shall:

i. Determine the appropriate amount of the manual slot payout by observing the jackpot display, the amount on the credit meter or the amount on the progressive jackpot meter;

ii. Input his or her name or identification code into the slot monitoring system in a manner approved by the Commission; and

iii. Prepare a Request in accordance with N.J.A.C. 19:45-1.40(b);

2. Following preparation, the Request shall be immediately transported by the preparer, or the information maintained in stored data shall be available, to a slot booth, the master coin bank, the cashiers' cage or, if the casino licensee has satisfied the requirements of N.J.A.C. 19:46-1.28C, an automated jackpot payout machine, where it shall serve to authorize the preparation of a Payout, which Payout shall be computer generated and shall comply with the provisions of N.J.A.C. 19:45-1.40(f) and (h);

3. Without access to or knowledge of the amount of the manual slot payout recorded by the slot monitoring system pursuant to (c)1iii above, the Payout is generated by entering the amount of the manual slot payout as shown on the Request or the automatically rounded amount, if applicable, into the slot monitoring system; provided, however, that:

i. The slot monitoring system shall only permit the generation of a Payout if the amount of the manual slot payout input agrees, within two attempts, with the amount of the manual slot payout recorded by the slot monitoring system pursuant to (c)1iii above; and

ii. If the amount of the manual slot payout input does not agree, within two attempts, with the amount of the manual slot payout recorded by the slot monitoring system pursuant to (c)1iii above, the slot monitoring system shall, in accordance with (c)5 above, preclude the generation of a Payout and only permit the manual slot payout to be conducted by a system override in accordance with N.J.A.C. 19:45-1.40(h)1;

4. If the slot monitoring system permits the generation of a Payout pursuant to (e)3i above, the Payout shall contain the information set forth in N.J.A.C. 19:45-1.40(i);

5. Once a Payout has been generated pursuant to (e)3i above, the slot attendant or slot attendant supervisor shall either:

i. Obtain the funds from a slot cashier, master coin bank cashier or general cashier, who shall:

(1) Record the information required by N.J.A.C. 19:45-1.40(j);

(2) Sign the original and duplicate Payout attesting to the disbursement of the manual slot payout to the slot attendant or slot attendant supervisor; and

(3) Present the original and duplicate Payout together with the cash, slot tokens, gaming chips or casino check to the slot attendant or slot attendant supervisor; or

ii. Obtain the funds from an automated jackpot payout machine and conduct the payout in accordance with the procedures in N.J.A.C. 19:45-1.40(m)5i(1) through (7);

6. The slot attendant or slot attendant supervisor shall, upon receipt of the manual slot payout from the cashier:

i. Verify the amount to be paid to the patron and sign the original Payout attesting to the accuracy of the information on the Payout and the receipt of the funds;

ii. Return the original Payout to the cashier who shall retain it until forwarded in accordance with (e)7 below;

iii. Transport the duplicate Payout with the manual slot payout to the patron;

iv. Pay the patron and sign the duplicate Payout attesting to the disbursement of the funds to the patron; and

v. Deposit the duplicate Payout, as expeditiously as possible, into a locked accounting box at the security podium or other location as approved by the Commission; and

7. The cashier shall attach the original Payout to the Request, if manually prepared, or a journal of electronically submitted Requests and forward the forms, by the end of the gaming day, as follows:

i. If the disbursement is made from a slot booth, the forms shall be forwarded to the master coin bank for reimbursement; or

ii. If the disbursement is made from the cashiers' cage, the forms shall be forwarded to the main bank for reimbursement.

(f) At the conclusion of its testing of a slot monitoring system, the Division shall issue a report to the Commission, which report shall include, at a minimum:

1. A written description of the slot monitoring system, including the manufacturer's model number, version number and version date, as applicable;

2. A written description of all files that contain information relating to manual slot payouts made pursuant to the procedures in N.J.A.C. 19:45-1.40(h)1 or (e) above including, at a minimum, the name and location of each file; and

3. The Division's conclusion as to the ability of the slot monitoring system to perform the functions enumerated in (c) above.

(g) Prior to implementing any programming change, upgrade, or hardware addition or replacement to an approved slot monitoring system, a casino licensee shall provide at least 72 hours advance written notice to the Commission and Division in accordance with the requirements of this subsection. Any written notice filed by a casino licensee in accordance with this subsection shall include, without limitation, the following:

1. A description of the reasons for the proposed modification;

2. A list of the computer components and programs or versions to be modified or replaced;

3. A description of any screens, menus, reports, operating processes, configurable options or settings that will be affected;

4. The method to be used to complete the proposed modification;

5. The date the proposed modification will be installed and the estimated time for completion;

6. The name, title, and employer of the person or persons who will install the proposed modification, provided however, that the person providing the notification of the proposed modification shall not be among the persons installing the modification;

7. A diagrammatic representation of the proposed hardware design change;

8. Restriction on “update” access to the production code to the person implementing the modification; and

9. Procedures to ensure that user and operator manuals are updated to reflect changes in policies and procedures resulting from the proposed modification.

(h) Notwithstanding the provisions of (g) above, the Commission may permit a casino licensee to change or upgrade non-critical software files or directories or hardware, as recommended by the Division and specifically identified in the casino licensee’s approved internal controls, provided that written notice describing the modification in accordance with (g) above shall be filed within 24 hours following the change.

(i) Subject to any testing required pursuant to N.J.A.C. 19:46-1.28 and approval by the Commission upon receipt of the notification required by (g) above, modifications to the slot monitoring system shall be installed in the presence of a Commission inspector and an employee of the MIS department with no incompatible functions.

(j) Following completion of the modification, the casino licensee shall generate a record detailing the modification, or if the approved slot monitoring system does not have the capability of generating such a record, such other record as may be required by the Commission. In the event the Commission determines that testing is required after the modification, the Commission shall establish the terms and conditions of such a test.

As amended, effective: 04/16/07

19:45-1.41 Procedure for filling payout reserve containers of slot machines and hopper storage areas

(a) Each hopper of a slot machine may be filled by a slot attendant, slot mechanic or slot supervisor by requesting coin, slot tokens or prize tokens that are compatible with the hopper to be filled from a slot cashier, general cashier or master coin bank cashier or by obtaining coin, slot tokens or prize tokens that are compatible with the hopper to be filled from its corresponding hopper storage area.

1. A slot hopper may be refilled at any time, provided however, that:

i. An entire sealed bag of coin or tokens is used for the hopper fill and placed into the hopper;

ii. The hopper cannot be filled beyond its operational capacity;

iii. The hopper cannot be filled beyond its present inventory level; and

iv. The procedures for ensuring items (a)i through iii above have been approved by the Commission.

(b) The filling of a hopper or a hopper storage area with coin, slot tokens or prize tokens obtained from a slot cashier, general cashier or master coin bank cashier shall be accomplished as follows:

1. Whenever a slot supervisor, attendant or mechanic requests coins, slot tokens or prize tokens to fill a hopper or a hopper storage area of a slot machine, he or she shall obtain a properly completed and signed Hopper Fill Slip ("Hopper Fills") from a slot cashier, general cashier or master coin bank cashier.

2. Hopper Fills shall be serially prenumbered forms, each series of Hopper Fills shall be used in sequential order, and the series numbers of all Hopper Fills received by a casino licensee shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and

duplicate void Hopper Fills shall be marked "VOID" and shall require the signature of the preparer. Notwithstanding the above, a serially prenumbered combined Jackpot Payout/Hopper Fill form may be utilized in conjunction with N.J.A.C. 19:45-1.40(b), as approved by the Commission, provided that the combined form shall be used in a manner which otherwise complies with the procedures and requirements established by this section.

3. For establishments in which Hopper Fills are manually prepared, the following procedures and requirements shall be observed:

i. Each series of Hopper Fills shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

ii. Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Hopper Fills, placing Hopper Fills in the dispensers, and removing from the dispensers the triplicates remaining therein.

4. For establishments in which Hopper Fills are computer prepared, each series of Hopper Fills shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original and duplicate and store, in machine-readable form, all information printed on the original and duplicate; and discharge the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Hopper Fill.

5. On originals, duplicates and triplicates, or in stored data, the Hopper Fill shall include, at a minimum, the following information:

i. The asset number and denomination of the slot machine to which the coins, slot tokens or prize tokens are to be distributed;

ii. The date and shift during which the coins, slot tokens or prize tokens are distributed;

iii. The denomination of the coin, slot tokens or prize tokens that are to be distributed;

iv. The amount of coins, slot tokens or prize tokens that are to be distributed;

v. The location from which the coins, slot tokens or prize tokens are distributed;

vi. The signature and, if computer prepared, the identification code of the preparer;

vii. The signature or identification code of the slot attendant, slot mechanic or slot supervisor requesting coins, slot tokens or prize tokens to fill the hopper (on the original and the duplicate only);

viii. Whether the coins, slot tokens or prize tokens are to be placed in the slot machine's:

(1) All-purpose hopper and/or any reserve hoppers that automatically replenish the all-purpose hopper;

(2) Payout-only hopper and/or any reserve hoppers that automatically replenish the payout-only hopper reserve hopper; or

(3) In its corresponding hopper storage area; and

ix. Whether the Hopper Fill is to be witnessed and verified by a casino security department member pursuant to (b)8 below or by a second casino employee pursuant to (b)9 below.

6. The time of preparation of the Hopper Fill shall be recorded at a minimum, on the original and duplicate upon preparation.

7. All coins, slot tokens or prize tokens distributed from a slot booth, master coin bank or the cashiers' cage to a slot machine or its corresponding hopper storage area shall, during their transportation to the machine or hopper storage area and until their deposit into the appropriate hopper or storage compartment, remain in pre-wrapped secured bags; provided, however, that the secured bags in which prize tokens are transported shall have sufficient identifying features, approved by the Commission, to

distinguish those bags and their contents from the secured bags in which coins or slot tokens are transported.

8. Except as otherwise provided in (b)9 below, the pre-wrapped secure coin, slot tokens or prize tokens shall be transported directly to the slot machine or its corresponding hopper storage area, along with the duplicate Hopper Fill, by a casino security department member who shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper or the slot machine's corresponding hopper storage area, and the closing and locking of the slot machine or its corresponding hopper storage area by the slot mechanic, slot attendant or slot supervisor before obtaining the signature of the slot mechanic, slot attendant or slot supervisor on the duplicate copy of the Hopper Fill.

9. Notwithstanding the provisions of (b)8 above, if the pre-wrapped, secure bags of coin, slot tokens or prize tokens are being distributed by a slot booth, master coin bank or the cashiers' cage to a slot machine with a denomination of \$1.00 or less, the coin, slot tokens or prize tokens may be transported, along with the duplicate copy of the Hopper Fill, directly to the slot machine by a slot attendant, slot mechanic or slot supervisor who shall, in the presence of a second casino employee, open the slot machine and deposit the coin or tokens in the appropriate hopper of the slot machine. The casino employee who witnesses the fill shall sign the duplicate Hopper Fill attesting to the fact that the slot attendant, slot mechanic or slot supervisor opened the slot machine, deposited all the coins or tokens in the appropriate hopper of the slot machine and closed and locked the slot machine in his or her presence.

i. The casino employee who witnesses the fill and signs the duplicate Hopper Fill shall hold a casino employee license or casino key employee license and shall be employed in a position requiring his or her presence on the casino floor and, at a minimum, a casino employee license.

ii. Any casino employee position authorized to witness and verify a Hopper Fill shall be identified in the casino licensee's approved internal

controls; provided, however, that the following positions shall be prohibited from witnessing and verifying a hopper fill pursuant to (b)9 above:

(1) Any surveillance department, internal audit department or casino accounting department employee;

(2) A slot cashier or slot cashier supervisor in any department, other than a slot cashier who is prohibited from issuing Hopper Fills or Jackpot Payouts pursuant to N.J.A.C. 19:45-1.11(e)1; or

(3) Any other employee for whom it would be an incompatible function pursuant to N.J.A.C. 19:45-1.11(a)2 to witness and verify a hopper fill.

10. A slot mechanic who participates in filling a slot machine hopper shall inspect the slot machine and, if the hopper is empty, determine if the empty hopper resulted from a slot machine malfunction. A slot attendant or slot supervisor participating in a hopper fill shall review the Machine Entry Authorization Log and alert a slot mechanic to inspect the slot machine if the entries in the log indicate a consistent malfunction problem.

11. Signatures attesting to the accuracy of the information contained on the Hopper Fill shall be, at a minimum, the following personnel at the following times:

i. For Hopper Fills verified by a casino security department member in accordance with (b)8 above:

(1) The original shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill and by the casino security department member transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported; and

(2) The duplicate shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill in accordance with (b)12i(1) above, by the casino security department member transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported in accordance

with (b)11i(1) above, and by the slot mechanic, slot attendant or slot supervisor after completing the fill procedures required in (b)8 above in the presence of the casino security department member.

ii. For Hopper Fills verified by a second casino employee in accordance with (b)9 above:

(1) The original shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill and prior to the separation of the original and duplicate copy, and by the slot attendant, slot mechanic or slot supervisor transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported, but after the separation of the original and duplicate copy; and

(2) The duplicate shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill in accordance with (b)11ii(1) above, by the slot attendant, slot mechanic or slot supervisor after completing the fill procedures required in (b)9 above in the presence of the second casino employee, and by the casino employee verifying the fill after witnessing the completion of the fill procedures required in (b)9 above.

12. Upon meeting the signature requirements as described in (b)11 above, the slot cashier, master coin bank cashier or general cashier shall maintain and control the original Hopper Fill and the following employee shall maintain and control the duplicate copy and, as soon as is reasonably possible, deposit it in a secure, locked box controlled by the casino accounting department at the security podium or other location approved by the Commission:

i. For Hopper Fills witnessed and verified in accordance with (b)8 above, the casino security department member who witnessed and verified the fill procedures; and

ii. For Hopper Fills witnessed and verified in accordance with (b)9 above either:

(1) The casino employee who witnessed and verified the fill procedures; or

(2) The slot attendant, slot mechanic or slot supervisor who deposited the coin or tokens in the slot machine;

iii. A casino licensee shall state in its internal controls whether the duplicate copy of the Hopper Fill will be deposited pursuant to (b)12i or ii above, and if it will be deposited pursuant to (b)12ii above, the casino employee who witnesses and verifies the fill procedures shall make an entry on the Machine Entry Authorization Log that shall include, at a minimum, the date, time, Hopper Fill serial number and his or her signature.

13. At the end of each gaming day, at a minimum, the original and duplicate Hopper Fill Slip shall be forwarded as follows:

i. The original Hopper Fill Slip shall be forwarded, in exchange for coin, currency or credit, to the master coin bank if prepared by a slot cashier or to the main bank if prepared by a general cashier. All original Hopper Fill Slips received or prepared by the master coin bank or received by the main bank shall then be forwarded to the accounting department, which, as reasonably practicable after receipt, shall confirm that the information on the original Hopper Fill agrees with the information on the triplicate or in stored data.

ii. The duplicate Hopper Fill Slip shall be forwarded directly to the accounting department, which, as reasonably practicable after receipt, shall record the information from the Hopper Fill Slip on the Slot Win Sheet, and shall confirm that the information recorded on the Hopper Fill Slip agrees with the information recorded pursuant to N.J.A.C. 19:45-1.42(o) and with the information on the triplicates or in stored data.

14. Notwithstanding any other provision of this section, a casino licensee may use one Hopper Fill Slip to document fills to more than one hopper storage area or to a hopper storage area that supplies more than one slot machine, if:

- i. All of the fills are for the same denomination of slot machine and are accomplished at the same time;
- ii. The Hopper Fill Slip contains:
 - (1) The amount to be distributed to each hopper storage area or, if applicable, each compartment in a hopper storage area that supplies more than one slot machine;
 - (2) Spaces for slot and casino security department personnel to initial after each individual fill; and
 - (3) The total amount of all hopper fills that are documented by the Hopper Fill Slip; and
- iii. The Hopper Fill Slip complies in all other respects with the requirements of this section.

(c) Whenever a slot machine's hopper requires coin, slot tokens or prize tokens, a slot attendant or mechanic, after confirming that its corresponding hopper storage area contains the necessary coin, slot tokens or prize tokens to replenish the hopper to be filled, may, in the presence of a member of the security department, transfer the necessary coin, slot tokens or prize tokens from that slot machine's hopper storage area directly to the appropriate hopper of the corresponding slot machine. The security department member shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper and the closing and locking of the slot machine and its corresponding hopper storage area by the slot mechanic or attendant.

(d) After transferring the coins, slot tokens or prize tokens to the slot machine's appropriate hopper from a corresponding storage area pursuant to (c) above or upon completing a fill pursuant to (b) above of a slot machine's hopper, the slot attendant or mechanic shall make the entries required on the slot machine's log, which, at a minimum and in addition to the entries required in N.J.A.C. 19:45-1.36(j), shall include the following:

1. The date and time of the transfer;
2. The type of hopper in the slot machine to which the coins, slot tokens or prize tokens were transferred;

3. The separate amounts of coins, slot tokens or prize tokens that were placed in that hopper; and

4. The name and license number of the slot attendant or slot mechanic who made the transfer or fill.

(e) Hopper storage areas shall be filled by using Hopper Fill Slips, in accordance with the procedures in (b) above.

(f) Each casino licensee shall submit and have approved internal controls for detecting and removing prize tokens from the all-purpose hoppers of its slot machines. Each casino licensee so removing a prize token shall count it, for purposes of calculating its gross revenue pursuant to N.J.S.A. 5:12-24, as cash received from gaming operations for the face amount of the prize token.

Effective: 05/25/78

As amended, effective: 11/16/81

As amended, effective: 01/17/89

As amended, effective: 05/06/91

As amended, effective: 03/02/92

As amended, effective: 06/15/92

As amended, effective: 09/21/92

As amended, effective: 12/06/93

As amended, effective: 10/03/94

As amended, effective: 07/03/95

As amended, effective: 12/02/96

As amended, effective: 11/17/97

As amended, effective: 07/19/99

As amended, effective: 11/05/01

As amended, effective: 03/04/02

As amended, effective: 04/21/03

As amended, effective: 04/16/07

19:45-1.41A Procedures governing the removal of coin, slot tokens and slugs from a slot machine hopper

(a) Except as provided in N.J.A.C. 19:45-1.38(d) and (b) through (d) below, no coin, slot tokens, or slugs shall be removed from a slot machine hopper.

(b) If a slot machine malfunctions during a payout and the slot machine cannot be repaired in a timely manner, coin and slot tokens may be removed from a slot machine's hopper in order to complete the slot machine paid jackpot. The coin or slot tokens shall be removed from the slot machine hopper by a slot attendant, slot mechanic or supervisor thereof. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log pursuant to N.J.A.C. 19:45-1.36(j). Nothing herein shall preclude a casino licensee from preparing a Jackpot Payout Slip for the amount of coin or slot token owed the patron provided that the payout is completed in accordance with N.J.A.C. 19:45-1.40 and a notation is made on the Jackpot Payout Slip indicating the reason for the slip.

(c) If coin or slot tokens are inserted by a patron and are neither registered nor returned to the patron by the slot machine, a member of the slot department in accordance with (b) above, may remove the coin or slot tokens from the slot machine hopper and return them to the patron. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log pursuant to N.J.A.C. 19:45-1.36(j). Under no circumstances shall a casino licensee remove more coin or slot tokens than the maximum number of coin or slot tokens which can be wagered on one handle pull of the slot machine.

(d) Whenever slugs are found in a slot machine's hopper the following procedures and requirements shall be followed:

1. A slot attendant, slot mechanic or supervisor thereof shall immediately remove the slugs from the slot machine hopper and place the slugs into an envelope or container. The individual who found the slugs shall record the asset number and denomination of the slot machine, the quantity of slugs found, the date the slugs were found, and his or her signature on the Machine Entry Authorization Log pursuant to N.J.A.C. 19:45-1.36(j). The envelope or container may be maintained inside the slot machine until the number of slugs in the envelope or container is nine. When the number of slugs in the envelope or container reaches nine or at such other times as may

be necessary, the slot attendant, slot mechanic or slot supervisor shall complete a three-part Slug Report which contains, at a minimum, the following:

- i. The date and time;
- ii. The asset number of the slot machine from which the slugs were removed;
- iii. The denomination of the slot machine;
- iv. The denomination and quantity of slugs;
- v. A brief description of the slugs; and
- vi. The signature of the slot attendant, slot mechanic or slot department supervisor completing the Slug Report.

2. Upon completion of the Slug Report required by (d)1 above, the slot attendant, slot mechanic or slot department supervisor shall remove the envelope or container and transport it with the Slug Report to the Master Coin Bank or other location as approved by the Commission. The individual accepting receipt of the slugs shall sign all three parts of the Slug Report. The original Slug Report shall be delivered to the Commission and the triplicate shall be delivered to the Division's in-house office by the end of each gaming day. The duplicate Slug Report shall remain with the slugs until their destruction.

3. If more than nine slugs are found at any one time in a slot machine's hopper, the slot department member shall place the slugs into the envelope or container and immediately complete the Slug Report required by (d)1 above. The slugs shall be immediately transported in accordance with (d)2 above. The slot department member shall inspect the slot machine and coin mechanism to determine if there is a malfunction. The results of this inspection shall be documented on the Machine Entry Authorization Log pursuant to N.J.A.C. 19:45-1.36(j).

4. All slugs shall be destroyed in accordance with procedures submitted to and approved by the Commission which procedures shall include a written notification to the Division as to the date, time and location of

destruction.

As adopted, effective: 08/15/94

As amended, effective: 10/03/94

As amended, effective: 09/03/96

As amended, effective: 11/03/97

19:45-1.42 Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; unsecured currency; meter readings

(a) For each slot machine and attached bill changer on the gaming floor, the slot drop bucket, slot drop box and slot cash storage box shall be removed at least once a week on specified days and at times designated by the casino licensee on a schedule which shall be filed with the Commission and the Division. However, a casino licensee may, with prior Commission approval, establish a less frequent schedule for the removal of slot drop buckets and slot drop boxes from those slot machines connected to an approved gaming voucher system, provided that a weekly slot drop estimate is reported in accordance with N.J.A.C. 19:54-1.5(c)1; in no event shall such slot drops occur less than once every two months. In the case of slot cash storage boxes, the schedule shall include the total number of slot cash storage boxes to be removed on a particular day in total and by zone. No slot drop bucket, slot drop box or slot cash storage box shall be emptied or removed from its compartment at other than the times specified on such schedule except with the express approval of the Commission. Prior to the start of the scheduled slot cash storage box collection process, a casino key employee who shall be referred to herein as a drop team supervisor shall perform a physical count of the slot cash storage boxes removed from storage to replace those boxes scheduled to be collected. Such count shall include emergency slot cash storage boxes and be documented in the presence of a Commission inspector on at least a two-part form. Any discrepancy between the number of slot cash storage boxes physically counted and the number indicated on the collection schedule shall be explained in writing to a Commission inspector. Prior to emptying or

removing any slot drop bucket, slot drop box or slot cash storage box, a casino licensee shall notify the Commission and the surveillance department of the transportation route that will be utilized.

1. Notwithstanding (a) above, a casino licensee may submit a written application to the Commission at least 48 hours prior to a scheduled time for removal requesting an extension of time for the removal of part or all of its slot drop buckets or slot drop boxes. The application shall specify the length of the extension sought, the reason therefor, and identify the particular slot machines included in such request (by slot zone and/or slot machine denomination). The Commission shall, if it determines that expected business conditions during the requested extension would neither compromise the removal process nor otherwise adversely affect the operation of the casino licensee's slot machines, extend the time to complete the removal of the affected slot drop buckets or slot drop boxes up to seven days. Upon expiration of the extension, the casino licensee shall resume its regular removal schedule as filed with the Commission and the Division. Whenever an extension does not encompass all slot drop buckets or slot drop boxes scheduled to be removed, the casino licensee shall ensure, through internal control procedures approved by the Commission, that the casino security department knows which slot drop buckets and slot drop boxes are to be removed and the count room supervisor knows which slot drop buckets and slot drop boxes contents should be counted.

2. All slot drop boxes which are not attached to a slot machine or temporarily stored in the base of a slot machine pursuant to (c)2ii below, including emergency slot drop boxes which are not actively in use, shall be stored in the count room or other secure area outside the count room approved by the Commission, in an enclosed storage cabinet or trolley and secured in such cabinet or trolley by a separately keyed, double locking system. The key to one lock shall be maintained and controlled by the security department and the key to the second lock shall be maintained and controlled by the Commission.

(b) Slot drop buckets, slot drop boxes and slot cash storage boxes shall be removed from their compartments in a slot machine or bill changer, in the presence of a Commission inspector, by at least three employees, two of whom shall be members of the casino security department, and one of whom shall be a member of the casino accounting department or an independent slot machine cage department established pursuant to N.J.A.C. 19:45-1.11(b)9.

(c) Procedures and requirements for removing slot drop buckets, slot drop boxes and slot cash storage boxes from the casino shall be as follows:

1. The slot drop bucket, slot drop box or slot cash storage box shall be removed from its compartment and an empty slot drop bucket, slot drop box, or slot cash storage box shall be placed into the compartment, and if applicable, a unique identification number shall be assigned and recorded for the slot cash storage box, either upon its insertion or removal, after which the compartment shall be closed and locked;

2. All slot drop buckets, slot drop boxes and slot cash storage boxes removed from compartments shall be transported directly to, and secured in the count room by, at a minimum, a Commission inspector, a casino security department member and a member of the casino accounting department or an independent slot machine cage department, for the counting of their contents; provided, however, that:

- i. Prior to their placement in the soft count room, a drop team supervisor, in the presence of a Commission inspector, shall count the total number of slot cash storage boxes collected and verify that the number of boxes collected agrees with the number indicated on the removal schedule and sent for replacement pursuant to (a) above. Any discrepancies shall be immediately reported to the security and surveillance departments and explained in writing to a Commission inspector. Procedures for the immediate investigation of unresolved discrepancies must be approved by the Commission;

- ii. A slot cash storage box removed from a bill changer in order to service the bill changer may be temporarily stored in the

corresponding double-locked base of the slot machine (the compartment of the slot machine containing the slot drop bucket or slot drop box) attached to the bill changer, and shall be replaced and relocked in the bill changer when the repairs are completed. If the repairs cannot be completed and the slot cash storage box cannot be replaced in the bill changer by the end of the repair person's shift, or if the bill changer must be removed from the casino floor, the slot cash storage box shall be removed from the locked slot compartment and transported to the count room in accordance with N.J.A.C. 19:45-1.38; and

iii. A full or inoperable slot drop box shall be replaced with an empty emergency slot drop box, and may be stored in its corresponding double-locked slot machine base until no later than the next scheduled slot drop box pickup;

3. Notwithstanding any other provision of this section or this chapter to the contrary, a casino licensee may, in lieu of transporting all slot drop buckets and slot drop boxes directly to the count room prior to the start of the count, utilize either or both of the following alternative procedures:

i. A casino licensee may create a secure staging area outside of the count room where slot drop buckets and slot drop boxes may be temporarily stored for a maximum of one hour before being transferred to the count room; provided, however, that the location of the staging area and the security measures used by the casino licensee shall be approved by the Commission, which security measures shall require, at a minimum, that the staging area be videotaped by the surveillance department and guarded by at least one casino security department representative whenever slot drop buckets or slot drop boxes are temporarily stored in the area; or

ii. A casino licensee may, prior to collecting and transporting all slot drop buckets and slot drop boxes on the casino floor to the count room or a secure staging area, begin to count, in accordance with the provisions of N.J.A.C. 19:45-1.43, the contents of slot drop buckets and slot drop boxes that have been collected and transported from a particular portion of the casino floor, provided that the casino licensee shall thereafter continue to collect and

transfer to the count room, during the counting process, the slot drop buckets and slot drop boxes from the remaining portions of the casino floor until all slot drop buckets and slot drop boxes have been collected and counted; and

4. Except for members of the casino accounting department or independent slot machine cage department participating in the emergency removal of a slot cash storage box or slot drop box, casino security department employees and representatives of the Commission and Division, all persons participating in the removal of slot drop buckets, slot drop boxes and slot cash storage boxes shall wear as outer garments only a full-length, one-piece pocketless garment with openings only for the hands, feet and neck.

(d) In addition to complying with the procedures included in subsections (b) and (c) above, a casino licensee shall submit to the Commission for approval its procedures detailing how the slot drop bucket, slot drop box and slot cash storage box for each slot machine and attached bill changer on the gaming floor will be emptied or removed from its compartment when the casino is open to the public for 24 hours. Such submission shall include at least the following:

1. How patrons will be notified that a slot machine will be closed for emptying or removing slot drop buckets, slot drop boxes or slot cash storage boxes;
2. How patrons will be removed from slot aisles;
3. How the area will be secured while the slot drop buckets, slot drop boxes or slot cash storage boxes are emptied or removed; and
4. How the compartments in which the full slot drop buckets, slot drop boxes or slot cash storage boxes are transported, will be secured while they are in the casino.

(e) Whenever currency, a gaming voucher, or a coupon is found inside a bill changer but outside the slot cash storage box (“unsecured currency”, “unsecured gaming voucher”, or “unsecured coupon”), a slot department representative or casino accounting department representative shall complete a form which includes the asset number or, pursuant to N.J.A.C. 19:45-1.16(b),

other unique identification number of the slot cash storage box in the bill changer in which the unsecured currency, unsecured gaming voucher, or unsecured coupon was found, the date the unsecured currency, unsecured gaming voucher, or unsecured coupon was found, and the total value of the unsecured currency, unsecured gaming voucher, or unsecured coupon. The slot department representative or casino accounting department representative and a member of the casino security department shall then sign the form as evidence of the total value being transported; place the form and the unsecured currency, unsecured gaming voucher, or unsecured coupon into an envelope or container, unless the form is printed on the front of the envelope in which the currency, gaming voucher, or coupon is being placed; and transport the envelope or container directly to the cashiers' cage.

(f) Upon receipt of the envelope or container from the slot department representative or casino accounting department representative, a main bank cashier or cage supervisor shall immediately prepare an Unsecured Bill Changer Currency/Coupon/Voucher Report. If the unsecured currency, unsecured gaming voucher, or unsecured coupon was not transported by a slot supervisor or casino accounting supervisor, the Unsecured Bill Changer Currency/Coupon/Voucher Report must be prepared by a cage supervisor pursuant to (j) below.

(g) Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be serially prenumbered forms. Each series of Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be used in sequential order and shall be accounted for by employees independent of the cashiers' cage and slot department. All original and duplicate void Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be marked "VOID" and shall require the signature of the preparer. All copies of void Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be forwarded to the accounting department at the end of the gaming day.

(h) For establishments in which Unsecured Bill Changer Currency/Coupon/Voucher Reports are manually prepared, the following procedures and requirements shall be observed:

1. Each series of Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be a three-part form, at a minimum, and shall be inserted into a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser; and

2. Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Unsecured Bill Changer Currency/Coupon/Voucher Reports, placing Unsecured Bill Changer Currency/Coupon/Voucher Reports in the dispensers, and removing from the dispensers the triplicates remaining therein.

(i) For establishments in which Unsecured Bill Changer Currency/Coupon/Voucher Reports are computer prepared, each series of Unsecured Bill Changer Currency/Coupon/Voucher Reports shall be a two-part form, at a minimum, and shall be generated by a computer system that will: simultaneously print an original and duplicate and store, in machine-readable form, all information printed on the original and duplicate; and discharge the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of the Unsecured Bill Changer Currency/Coupon/Voucher Report.

(j) On the original, duplicate and triplicate or, if applicable, in stored data, the main bank cashier or cage supervisor shall record, at a minimum, the following information:

1. The date and time of preparation;
2. The asset number or, pursuant to N.J.A.C. 19:45-1.16(b), other unique identification number of the slot cash storage box in the bill changer

from which the unsecured currency, unsecured gaming voucher, or unsecured coupon was removed;

3. The denomination(s) of unsecured currency;
4. The total value of the unsecured currency;
5. The denomination(s) of unsecured coupons;
6. The total value of the unsecured coupons;
7. The serial number and value of each unsecured gaming voucher;
8. The total value of the unsecured gaming vouchers; and
9. The signature or, if computer prepared, identification code of the preparer.

(k) The original and duplicate copies of the Unsecured Bill Changer Currency/Coupon/Voucher Report shall be presented to the slot department representative or casino accounting department representative and the casino security representative for signature.

1. Upon meeting the signature requirements, the main bank cashier or cage supervisor shall transport the unsecured currency, unsecured gaming vouchers, and unsecured coupons along with the original and duplicate copies of the Unsecured Bill Changer Currency/Coupon/Voucher Report to the main bank.

i. If the Unsecured Bill Changer Currency/Coupon/Voucher Report was prepared by a cage supervisor, the main bank cashier shall:

(1) Sign the original and duplicate copies of the Unsecured Bill Changer Currency/Coupon/Voucher Report;

(2) Retain the original Unsecured Bill Changer Currency/Coupon/Voucher Report and the unsecured currency, unsecured gaming vouchers, and unsecured coupons; and

(3) Return the duplicate Unsecured Bill Changer Currency/Coupon/Voucher Report to the cage supervisor who shall attach the form referenced in (e) above to the duplicate and expeditiously deposit the

duplicate with the attached form into the locked accounting box located in the cashiers' cage.

ii. If the Unsecured Bill Changer Currency/Coupon/Voucher Report was prepared by the main bank cashier, the main bank cashier shall:

(1) Retain the original Unsecured Bill Changer Currency/Coupon/Voucher Report and the unsecured currency, unsecured gaming vouchers, and unsecured coupons;

(2) Attach the form referenced in (e) above to the duplicate Unsecured Bill Changer Currency/Coupon/Voucher Report; and

(3) Return the duplicate Unsecured Bill Changer Currency/Coupon/Voucher Report and attached form to the casino security representative who shall expeditiously deposit the duplicate with the attached form into a locked accounting box maintained in a location approved by the Commission.

2. The main bank cashier shall then either:

i. Add the value of the unsecured currency, unsecured gaming vouchers, and unsecured coupons to the main bank's accountability and retain the original of the Unsecured Bill Changer Currency/Coupon/Voucher Report until the end of the gaming day; or

ii. Maintain the unsecured currency, the unsecured gaming vouchers, the unsecured coupons, and the original Unsecured Bill Changer Currency/Coupon/Voucher Report until collected by a count room supervisor and immediately transported to the count room where:

(1) The currency, gaming vouchers, and coupons shall be counted with the contents removed from the corresponding slot cash storage box and recorded on the Slot Cash Storage Box Report; and

(2) The original Unsecured Bill Changer Currency/Coupon/Voucher Report shall be forwarded to the accounting department in accordance with N.J.A.C. 19:45-1.33(i).

(l) At the end of the gaming day, at a minimum, the original and duplicate copy of the Unsecured Bill Changer Currency/Coupon/Voucher

Report along with any gaming vouchers and coupons shall be forwarded as follows:

1. If, pursuant to (k)1 above, the main bank cashier has retained possession of the original, the cashier shall forward the original along with any gaming vouchers and coupons directly to the accounting department for agreement with the triplicate or stored data; and

2. The duplicate with the attached form shall be forwarded directly to the accounting department for recording on the Slot Cash Storage Box Report and Slot Win Sheet, and agreement with the triplicate or stored data; provided, however, that no additional recording of the unsecured currency, unsecured gaming vouchers, and unsecured coupons shall be required if the currency, gaming vouchers, and coupons have been transported to the count room, counted and recorded pursuant to (k)2 above.

(m) The duplicate copy of the Unsecured Bill Changer Currency/Coupon/Voucher Report shall be attached to the Slot Cash Storage Box Report as supporting documentation. A notation shall be made on the duplicate Unsecured Bill Changer Currency/Coupon/Voucher Report indicating whether the dollar value of the unsecured currency, unsecured coupons, and unsecured gaming vouchers have been added to the Slot Cash Storage Box Report and Slot Win Sheet in accordance with (k)2 above or (l)2 above.

(n) Notwithstanding the requirements of (e) through (m) above, when unsecured currency and unsecured coupons are found during the collection of slot cash storage boxes, a casino licensee shall transport the unsecured currency and unsecured coupons directly to the soft count room. The completion of the form required by (e) above shall be performed by a count team member and a member of the casino security department. The envelope or container shall be transported with the slot cash storage boxes to the count room pursuant to N.J.A.C. 19:45-1.17(c). A listing of all unsecured currency and unsecured coupons by asset number or, pursuant to N.J.A.C. 19:45-1.16(b), other unique identification number shall be completed by the

Commission inspector prior to the transportation of the trolley to the count room. The unsecured currency and unsecured coupons shall be counted and recorded with the contents removed from the corresponding slot cash storage box. The form prepared pursuant to (e) above shall be forwarded to the accounting department with the Slot Cash Storage Box Report pursuant to N.J.A.C. 19:45-1.33(i).

(o) Except as otherwise provided in (p) below, a computer system, as approved by the Commission, shall read and record, as applicable, the numbers on the in-meter, drop meter, jackpot meter, manual jackpot meter, cash box meter, if applicable, numerical and value gaming voucher, numerical and value cashable coupon meters and numerical and value non-cashable coupon meters, in accordance with the schedules filed pursuant to (a) above and the approved internal controls of the casino licensee. All recordings, as applicable, shall be performed in conjunction with the removal and replacement of the slot cash storage boxes, slot drop buckets and slot drop boxes prior to opening the slot machines for patron play.

1. The computer shall store in machine readable form all information required by this section and such stored data shall not be susceptible to change or removal by any personnel without the system identifying the original record and identifying the new record as having been changed. Only members of the casino accounting department shall, with prior Commission approval, have access to this meter information and the authority to change any meter information.

2. If the slot machine utilizes non-cashable slot credits, the casino licensee shall describe in its internal control submission whether the computer system:

i. Reads the numerical and value coupon meters and the numerical and value non-cashable coupon meters separately and then automatically combines the totals; or

ii. Separately records these meters on all reports required by N.J.A.C. 19:45-1.33 and 1.42.

3. If a bill changer does not contain a cash box meter pursuant to N.J.A.C. 19:45-1.37(e)1, a casino licensee shall be required to have a computer system record the bill meter readings each time the slot cash storage box is removed and provide a total of all bill meters for that slot machine.

4. If a casino licensee is granted an extension to remove slot drop buckets or slot drop boxes pursuant to (a)1 above, the required meter readings for the slot machines housing the affected slot drop buckets or slot drop boxes shall be similarly extended. Upon expiration of the extension, the casino licensee shall resume its regular schedule for required meter readings.

(p) Notwithstanding the provisions of (o) above, if the computer system required by (o) above is not capable of reading the slot machine meters for gaming vouchers and coupons, or if the slot machine commingles gaming voucher and coupon data on a single meter, a casino licensee may, for a period ending on December 31, 2009 and with the prior approval of the Commission, obtain the required gaming voucher and coupon data from its gaming voucher system and coupon acceptance system, as described in its approved internal control procedures.

(q) The computer system approved pursuant to (o) above shall provide a report to the accounting department for comparison of meter information to the Slot Win Sheet and the calculation of slot machine statistics.

(r) Whenever there is a variance of more than two percent and more than \$100.00 between the value of cash, gaming vouchers, or coupons removed from a bill changer's slot cash storage box and the corresponding cash box meter reading and, if applicable, the value coupon meter, the value non-cashable coupon meter and the value voucher-in meter reading as recorded on a report generated by a computer system pursuant to (o) and (q) above, or whenever there is a variance of more than \$50.00 between the value of gaming vouchers or coupons removed from a bill changer's slot cash storage box and the corresponding value as recorded on a report generated by the gaming voucher system and coupon acceptance system pursuant to (p) above, the casino accounting department shall perform the following procedures:

1. If such a variance exists in the value of cash, confirm the variance by comparing the number of bills removed from the slot cash storage box to the bill meter readings. Such comparison shall be made by using, as applicable, the reports generated pursuant to (q) or (p) above and shall compare the meter readings to the total number of bills and value of cash removed from the slot cash storage boxes.

2. If such a variance exists in the value of either gaming vouchers or coupons, confirm the variance by comparing the number of gaming vouchers or coupons removed from the slot cash storage box to the readings recorded by the computer system or generated by the gaming voucher system and coupon acceptance system in accordance with the requirements of (o) or (p) above, as applicable. Such comparison shall be made by using a report generated pursuant to (q) or (p) above, which shall compare the meter readings or gaming voucher and coupon data to the total number and value of gaming vouchers and coupons removed from the slot cash storage boxes.

3. The casino licensee shall be required to have its slot department, in cooperation with its casino accounting department, investigate the cause of each variance identified pursuant to (r)1 and (2) above and prepare and file an incident report documenting such variance with the casino controller, the director of surveillance, Commission and Division. The casino licensee shall report the actual cause of the variance unless such cause cannot be definitively determined after a diligent investigation, in which case the probable cause of the variance shall be reported. Except as provided in (r)4 below, the incident report shall be a report of all bill changers with reportable variances and shall be filed within three weeks from the completion of the weekly slot cash storage box pickup, provided, however, that the Commission may direct a shorter time frame for the filing of the report, if an expedited filing is considered necessary to protect the integrity of casino operations. The incident report shall include, at a minimum, the following for each bill changer with a reportable variance as well as the specified cumulative data:

- i. The date of the meter reading;

- ii. The date the report was filed;
 - iii. The amount of the variance, by denomination, with the exception of gaming vouchers, which shall be by total value;
 - iv. The asset number of the bill changer involved;
 - v. The amount of the variance by currency, gaming vouchers, and/or coupons;
 - vi. An indication as to the cause of the variance pursuant to r(1) and (r)2 above, with any documentation attached to support the given explanation (for example, Unsecured Currency/Coupon/ Voucher Report);
 - vii. An indication as to whether the bill meters, numerical voucher in meter, numerical non-cashable coupon meter or numerical coupon meter compared in accordance with the requirements of (r)1 or 2 above confirmed the variance, if applicable;
 - viii. The manufacturer and model number of the slot machine to which the bill changer is attached or embedded;
 - ix. The manufacturer of the bill changer involved;
 - x. The total number of reported variances by manufacturer and model number of the slot machine;
 - xi. The total number of reported variances by manufacturer of the bill changer;
 - xii. The total number of reported variances compared to the total number of slot cash storage boxes counted; and
 - xiii. The signature and license number of the preparer.
4. A casino licensee shall file a separate report that complies with (r)3 above concerning any variances on slot machines equipped with a bill changer utilizing alterable storage media governed by N.J.A.C. 19:46-1.26B(i).
5. Whenever a variance must be separately reported on a slot machine in accordance with (r)4 above, the casino licensee shall report gross revenue from the slot machine as the greater of the amount recorded on the appropriate meters of the slot machine or the amount in the corresponding slot cash storage box of the slot machine, unless the variance can be explained to

the satisfaction of the Commission and an adjustment is necessary to accurately report gross revenue.

(s) Unless otherwise authorized by the Commission, a casino licensee shall be required to conduct an appropriate investigation and take any necessary corrective action, including any remedial action required by the Commission, if 10 percent or more of the bill changers counted during the week have reported variances pursuant to (r) above for a period of three consecutive weeks.

(t) Notwithstanding anything in this Chapter to the contrary, nothing shall preclude the Commission from requiring a casino licensee to read slot machine meters manually as a condition of prototype approval, as a remedial measure in the event of a malfunction, or as it may otherwise deem necessary to insure the integrity of gaming and the accurate reporting of gross revenue.

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As amended, effective: 04/16/07
As amended, effective: 07/06/09

19:45-1.43 Procedure for counting and recording contents of slot drop buckets and slot drop boxes

(a) The opening, counting and recording of the contents of slot drop buckets and slot drop boxes (the "hard count") shall be performed in the count room required pursuant to N.J.A.C. 19:45-1.32 in the presence of a casino key employee who shall be referred to herein as a count room supervisor. The hard count shall be performed by at least three employees (the "count team"), which may include the count room supervisor. Except as otherwise provided in (i) below, the hard count shall be performed in the presence of a Commission inspector. To gain entrance to the count room, a Commission inspector shall present an official identification card issued by the Commission which contains his or her photograph.

(b) Except as otherwise provided in N.J.A.C. 19:45-1.42(c)3, the contents of slot drop buckets and slot drop boxes shall be counted and recorded immediately after removal from their slot machine compartments. If a casino licensee uses the phased collection and transfer procedures authorized by N.J.A.C. 19:45-1.42(c)3, the counting process set forth in (i) below may begin as soon as the slot drop buckets and slot drop boxes from any portion of the casino floor have been secured in the count room. Each casino licensee shall file with the Commission and the Division the specific times during which the contents of slot drop buckets and slot drop boxes shall be counted and recorded.

(c) All members of the count team present in the count room during the counting process shall be required to wear a full-length, one-piece, pocketless outer garment with no openings other than for the hands, feet, and neck.

(d) No person shall carry a pocketbook or other container into the count room at any time unless it is transparent.

(e) All persons exiting the count room shall be inspected with a metal detector by a casino security department employee in the presence of a Commission inspector. The counting and recording process shall be discontinued and all coin and slot tokens shall be secured during any work break or emergency where the minimum number of count room personnel required by (a) above are not present or are not capable of performing their responsibilities.

(f) Immediately prior to opening and counting the contents of any slot drop bucket or slot drop box, the doors to the count room shall be securely locked. In addition, prior to opening and counting the first slot drop bucket or slot drop box of a hard count:

1. A count team member shall notify a surveillance department employee assigned to the closed circuit television monitoring room required by N.J.A.C. 19:45-1.10 that the count is about to begin; and

2. The count room supervisor or his or her supervisor shall notify the Commission inspector, in writing, of the name and Commission licensee number of each person who shall participate in the counting process and whether each such individual is scheduled to:

- i. Be present in the count room during the entire counting process;

- ii. Enter the count room during the counting process; or

- iii. Leave the count room prior to the conclusion of the counting process.

(g) No person shall be permitted to enter or leave the count room during the counting process, except in an emergency, unless his or her name is on the written notice required by (f) above and a Commission inspector is present. Notwithstanding the foregoing, if a casino licensee uses the phased collection and transfer procedures authorized by N.J.A.C. 19:45-1.42(c)3, the names of the personnel required by N.J.A.C. 19:45-1.42(c)2 to transport and secure the

collected slot drop buckets and slot drop boxes in the count room (the “collection team”) shall not have to be included on the written notice required by (f) above if they enter the count room during the counting process solely for that purpose.

1. If, during the counting process, a casino licensee permits a member of the count team to enter or leave the count room or members of the collection team enter the count room pursuant to the phased collection and transfer procedure authorized by N.J.A.C. 19:45-1.42(c)3, any employee remaining in the count room shall be required to display his or her hands and move to a location away from any coin or slot token until the count team member has entered or left the count room or the transfer of the slot drop boxes and slot drop buckets to the count room has been completed and the collection team has left the count room. All activity in the count room shall be discontinued during any period when a count team member is entering or exiting the count room or a transfer of slot drop boxes and slot drop buckets is taking place.

2. Once the counting process has been started, the count room supervisor shall be required to notify the closed circuit television monitoring room whenever a count room door will be opened, and if a casino licensee uses the phased collection and transfer procedures authorized by N.J.A.C. 19:45-1.42(c)3, when all slot drop buckets and slot drop boxes have been secured inside the count room.

3. The surveillance department shall monitor and make a video recording, with the time and date inserted thereon, of the entire hard count, including any entrance to or exit from the count room by any person during the hard count, any transfer of slot drop buckets or slot drop boxes to the count room conducted pursuant to N.J.A.C. 19:45-1.42(c)3, any storage of slot drop buckets or slot drop boxes in the staging area permitted by N.J.A.C. 19:45-1.42(c)3, and all metal detector inspections performed by casino security. The video recording shall be retained by the surveillance department for at least five

days from the date of recordation unless otherwise directed by the Commission or the Division.

(h) No prize tokens, coins or slot tokens shall be removed from the count room after the commencement of the hard count until the hard count has been completed and the prize tokens, coins or slot tokens have been recounted and accepted by a main bank cashier or master coin bank cashier in accordance with (j)4 below.

(i) Procedures and requirements for conducting the hard count shall be as follows:

1. Prior to the first slot drop bucket or slot drop box being emptied and counted, employees of the casino licensee shall:

i. Check, in the presence of the Commission inspector, the accuracy of all weighing and counting equipment, with the exception of coin or slot token wrapping machines, to insure proper calibration for each denomination of coin and slot token;

ii. Complete and sign a calibration report; and

iii. Initiate the preparation of a Slot Win Sheet, on which shall be recorded the results of the hard count. The Slot Win Sheet shall be, at a minimum, a two-part form consisting of an original and a duplicate copy unless the casino licensee chooses, pursuant to (j)6 below, to make photocopies of the original Slot Win Sheet, in which case only an original shall be required. Each additional copy of a multi-part Slot Win Sheet shall be clearly labeled as a copy.

2. All slot tokens in denominations of \$25.00 or more shall be counted or weighed at the beginning of the hard count, in the presence of the Commission inspector, except upon notice to and written approval of the Commission's principal inspector at least 24 hours in advance of the rescheduled count of such slot tokens. The casino licensee may count or weigh other denominations of coins or slot tokens at the same time, provided that the high denomination slot token count proceeds to completion without interruption, except as otherwise provided herein. The Commission inspector

shall, independently of the casino licensee, record on a countdown sheet the total value of each slot token in a denomination of \$25.00 or more which is counted or weighed. The inspector shall compare the totals on his or her countdown sheet with the value of each of those slot tokens recorded by the hard count team on the Slot Win Sheet, and verify that the amounts are in agreement and are correct, and if not, shall either satisfactorily account for any discrepancies, if possible, or document the incident and promptly report it to the Division. At the conclusion of the hard count, the inspector shall recompare the totals on the countdown sheet with the final totals determined by the casino licensee.

3. Before each slot drop bucket or slot drop box is emptied, one count team member shall hold it up in full view of the closed circuit television camera and the count team member recording the count so as to permit proper recording of the number contained thereon.

4. The contents of each slot drop bucket or slot drop box shall be emptied, counted and recorded separately and such procedures shall at all times be conducted in full view of the closed circuit television cameras located in the count room.

5. The contents of each slot drop bucket or slot drop box shall be emptied separately into either a machine that automatically counts the coins or slot tokens or a scale that automatically weighs the coin or slot tokens; provided, however, that any prize tokens or foreign slot tokens shall be manually counted and separately recorded on the Slot Win Sheet.

6. Immediately after the contents of each slot drop bucket or slot drop box are emptied into either the counting machine or scale, the inside of the slot drop bucket or slot drop box shall be held up to the full view of the closed circuit television camera and shall be shown to at least one other count team member and the Commission inspector, if present, to assure that all contents of the slot drop bucket or slot drop box have been removed.

7. As the contents of each slot drop bucket or slot drop box are counted by the counting machine or weighed by the scale, one member of the

count team shall manually record or cause a computer system to record, in a manner approved by the Commission, the following information on the Slot Win Sheet or a supporting document:

i. The asset number and denomination of the slot machine to which the slot drop bucket or slot drop box contents corresponds, if not preprinted thereon;

ii. The number of coins or slot tokens, or the weight of the coins or slot tokens contained in the slot drop bucket or slot drop box; provided, however that if the value of the coins or slot tokens is not converted into dollars and cents until after the counting process is completed, the conversion shall be calculated and the dollar value of the drop shall be entered by denomination of the slot machine on the Slot Win Sheet;

iii. The number and dollar value of each denomination of prize token issued by any casino licensee, and the total dollar value of all prize tokens issued by any casino licensee; and

iv. The number and dollar value of each denomination of foreign slot token and the total dollar value of all foreign slot tokens.

8. A Commission inspector may, at any time, require the accuracy of any weighing, wrapping or counting equipment, or the value of any previously weighed, wrapped or counted coin or slot tokens, to be checked or rechecked.

9. After all slot tokens in denominations of \$25.00 or more have been counted, wrapped or placed in racks, and then secured in a manner approved by the Commission, the Commission inspector may leave the count room to perform other functions as required by the Commission. Upon leaving the count room, the inspector shall:

i. Notify the surveillance department of his or her departure; and

ii. Test and activate the light system or other approved device at the count room door required by N.J.A.C. 19:45-1.32(d).

10. No person shall enter or leave the count room during the hard count when a Commission inspector is not present except in an emergency.

11. After the contents of all the slot drop buckets and slot drop boxes are counted or weighted and recorded, each count team member shall sign the Slot Win Sheet or other document as approved by the Commission attesting to their involvement in the hard count. Any person who, in accordance with (f) above, is scheduled to leave the count room prior to the completion of the entire count process, shall also record the time that he or she exited the count room. Any person who enters or leaves the count room due to an emergency shall sign, and record the time of the entry or exit on, the Slot Win Sheet or such other document as approved by the Commission; except that, if the person exiting the count room is unable to sign the document due to the emergency, the count room supervisor shall record the person's name and time of exit and a notation describing the emergency on the document.

12. At the conclusion of the hard count, any slugs that have been found shall be presented to a main bank cashier or master coin bank cashier together with the duplicate Slug Report. The Slug Report shall be a three-part form, at a minimum, which shall include the date, the total number of slugs received, the signature of the preparer and the signature of the main bank cashier or master coin bank cashier who accepted receipt of the slugs from the hard count representative. The original Slug Report shall be delivered to the Commission and the triplicate shall be delivered to the Division's in-house office by the end of the gaming day. The duplicate Slug Report shall remain with the slugs until their destruction.

13. Each prize token issued by any casino licensee that is removed from a slot drop bucket or a slot drop box and counted pursuant to this section shall be counted, for purposes of calculating gross revenue pursuant to N.J.S.A. 5:12-24, as cash received by the casino licensee from gaming operations for the face amount of the prize token, and, notwithstanding the prohibition on prize tokens activating slot machine play, no adjustment to the

amount recorded on the Slot Win Sheet in accordance with (i)7iii above shall be allowed.

(j) Procedures and requirements at the conclusion of the hard count shall be as follows:

1. Approximately 15 minutes prior to the end of the hard count, if a Commission inspector is not present, an inspector shall be notified that the hard count is about to be completed.

2. Upon reentering the count room, the Commission inspector shall:

i. Examine the light system or other approved device to ascertain whether any person has entered or exited the count room during the period of his or her absence, and if so, either satisfactorily account for those events, if possible, or document the incident and promptly report it to the Division; and

ii. Compare the original list of count team members with the persons present at the conclusion of the hard count, ascertain whether the identities of the persons in the count room remained unchanged during the hard count, and if not, either satisfactorily account for any changes in personnel, if possible, or document the incident and promptly report it to the Division.

3. At least one count team member shall sign the Slot Win Sheet attesting to the accuracy of the information recorded thereon.

4. Any prize tokens, foreign slot tokens, wrapped coins, wrapped slot tokens, bagged coins or bagged slot tokens removed from the slot drop buckets and slot drop boxes shall be recounted in the count room by a main bank cashier or master coin bank cashier, in the presence of a count team member and the Commission inspector, prior to the cashier having access to the information recorded on the Slot Win Sheet. Any bagged coins or bagged slot tokens shall be recounted on a random sample basis as follows:

i. The main bank cashier or master coin bank cashier shall randomly select, at a minimum, 10 percent of all bagged coins and bagged slot

tokens. The sample bags selected shall then be weighed by the cashier in the presence of a Commission inspector.

ii. If a discrepancy greater than plus or minus \$1.00 for any denomination of bagged coins or greater than plus or minus one token for bagged slot token denominations of \$25.00 and below is found during the weighing of a sample bag, then the sample bag shall be opened and recounted by a counting machine in the presence of the Commission inspector provided, however, for slot token denominations greater than \$25.00, any discrepancy shall require a recount. If more than one sample bag has a discrepancy and the problem cannot be resolved, then the Commission inspector may require that the scales be recalibrated and that all bagged coins and bagged slot tokens be recounted.

5. The inspector shall then compare the value of each of the slot tokens, foreign slot tokens and prize tokens listed on his or her countdown sheet with the value of each of those tokens shown on the Slot Win Sheet, and verify that the amounts are in agreement and are correct, and if not, either satisfactorily account for any discrepancies, if possible, or document the incident and promptly report it to the Division.

6. The cage cashier or master coin bank cashier shall then attest by signature on the Slot Win Sheet to the accuracy of the value of coin, prize tokens, foreign slot tokens and slot tokens received from the slot machines. The inspector shall then sign the Slot Win Sheet evidencing the inspector's presence and the fact that the inspector, the cashier and count team have agreed on the total value of coin, prize tokens, foreign slot tokens and slot tokens counted. Once the signatures required by (i)11 and (j)3 above and this paragraph have been recorded on the Slot Win Sheet, the duplicate copy or a photocopy of the original Slot Win Sheet shall be given to the inspector. A casino licensee's internal controls may, in the licensee's discretion, require that an additional copy of a multi-part Slot Win Sheet or another photocopy of the original Slot Win Sheet be given to the cage cashier or master coin bank cashier. Each photocopy of the original Slot Win Sheet shall be stamped with

the word “copy” by the inspector prior to its distribution. The coins, prize tokens, foreign slot tokens and slot tokens thereafter shall remain in the custody of cage cashiers or master coin bank cashiers.

7. A casino security department employee, in the presence of the Commission inspector, shall:

- i. Inspect all persons with a metal detector upon their exiting the count room; and
- ii. Conduct a thorough inspection of the entire count room and all equipment located therein, for unsecured coins, foreign slot tokens, prize tokens and slot tokens.

8. The original Slot Win Sheet and any supporting documents shall be transported directly to the accounting department and shall not be available, except for signing, to any cashiers' cage or slot personnel.

9. A casino accounting department employee shall complete the original Slot Win Sheet, either manually or through the use of a computer program such as a spreadsheet program, as approved by the Commission, by recording the following information on the Slot Win Sheet or supporting documentation:

- i. If not previously recorded on supporting documentation in accordance with the requirements of N.J.A.C. 19:45-1.33 and 1.43, the value of coin, slot tokens, prize tokens, foreign slot tokens, currency and coupons (identified separately for cashable and non-cashable coupons) for each slot machine, and the total value of gaming vouchers for each slot machine as determined in accordance with internal controls approved by the Commission pursuant to N.J.A.C. 19:45-1.54;
- ii. The total value of coin, slot tokens, prize tokens, foreign slot tokens, currency and coupons (identified separately for cashable and non-cashable coupons), and the total value of gaming vouchers as determined in accordance with internal controls approved by the Commission pursuant to N.J.A.C. 19:45-1.54, by denomination of slot machine and in total for all slot machines;

(1) If a casino licensee utilizes a gaming voucher system to redeem a coupon, the value of the coupons shall be the greater of the total dollar value of coupons recorded as redeemed in the system, or the value as determined in accordance with the count procedures in N.J.A.C. 19:45-1.33; provided, however, that nothing shall preclude a casino licensee from utilizing a report generated by the system, which lists any coupons recorded as redeemed in the system but which do not appear in the Slot Cash Storage Box Report, the value of which, if not adequately explained or resolved, shall be added to the coupon value on the Slot Cash Storage Box Report.

(2) Additionally, if a casino license also utilizes a gaming voucher system to redeem coupons created pursuant to N.J.A.C. 19:45-1.55(l)2v (a coupon that is not associated with a specific patron account or patron identification card at the time of its creation and is being redeemed by a gaming voucher system), and a variance is detected pursuant to N.J.A.C. 19:45-1.33(i)5, 1.46(l)5 or 1.55(l)2vii, a summary schedule of the variances shall be submitted to the Commission.

iii. The total amount of Hopper Fills to each slot machine and its corresponding hopper storage area;

iv. The total of all Hopper Fills, by denomination of slot machine and the total for all Hopper Fills;

v. The total amount of Jackpot Payouts for each slot machine;

vi. The total of all Jackpot Payouts, by denomination of slot machine and the total for all slot machines;

vii. The total value of gaming vouchers redeemed at locations other than slot machines as determined in accordance with internal controls approved by the Commission pursuant to N.J.A.C. 19:45-1.54;

viii. The calculated win or loss and statistics for each slot machine;

ix. The total calculated win or loss for each denomination of slot machine and for all slot machines; and

x. Any adjustment allowed pursuant to N.J.A.C. 19:45-1.37D(a)8 as a result of slot machine testing.

10. The Jackpot Payouts and Hopper Fills shall be:

- i. Compared for agreement with each other and, if applicable, to triplicates or stored data on a test basis;
- ii. Reviewed for the appropriate number and propriety of signatures on a test basis;
- iii. Accounted for by series numbers;
- iv. Tested for proper calculation, summarization, and recording;
- v. Subsequently recorded; and
- vi. Maintained and controlled by accounting department employees.

11. The Slot Win Sheet shall be compared to the information recorded pursuant to N.J.A.C. 19:45-1.42(o) by a casino accounting department employee who shall:

- i. Compare for agreement, for each slot machine, the number of coins or slot tokens counted and recorded by the count team to the drop meter reading recorded pursuant to N.J.A.C. 19:45-1.42(o); provided, however, that the casino accounting department, in making the comparison, shall account for any prize tokens and foreign slot tokens that were counted pursuant to this section after being improperly accepted by the coin acceptor and diverted to the slot drop bucket or slot drop box;
- ii. Compare for agreement, for each slot machine, Jackpot Payouts to the manual jackpot meter reading recorded pursuant to N.J.A.C. 19:45-1.42(o) or (p);
- iii. Compare for agreement, for each slot machine, the gaming voucher information as required in accordance with N.J.A.C. 19:45-1.54; and
- iv. Report all significant differences between meter readings and amounts recorded to the slot department for appropriate action.

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As amended, effective: 07/05/94
As amended, effective: 10/03/94
As amended, effective: 02/20/96
As amended, effective: 07/15/96
As amended, effective: 09/03/96
As amended, effective: 01/21/97
As amended, effective: 10/20/97
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As amended, effective: 12/06/10

19:45-1.44 Commission-controlled keys for dual locks; casino licensee-controlled keys and locks; notice to the Commission and surveillance department upon malfunction and repair, maintenance or replacement of alarms

(a) Any key that is required by N.J.S.A. 5:12-100c and this chapter to be controlled and maintained by a Commission inspector and any corresponding locking device for a dual key control locking system shall be patented and shall be approved by the Commission. Such key shall be legally duplicable only by the manufacturer or an approved agent or successor thereof, and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within any casino hotel facility. To the extent a casino licensee is not in compliance with the provisions of this subsection, the casino licensee shall submit internal controls for

Commission approval by January 5, 2001 detailing its prospective implementation of any upgrades to its dual key locking systems in accordance herewith. Such internal controls shall, at a minimum, include a completion date for all upgrades by November 6, 2002, and an enumeration of those incidents or events which, if they occurred, would compromise the security of the casino licensee's dual key control locking systems and require it to immediately comply with the provisions herein. Notwithstanding the above, nothing herein shall preclude the Commission from exempting a type of secure box, compartment or location from the requirements of this subsection upon a determination that the security of such box, compartment or location would not otherwise be compromised. The types of secure boxes, compartments or locations that require a unique Commission key shall include, without limitation, the following:

1. Drop boxes, as required pursuant to N.J.A.C. 19:45-1.16(a);
2. Slot cash storage boxes, as required pursuant to N.J.A.C. 19:45-1.16(b);
3. Trolleys to transport drop boxes from gaming tables to a secure location, as required pursuant to N.J.A.C. 19:45-1.17(b);
4. Trolleys or cabinets used to transport or store, respectively, slot cash storage boxes, as required pursuant to N.J.A.C. 19:45-1.14(d);
5. Count room entrance and exit doors, as required pursuant to N.J.A.C. 19:45-1.32(b);
6. Compartments housing slot drop buckets, as required pursuant to N.J.A.C. 19:45-1.36(b);
7. Slot drop boxes, as required pursuant to N.J.A.C. 19:45-1.36(c)3;
8. Compartments housing slot drop boxes, as required pursuant to N.J.A.C. 19:45-1.36(d);
9. Areas in which slot cash storage boxes are located, as required pursuant to N.J.A.C. 19:45-1.36(f);
10. Compartments housing microprocessors or other control units

controlling progressive meter(s) for progressive slot machines, as required pursuant to N.J.A.C. 19:45-1.39(b)5;

11. Locations housing a computer that controls a progressive payout wager system for gaming tables offering a progressive payout wager, as required pursuant to N.J.A.C. 19:45-1.39B(b)6;

12. Storage cabinets or trolleys for unattached slot drop boxes, as required pursuant to N.J.A.C. 19:45-1.42(a); and

13. Compartment housing a random number generator for the keno system, as required pursuant to N.J.A.C. 19:47-15.5.

(b) Each casino licensee shall establish inventory internal controls for any key required by the rules of the Commission to be controlled and maintained by a casino licensee and for any corresponding locking device including, without limitation, any key and locking device required by N.J.S.A. 5:12-100c and this chapter for a dual key control locking system. The key and locking device inventory controls of each casino licensee shall include, at a minimum, procedures for:

1. Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:

- i. The requisitioning of keys and locking devices from vendors;
- ii. The receipt of blank key stock;
- iii. The storage and issuance of keys and locking devices;
- iv. Any loss, removal from service, and subsequent replacement of keys and locking devices;
- v. The destruction of keys and locking devices; and
- vi. The results of physical inventories;

2. The storage of duplicate keys and locking devices, including a physical description of any storage location and the identification of authorized personnel in control of such location;

3. The destruction of keys and locking devices, including documentation detailing in whose presence any destruction shall occur; and

4. Physical inventories of all keys and locking devices at least once every 12 months.

(c) A casino licensee shall notify the Commission and its surveillance department immediately upon becoming aware of any malfunction of any alarm system or alarmed door required by the Act and these regulations, or required by the Commission pursuant thereto, and upon any emergency service to restore their proper function. In addition, a casino licensee shall provide the Commission and its surveillance department with at least 24 hours written notice prior to effecting any non-emergency repair, maintenance or replacement of any such alarm system or alarmed door including, without limitation:

1. Alarm systems for any emergency exit from the casino floor or casino simulcasting facility, as required pursuant to N.J.A.C. 19:43-6.2(a)3;
2. Alarm systems for the casino cage, its ancillary office space and any related casino vault, as required pursuant to N.J.A.C. 19:45-1.14(c)2;
3. Alarm systems for any master coin bank located outside the casino cage, as required pursuant to N.J.A.C. 19:45-1.14(d);
4. Alarmed emergency exit door(s) for the casino cage, as required by N.J.A.C. 19:45-1.14(c)3iii;
5. Alarmed doors to casino vaults signaling the closed circuit television system, as required by N.J.A.C. 19:45-1.14(f)3;
6. Alarmed doors to count rooms signaling the monitoring rooms and the casino security department, as required pursuant to N.J.A.C. 19:45-1.32(b)2;
7. Alarm systems providing for a continuous visual signal whenever any access door to the count room is open, as required pursuant to N.J.A.C. 19:45-1.32(e);
8. Alarm systems for any slot cashier window in a slot booth, as required pursuant to N.J.A.C. 19:45-1.34(c);
9. Alarm systems for separate work stations within a keno booth or satellite keno booth, as required pursuant to N.J.A.C. 19:45-1.47(c)1i and (f); and

10. Alarm systems for keno work stations in keno lockers, as required pursuant to N.J.A.C. 19:45-1.47(g)1.

History of prior rule (“Computer recordation and monitoring of slot machines”):

As amended, effective: 05/16/88

As amended, effective: 08/15/88

As amended, effective: 05/18/92

As amended, effective: 04/05/93

As amended, effective: 07/06/93; Operative date: 10/15/93

As amended, effective: 02/07/94

As amended, effective: 10/03/94

Repealed, effective: 12/04/95

New rule:

Adopted, effective: 11/01/99

As amended, effective: 11/06/00

As amended, effective: 10/15/01

As amended, effective: 11/05/01

19:45-1.45 Signatures

(a) Signatures shall:

1. Comply with either of the following requirements:

i. Be, at a minimum, the signer's first initial, last name and Commission license number, written by the signer, and be immediately adjacent to or above the clearly printed or preprinted title of the signer; or

ii. Be the employee's identification number or other computer identification code issued to the employee by the casino licensee, if the document to be signed is authorized by the Commission to be generated by computer, and such method of signature is approved or required by the Commission;

2. Signify that the signer has prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with this regulation and the casino licensee's system of internal accounting control; and

3. Signify that the signer required by this chapter to count or observe gaming chips and plaques has counted or observed the count of such chips and plaques and such count was made by breaking down stacks of chips to the extent necessary.

(b) Signatures records shall be prepared for each person required by the rules of the Commission to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be filed alphabetically by last name either on a company-wide or departmental basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel.

(c) Signature records shall be securely stored in the accounting department, except that signature records stored in electronic form shall be maintained by the MIS Department in a secure format which is backed up regularly to a disk or such other media so that such signature records can be promptly retrieved in the event of a computer failure.

(d) This section shall apply to any signature required in a casino licensee's approved system of internal procedures and administrative and accounting controls, including, without limitation, procedures required by N.J.A.C. 19:46.

Effective: 05/25/78

As amended, effective: 08/06/81

As amended, effective: 10/03/88

As amended, effective: 05/02/94

As amended, effective: 07/17/95

As amended, effective: 01/03/05

19:45-1.46 Procedure for control of coupon redemption and other complimentary distribution programs

(a) For the purposes of this chapter, a complimentary distribution program is a contest or promotion pursuant to which complimentary services or items are provided directly or indirectly by a casino licensee to the public

without regard to the identity or level of gaming activity of the individual recipients. The procedures contained in (c) through (t) below shall apply to casino licensees offering coupon redemption complimentary distribution programs which entitle patrons to use match play coupons or progressive wager coupons or to redeem coupons for complimentary cash, gaming chips, slot tokens , slot credits or simulcast wagers issued in connection with bus and other complimentary distribution programs. No match play coupons, progressive wager coupons, complimentary cash, gaming chips, slot tokens or slot credits may be distributed, or complimentary simulcast wagers accepted, by a casino licensee under any coupon redemption complimentary distribution program that does not comply with the requirements of this section. Detailed procedures controlling complimentary distribution programs regulated by (c) through (t) below shall be prepared prior to implementation and maintained by the casino accounting department. A coupon redemption complimentary distribution program may also allow patrons to use or redeem electronic transfer credits through the use of a coupon inserted into an electronic transfer credit system approved pursuant to N.J.A.C. 19:45-1.37A, provided that the storage, issuance, verification, redemption and reconciliation of such coupons is accomplished in a manner approved by the Commission.

(b) Detailed procedures controlling all complimentary distribution programs entitling patrons to complimentary cash, slot tokens, or slot credits not regulated by (a) above shall be prepared prior to implementation of the programs and shall be maintained by the casino accounting department. Complimentary items or services, including cash, slot tokens, slot credits or simulcast wagers, distributed through programs regulated by this subsection shall be reported in accordance with the procedures contained in (m) and (o) below.

(c) Each coupon or part thereof issued by a casino licensee directly or through an authorized vendor shall only be redeemable for a specific amount of cash, gaming chips, slot tokens, slot credits or simulcast wagers.

(d) All coupons issued pursuant to this section shall contain a serial number which shall contain at least one number, symbol or character unique to coupons, so as to visually differentiate coupons from gaming vouchers. Additionally, if a gaming voucher system is being used to redeem coupons, coupons created pursuant to N.J.A.C. 19:45-1.55(l)2v (a coupon that is not associated with a specific patron account or patron identification card at the time of its creation, and is being redeemed by a gaming voucher system) shall be visually distinguishable (for example, by using paper or card stock of a different color) from coupons created pursuant to N.J.A.C. 19:45-1.55(l)2iii and iv (a coupon that is associated with a specific patron account or patron identification card at the time of its creation). Each series of coupons shall be issued in sequential order. Each coupon shall be printed with a description of what is being offered, the location where which it may be redeemed, and either a statement specifying the date on which the coupon becomes invalid or some other means to indicate the date when a coupon becomes invalid. If a coupon is of a type that is devisable into sections or is multipart, each such separate part or copy shall contain the information required by this subsection.

(e) The provisions of this subsection and (f) through (h) and (k) below shall only apply to coupons that will be distributed directly to patrons by a casino licensee. Coupons received by a casino licensee from a manufacturer or distributor or produced internally by the casino licensee pursuant to (t) below shall be opened and examined by at least one member of the accounting department. Any deviations between the invoice or control listing accompanying the coupons, the purchase or requisition order, and the actual coupons received shall be reported promptly to the supervisor of the casino accounting department or to a higher authority in a direct reporting line and the Internal Audit Department.

1. Upon examination of the coupons received, the casino licensee shall cause to be recorded in a Coupon Control Ledger the type and quantity of coupons received, the date of such receipt, the beginning serial number, the ending serial number, the new quantity of unissued coupons on hand, the

purchase order or requisition number, any deviations between the number of coupons ordered and received and the signature of any individual who examined such coupons.

2. All unissued coupons shall be stored in a secured and locked area, controlled by an accounting department supervisor.

3. A representative from the accounting department shall prepare a monthly inventory of unissued coupons. Any deviations between the coupon inventory and the Coupon Control Ledger shall be reported to the Casino Controller or to a higher in a direct reporting line.

4. For purposes of this section, "accounting department" shall be deemed to refer to any accounting personnel employed by the casino licensee who report in a direct line to the supervisor of the casino accounting department.

(f) A representative of the casino licensee shall estimate the number of coupons needed by shift each day. An accounting department representative shall obtain the quantity of coupons to be issued. If a date indicating when the coupon becomes invalid is not preprinted thereon, the accounting department representative shall affix a stamp indicating the date the coupon becomes invalid or shall issue color coded coupons indicating the date that the coupon becomes invalid. The following, at a minimum, shall be recorded in the Coupon Control Ledger:

1. The date the coupons were issued;
2. The type of coupons issued;
3. The beginning serial number of the coupons issued;
4. The ending serial number of the coupons issued;
5. The quantity issued and the quantity remaining; and
6. The signatures of the accounting department representative issuing the coupons and such other department's representative receiving the coupons.

(g) The casino licensee shall require unused coupons obtained from the accounting department representative to be stored in a locked cabinet until

they are distributed to patrons. Any coupons remaining unused at the end of a shift shall either be returned to the Accounting Department for receipt and redistribution or kept for use by the following shift provided accountability between shifts is maintained. All expired coupons must be returned to the Accounting Department on a daily basis. Any coupons that are not used by the date indicated on the coupons when they become invalid shall be voided when returned to the Accounting Department.

(h) Documentation, as required by the casino licensee, shall be prepared by a representative of the casino licensee for the distribution of coupons to patrons. The documentation shall have the following information, at a minimum, recorded on it:

1. The date and time, or shift of preparation;
2. The type of coupons used;
3. The beginning serial number of the coupons used;
4. The ending serial number of the coupons used;
5. The total number of coupons used;
6. Independent verification of the number of people receiving the coupons, e.g., bus driver's manifest;
7. The total number of coupons remaining for use by the next shift or returned to the accounting department; and
8. The signature(s) of the casino licensee's representative who distributed the coupons.

(i) No casino licensee shall issue or use a match play coupon, a progressive wager coupon or a coupon for slot credits for gaming purposes until a sample coupon has been submitted to and approved by the Commission.

1. A coupon redeemable for gaming chips, a match play coupon and a progressive wager coupon shall be designed and printed so that the denomination and type of the coupon is clearly visible from the closed circuit television system when accepted or being wagered at a gaming table and when deposited in a drop box. A match play coupon shall contain an area

designated for the placement thereon of the required gaming chips, which area shall be located on the coupon so as not to obscure or interfere with visibility of the type and denomination of the coupon.

2. A casino licensee may, in its discretion and upon fair notice to the public, issue coupons for cashable or non-cashable slot credits. A slot credit is cashable if it can be converted into cash by the patron; a slot credit is non-cashable if it cannot be converted into cash by the patron but can only be used to activate play at a slot machine.

i. No winning slot machine wager, including a winning wager made with a non-cashable slot credit, shall be paid with non-cashable slot credits.

ii. If a slot machine has both cashable and non-cashable slot credits available for play, all non-cashable slot credits shall automatically be wagered before any cashable slot credits are wagered.

iii. A coupon for non-cashable slot credits shall contain a conspicuous notice that it cannot be redeemed for cash and may only be redeemed for non-cashable slot credits at a slot machine. Such a coupon, as well as all written promotional materials and application forms relating to such credits shall disclose all restrictions upon the use of non-cashable slot credits, including, at a minimum, notice that a non-cashable slot credit cannot be converted into cash, must be wagered or abandoned, and is automatically wagered before any cashable slot credits are wagered. Such a coupon shall also be designed and printed so that the denomination and non-cashable status of the coupon is visually distinguishable from a coupon for cashable slot credits, and is also distinguishable from a coupon for cashable slot credits by a system which reads, verifies, validates and accepts or rejects coupons for cashable and non-cashable slot credits.

(j) Coupons shall be redeemed in the following manner:

1. Coupons redeemable for coin, currency or slot tokens shall only be redeemed by changepersons or at the slot or keno booths, the cashiers' cage, or at any other location within the casino hotel facility approved by the

Commission in a casino licensee's internal control submission. A changeperson, slot cashier or general cage cashier shall accept the coupons in exchange for the stated amount of cash or slot tokens, or a keno writer shall accept the coupons in exchange for the stated amount of cash or keno ticket, and shall cancel the coupons upon acceptance. A coupon redeemable for currency may also be redeemed by slot attendants, who shall accept the coupon in exchange for the stated amount of currency and shall cancel the coupon upon acceptance. Cancellation of coupons by changepersons and slot attendants shall be in a manner that will permit subsequent identification of the individual who accepted and canceled the coupon.

i. Redeemed coupons shall be maintained by the slot or general cashier or keno writer and shall be exchanged with the Main or Master Coin Bank at the conclusion of gaming activity each day, at a minimum.

ii. Notwithstanding the above, an automated coupon redemption machine, gaming voucher redemption machine or bill changer may be utilized to accept coupons provided that:

(1) The acceptance of coupons by an automated coupon redemption machine complies with this section and N.J.A.C. 19:45-1.46A;

(2) The acceptance of coupons by a gaming voucher redemption machine complies with this section and 19:46-1.28B; and

(3) The acceptance of coupons by a bill changer complies with this section and N.J.A.C. 19:45-1.46B.

iii. If coupons are mailed to a patron pursuant to (q) or (r) below, an automated coupon redemption machine, gaming voucher redemption machine or bill changer may be used for redemption only if these devices have the capability to perform and document the verification required by (q)5 below and to verify and document the identity of the patron as required by (q)6 below.

2. Coupons redeemable for electronic transfer credits shall only be redeemed at a slot booth, the cashiers' cage or at a slot machine connected to an electronic transfer credit system approved pursuant to N.J.A.C. 19:45-1.37A. The electronic transfer credit system shall verify the validity of the

coupons prior to redemption, and shall electronically cancel the coupons in a manner approved by the Commission.

i. A slot cashier or general cage cashier shall redeem the coupons only in exchange for the amount of cash stated thereon. A record of redeemed coupons shall be maintained by the slot cashier or general cage cashier and shall be exchanged with the Main or Master Coin Bank at the conclusion of each cashier's shift, at a minimum.

ii. A record, separate from the record required pursuant to N.J.A.C. 19:45-1.37A(f), shall be generated at the end of each gaming day and maintained by the casino licensee. This record shall, at a minimum, identify the dollar value and identification number of each coupon redeemed at each slot machine, the date and time each coupon was redeemed, and the asset number of the slot machine at which the coupon was redeemed.

3. Coupons redeemable for simulcast wagers shall only be accepted by casino pari-mutuel cashiers at the simulcast counter in exchange for the simulcast wagers stated on the coupons. Cancellation of coupons by casino pari-mutuel cashiers shall be in a manner that permits subsequent identification of the individual who accepted and cancelled the coupon. Redeemed coupons shall be maintained by the casino pari-mutuel cashier, or in the simulcast vault, and shall be exchanged with the Main Bank for a like amount of cash not less frequently than at the conclusion of each day.

4. A coupon redeemable for gaming chips shall be redeemed only:

i. At a gaming table and only by a dealer or boxperson, who shall, in accordance with N.J.A.C. 19:45-1.18, accept the coupon in exchange for the stated amount of gaming chips and shall deposit the coupon into the drop box upon acceptance; or

ii. By a chipperson, who shall accept the coupon only from a patron seated at a poker table at which a game is in progress, in exchange for the stated amount of gaming chips and shall cancel the coupon upon acceptance. The coupon shall be cancelled in a manner that will permit subsequent identification of the individual who accepted and cancelled the

coupon. The cancelled coupons shall be exchanged with the main bank at the conclusion of the chipperson's shift, at a minimum.

5. A match play coupon shall be redeemed only at a gaming table which offers an authorized game in which patrons wager only against the house and, except for the Pass and Don't Pass wagers in craps and the Red, Black, Odd, Even, 1-18, 19-36, 1st 12, 2nd 12, and 3rd 12 wagers in roulette, which has an individual betting area for each player on the gaming table layout. Such a coupon shall be redeemed only by a dealer, and only if accompanied by the proper amount of gaming chips required by the coupon. The dealer shall, in accordance with N.J.A.C. 19:45-1.18, accept the coupon as part of the patron's wager and deposit the coupon into the drop box after the wager is won or lost.

6. A progressive wager coupon shall be redeemed only at an authorized game offering progressive payout wagers pursuant to N.J.A.C. 19:45-1.39B. Such a coupon shall be redeemed only by a dealer. The dealer shall, in accordance with N.J.A.C. 19:45-1.18, redeem the progressive wager coupon by placing a chip from the table inventory container that is equal in value to the progressive wager coupon into the progressive wager acceptor device and depositing the progressive wager coupon immediately into the drop box.

(k) When unused and expired coupons are returned to the Accounting Department, a representative of the Accounting Department shall record the following information in the Coupon Control Ledger:

1. The date the coupons were returned;
2. The type of coupons returned;
3. The beginning serial number of the coupons returned;
4. The ending serial number of the coupons returned;
5. The quantity returned and the quantity remaining;
6. The signatures of the accounting department representative receiving the returned unused coupons and such other department's representative returning the unused coupons.

(l) All documentation, unused coupons, voided coupons, coupons returned by the post office, and redeemed coupons maintained in conformity with (g), (h), (i) and (j) above and (q) and (r) below shall be forwarded on a daily basis to the accounting department where they shall be:

1. Reviewed for the propriety of signatures on documentation and for proper cancellation of all coupons;

2. Recounted and examined for proper calculation, summarization and recording on documentation, including, without limitation, the Master Game Report;

3. Reconciled by:

i. Total number of coupons given to representatives of the department making distribution to patrons, returned for reissuance, distributed to patrons, voided, returned by the post office and redeemed; or

ii. Total number of coupons mailed by an authorized vendor, returned by the post office and redeemed;

4. Reconciled by number and dollar value, if a gaming voucher system is used to redeem coupons in accordance with N.J.A.C. 19:45-1.46B and 1.55(l), with all of the following:

i. Coupon data created in another casino computer system;

ii. Coupons distributed to patrons;

iii. Coupon data transferred to the gaming voucher system by another casino computer system;

iv. Coupon data received by the gaming voucher system from another casino computer system; and

v. Coupons presented for redemption by patrons and subsequently verified and accepted by the gaming voucher system;

5. If the coupon was created and redeemed pursuant to N.J.A.C. 19:45-1.55(l)2v (a coupon not associated with a specific patron account or patron identification card at the time of its creation), verified as to its face value by casino accounting, by comparing a sample of the actual coupons, which sample shall be different from the sample required by N.J.A.C. 19:45-1.33(i)

and consist of at least five percent of such coupons or is created by using a sampling method approved by the Commission with at least a 95 percent confidence level, to a secure copy of the coupon mail file that created them and the casino computer system redemption file. Any variations shall be immediately reported to the casino controller, the MIS Manager and the Commission; an investigation shall promptly be conducted to determine the actual or probable cause of the variation and the possible scope of the incident;

6. Subsequently recorded; and

7. Maintained and controlled by the accounting department until destruction of the coupons is approved by the Commission.

(m) Each casino licensee shall:

1. Prepare a quarterly report for all programs regulated by (a) above, which shall list, by type of coupon, the total number of coupons used, the total number of coupons redeemed, the total value of the complimentary cash, gaming chips, slot tokens, match play coupons, progressive wager coupons or simulcast wagers given to patrons in redemption of coupons and any liability to patrons remaining on unredeemed coupons, which report shall be made available upon request by the Commission or Division; and

2. Prepare a quarterly report for all programs regulated by (b) above, which shall list, by program offered during the quarter, a description of the complimentary items and services provided, the total number of persons receiving complimentary items or services, the total dollar amount of complimentary items or services provided, and the names of all persons receiving a complimentary item or service in a dollar amount greater than \$1000.00. Such report shall be available upon request by the Commission or Division.

(n) The report shall be signed by the Casino Controller, or a higher authority in a direct reporting line, indicating that no material discrepancies were noted for the period covered by the report or if a material discrepancy is noted it shall be explained in detail.

(o) In addition to the reports required in (m) above, the casino licensee shall accumulate both the dollar amount of and the number of persons redeeming coupons pursuant to (a) above, and the dollar amount of and the number of persons receiving complimentary items or services pursuant to (b) above, and shall include this information on the quarterly complimentary report required by N.J.A.C. 19:45-1.9. Complimentary items or services, including match play coupons and progressive wager coupons, cash, gaming chips, slot tokens and simulcast wagers, distributed through programs regulated by this section shall not be subject to the daily complimentary reporting requirements imposed pursuant to N.J.A.C. 19:45-1.9.

(p) Prize tokens shall not be distributed as complimentary services or items pursuant to this section.

(q) A casino licensee that intends to mail coupons regulated by (a) above directly to its patrons shall not be required to comply with the requirements of (h) above but shall be required to include the following additional procedures, at a minimum, in its internal controls:

1. If the casino licensee utilizes a gaming voucher system to redeem coupons in accordance with the provisions of N.J.A.C. 19:45-1.46B and 1.55(l), the casino licensee shall prepare and maintain in another casino computer system, for the time period during which the coupon is valid, a coupon control file as required by N.J.A.C. 19:45-1.55(l), or if a gaming voucher system is not utilized to redeem coupons, a list of each patron to whom a coupon shall be mailed, which coupon control file or list shall include, at a minimum, the following information:

- i. The patron name (not required for a coupon control file);
- ii. The patron address (not required for a coupon control file);
- iii. The patron identification number;
- iv. The coupon denomination, and if redeemable for slot credits, whether the credits are cashable or non-cashable;
- v. The coupon expiration date; and

vi. A unique coupon serial number which shall include a method of identifying the casino licensee issuing the coupon.

2. Each coupon issued pursuant to this subsection shall include a bar code or magnetic strip that will enable the casino computer system to identify the information required by (q)1 above.

3. The information required by (q)1 above shall be provided to the accounting department, which shall maintain this information for purposes of the reconciliation required by (l) above.

4. The envelopes used to mail the coupons shall include the casino licensee's address as the return address and shall request the return of the envelope to the sender if not deliverable to the addresses. The return of any coupon by the post office shall be recorded by the casino licensee in its casino computer system.

5. Prior to the redemption of a coupon issued pursuant to this subsection or upon electronic cancellation pursuant to (s) below, the casino licensee shall be required to verify the validity of the coupon by comparing the coupon serial number maintained in its other casino computer system pursuant to (q)1vi above or a control number, which is derived from the patron's identification number and the coupon's serial number, with the coupon serial number or control number recorded in the coupon's bar code or magnetic strip. This verification may be performed electronically. The casino licensee shall not redeem the coupon unless the casino licensee also confirms that:

- i. The coupon has not expired; and
- ii. The coupon has not been previously redeemed.

6. Prior to redemption of any coupon with a value of more than \$500.00 issued pursuant to this subsection, the casino licensee shall be required to verify the identity of the patron in order to confirm that he or she is the person to whom the coupon was mailed.

7. All coupons issued pursuant to this subsection shall be redeemed in accordance with (j) above and shall be electronically canceled in

the casino computer system immediately upon redemption or in accordance with (s) below so as to preclude subsequent redemption of the same coupon. On a daily basis, a report shall be generated of all coupons that are electronically canceled. This report shall contain, at a minimum, a list of the serial numbers of the canceled coupons and shall be forwarded, on a daily basis, to the accounting department for purposes of the reconciliation required by (l) above.

(r) Any casino licensee that intends to authorize a person (including any holding, intermediary or subsidiary company of the casino licensee), to print and mail coupons regulated by (a) above directly to the casino licensee's patrons shall be required to comply with the provisions of (q)1 through 7 above and shall include the following additional procedures, at a minimum, in its internal controls:

1. The casino licensee shall provide the coupon printer/mailler via electronic or magnetic tape medium a list of the information required by (q)1 above for each patron to whom a coupon shall be mailed.

2. The coupon printer/mailler shall print coupons only for the patrons authorized by the casino licensee pursuant to (r)1 above. Within 48 hours of mailing any coupons, the coupon printer/mailler shall provide documentation to the casino licensee's accounting department regarding the coupons that were printed and mailed. This documentation shall include the serial numbers of the coupons that were printed and mailed and a representation, signed by an officer or partner of the coupon printer/mailler, that only the coupons requested by the casino licensee were printed and mailed and that any misprints were destroyed.

3. The coupon printer/mailler may include material other than the coupon in the mailing if authorized by the casino licensee.

4. The casino licensee shall develop procedures for reconciling the total number of coupons authorized for issuance by the casino licensee pursuant to (r)1 above to the total number of coupons mailed by the coupon printer/mailler, returned by the post office and redeemed by patrons and shall

calculate the daily outstanding liability of the casino licensee for unredeemed coupons issued pursuant to this subsection.

(s) Notwithstanding (q)5 and 7 above, a casino licensee may accept a coupon which has been mailed to a patron without first verifying its validity and without immediately canceling the coupon electronically in the other casino computer system if:

1. The value of the coupon is \$500.00 or less;
2. The coupon is redeemed by a general cashier, dealer at a gaming table, slot attendant, changeperson, chipperson or slot cashier;
3. The general cashier, dealer, slot attendant, changeperson, chipperson or slot cashier verifies the expiration date contained on the coupon and confirms the coupon has not expired;
4. The coupon is physically canceled in some manner and physically segregated and secured until verified and electronically canceled; and
5. The coupon is verified in the other casino computer system, pursuant to (q)1 and 5 above, and electronically canceled in the system within eight hours of acceptance; provided, however, that a coupon accepted by a dealer at a gaming table and deposited into that table's drop box may be verified and canceled when the drop box is removed from the table and taken to the count room.

(t) A casino licensee may, through its MIS department or any other department as approved by the Commission, internally manufacture or print coupons that are governed by (a) above provided that internal controls governing the production and subsequent reconciliation of such coupons are submitted to and approved by the Commission.

(u) Nothing in this chapter shall prevent a patron from causing a coupon to be printed upon demand at an approved location in a casino hotel, pursuant to approved internal control procedures.

Effective: 06/07/82 Operative: 7/15/82
As amended, effective: 01/21/85

As amended, effective: 05/16/88
As amended, effective: 03/18/91
As amended, effective: 12/21/92
As amended, effective: 01/19/93
As amended, effective: 02/16/93
As amended, effective: 04/05/93
As amended, effective: 07/06/93
As amended, effective: 10/04/93
As amended, effective: 02/07/94
As amended, effective: 03/21/94
As amended, effective: 06/20/94
As amended, effective: 10/03/94
As amended, effective: 11/21/94
As amended, effective: 06/05/95
As amended, effective: 08/21/95
As amended, effective: 01/02/96
As amended, effective: 03/18/96
As amended, effective: 12/02/96
As amended, effective: 03/03/97
As amended, effective: 10/06/97
As amended, effective: 10/20/97
As amended, effective: 02/02/98
As amended, effective: 11/02/98
As amended, effective: 11/01/99
As amended, effective: 01/02/01
As amended, effective: 01/05/04
As amended, effective: 08/15/05
As amended, effective: 04/16/07
As amended, effective: 08/18/08
As amended, effective: 12/06/10

19:45-1.46A Procedures and requirements for the use of an automated coupon redemption machine

(a) All coupons utilized with or accepted by an automated coupon redemption machine shall be accounted for and controlled pursuant to N.J.A.C. 19:45-1.46 unless otherwise authorized by the Commission.

(b) All coupons accepted by an automated coupon redemption machine shall have encoded thereon, in addition to the requirements of N.J.A.C. 19:45-1.46(d), a bar code which contains either the dollar value of the coupon or a serial number and a unique code or other security measure as approved by the

Commission, that is readable only by the automated coupon redemption machine to ensure that the coupon is valid.

(c) Each automated coupon redemption machine shall establish the validity and value of the coupon by either:

1. Comparing the value and the unique code or other security measure contained in the bar code on the coupon referenced in (b) above to the information programmed into the machine; or

2. Causing the coupon acceptance system to compare the serial number in the bar code on the coupon referenced in (b) above to the information programmed into the system, after which the system shall inform the automated coupon redemption machine whether or not the coupon is valid and, if valid, the value of the coupon.

(d) The method or methods utilized to comply with the requirements referenced in (c) above shall be submitted to and approved by the Commission.

(e) Each automated coupon redemption machine shall, at a minimum, accumulate the following data on a meter or a computer generated tape:

1. The total amount of currency, coin or slot tokens dispensed by the automated coupon redemption machine; and

2. The total dollar amount of coupons accepted by the automated coupon redemption machine.

(f) Automated coupon redemption machines may be located on or immediately adjacent to the casino floor, provided that closed circuit television coverage of all automated coupon redemption machines is provided, pursuant to N.J.A.C. 19:45-1.10 and 1.11. Each automated coupon redemption machine shall have imprinted, affixed or impressed on the outside of the machine a unique asset identification number. Each automated coupon redemption machine shall contain a lockable coupon storage box which retains the coupons accepted by the machine. Each coupon storage box located inside the machine shall also have imprinted, affixed or impressed thereon the asset identification number of the corresponding machine.

(g) Each automated coupon redemption machine shall have, at a minimum, the following:

1. One lock securing the compartment housing the coupon storage box and one lock securing the coupon storage box within the compartment, the keys to which shall be different from each other. Such keys shall be controlled by two separate departments or by different employees of the slot department;

2. One lock securing the currency dispensing compartment housing the currency cassettes, the key to which shall be controlled by the slot department;

3. One lock securing the compartment housing the coin storage container, the key to which shall be controlled by the slot department; and

4. One lock securing the contents of the coupon storage box, the key to which shall be different from the keys referenced in (g)1 through 3 above. Such key shall be controlled by an employee of the slot department other than the employees controlling the keys referenced in (g)1 through 3 above.

(h) At least once each gaming day, a slot cashier shall remove the coupons accepted by the automated coupon redemption machine. Any currency, coin or slot tokens removed from the automated coupon redemption machine during the removal of coupons or during any other time shall be placed in a secured container, as approved by the Commission, with the automated coupon redemption machine asset identification number attached or recorded thereon. Upon removal of the coupons and/or currency, coins or slot tokens from the automated coupon redemption machine, a serially prenumbered three-part form, at a minimum, shall be prepared by the slot cashier. Each series of forms shall be used in sequential order, and the series numbers of all forms received by a casino shall be accounted for by employees with no incompatible functions. All original, duplicate and triplicate void forms shall be marked "VOID" and shall require the signature of the preparer. The following copies shall contain, at a minimum, the following information:

1. The original and the duplicate and triplicate copies of the form shall contain, at a minimum, the following information:

- i. The date and time of preparation;
- ii. The denomination of the automated coupon redemption machine;
- iii. The automated coupon redemption machine asset identification number;
- iv. The total amount of currency, coin or slot tokens appearing on the meter or computer generated tape as dispensed by the automated coupon redemption machine;
- v. The total dollar amount of coupons of the converted value of coupons appearing on the meter or computer generated tape as accepted by the automated coupon redemption machine; and
- vi. The signature of the slot cashier who removed the coupons and/or currency, coin or slot tokens from the automated coupon redemption machine.

2. The original form shall contain the following information in addition to the information in (h)1 above:

- i. The total dollar amount of coupons received from the security representative referenced in paragraph vii above and counted by a master coin bank cashier or a slot cashier, other than the slot cashier who removed the coupons from the machine;
- ii. The total dollar amount of currency, coin or slot tokens removed by the slot cashier referenced in (h)1vi above and counted by a master coin bank cashier or a slot cashier, other than the slot cashier who removed the currency or coins from the machine;
- iii. Any additional information as may be required by the Commission to reconcile the coupons removed from the automated coupon redemption machine; and
- iv. The signature of the master coin bank cashier or slot cashier who received and counted the coupons and/or coin or slot tokens.

(i) The slot cashier shall:

1. Prepare the form referenced in (h) above by recording the information in (h)1i through v above;
2. Sign the form; and
3. Place the triplicate copy of the form in the automated coupon redemption machine for subsequent accounting.

(j) Upon removal from the automated coupon redemption machine, the slot cashier shall transport the coupons, currency, coin or slot tokens to the slot booth or master coin bank.

(k) A master coin bank cashier or a slot cashier, other than the slot cashier who removed the coupons and any currency, coin or slot tokens from the automated coupon redemption machine, shall:

1. Count the coupons, currency and coin or slot tokens and record such amounts on the original copy of the form;
2. Reconcile the amount(s) counted to the amount(s) recorded in accordance with (h)1iv and v above;
3. Sign the original form attesting to the reconciliation; and
4. Retain the original copy of the form for subsequent forwarding to accounting at the end of the gaming day.

(l) Each automated coupon redemption machine shall cause any coupon that is accepted to be cancelled immediately upon exchange, in a manner approved by the Commission, so that the coupon is not redeemable in accordance with N.J.A.C. 19:45-1.34(a) or acceptable by a slot machine's bill changer, an automated coupon redemption machine or a gaming voucher redemption machine.

(m) Whenever currency, coins or slot tokens are distributed to an automated coupon redemption machine, a serially prenumbered three-part form, at a minimum shall be prepared by a slot cashier. Each series of forms shall be used in sequential order, and the series numbers of all slips received by a casino shall be accounted for by employees with no incompatible functions. All original, duplicate and triplicate copies of void forms shall be

marked "VOID" and shall require the signature of the preparer. The slot cashier shall:

1. Record the following information on the original and all copies of the form:
 - i. The date and time of preparation;
 - ii. The automated coupon redemption machine asset identification number;
 - iii. The dollar amount of currency or, if coin or slot tokens, the number of bags and the dollar amount of each bag to be distributed; and
 - iv. The total dollar amount of the fill.
2. Present the original and all copies of the form to the master coin bank cashier;
3. Obtain the signature of the master coin bank cashier who prepared the currency, coins or slot tokens for distribution to the automated coupon redemption machine;
4. Present the original copy of the form to the master coin bank cashier;
5. Transport the duplicate and triplicate copies of the form, along with the funds, to the automated coupon redemption machine;
6. Sign the duplicate copy of the form; and
7. Place the duplicate copy of the form in the automated coupon redemption machine until forwarded to accounting at the end of the gaming day and return the triplicate copy to the master coin bank cashier to be matched with the original copy.

(n) At the end of each gaming day, at a minimum, the original, duplicate and triplicate copies of the forms referenced in (h), (i), (j), (k), (m) and (n) above shall be forwarded to the accounting department for agreement and shall be used to reconcile each automated coupon redemption machine in a manner as approved by the Commission.

(o) Notwithstanding this section, in addition to accepting coupons, an automated coupon redemption machine may accept currency for changing bills

of one denomination into bills of a smaller denomination and coin in exchange for currency, provided the procedures governing the control and reconciliation of coupons, currency and coin removed from the machine are approved by the Commission.

(p) Prize tokens shall not be dispensed from automated coupon redemption machines.

Effective: 03/18/91

As amended, effective: 03/02/92

As amended, effective: 04/05/93

As amended, effective: 02/07/94

As amended, effective: 10/03/94

As amended, effective: 12/01/03

As amended, effective: 04/16/07

19:45-1.46B Procedures and requirements for a bill changer which can accept coupons

(a) Each bill changer which can accept coupons shall either:

1. Be able to establish the value and validity of each coupon inserted therein, by interpreting the coded information which must be contained on the coupon pursuant to (b) below; or

2. Be connected to an approved gaming voucher system which satisfies the requirements of N.J.A.C. 19:45-1.55 and is able to establish the dollar value and validity of each coupon inserted in the bill changer, by interpreting the coded information contained on the coupon pursuant to (b) below.

(b) In addition to complying with the requirements of N.J.A.C. 19:45-1.46, each coupon which can be accepted by a bill changer shall contain encoded data that identifies the dollar value of the coupon and such other information as the Commission may require. Each coupon shall also contain a unique code or other security measure, which can be interpreted only by the bill changer or gaming voucher system, to ensure that the coupon is valid.

(c) The methods by which a bill changer or gaming voucher system and each coupon which can be accepted thereby will comply with the requirements of (a) and (b) above shall be submitted to and approved by the Commission before any such bill changer, gaming voucher system or coupon may be used by a casino licensee.

(d) Unless the slot machine to which the bill changer is attached contains the coupon meters identified in N.J.A.C. 19:45- 1.37(e)3 and 19:46-1.26(d), a bill changer which can accept coupons shall be equipped with mechanical, electrical or electronic devices as follows:

1. A "numerical coupon meter" that continuously, automatically and separately counts the total number of all coupons accepted by the bill changer; and

2. A "value coupon meter" that continuously, automatically and separately counts the total dollar value of all coupons accepted by the bill changer.

(e) Each coupon accepted by a bill changer shall be deposited and stored in the bill changer's slot cash storage box. Each such coupon shall be counted as part of the slot cash storage box drop in accordance with the count procedures in N.J.A.C. 19:45-1.33 and recorded on the Slot Win Sheet or supporting documentation in accordance with the requirements of N.J.A.C. 19:45-1.43.

(f) Each coupon accepted by a bill changer shall be cancelled in a manner approved by the Commission which shall prevent the acceptance of the cancelled coupon by any bill changer, any automated coupon redemption machine or any other form of authorized redemption. The coupon shall be cancelled:

1. By the bill changer, a gaming voucher system or another approved casino computer system immediately upon acceptance; or

2. In the count room prior to the conclusion of the count, pursuant to N.J.A.C. 19:45-1.33(h)10.

(g) Unless otherwise authorized by the Commission, any coupon which can be accepted by a bill changer shall be accounted for and controlled pursuant to N.J.A.C. 19:45-1.46.

As adopted, effective: 02/07/94

As amended, effective: 10/03/94

As amended, effective: 01/06/03

As amended, effective: 12/06/10

19:45-1.47 Keno booths; satellite keno booths; keno lockers; roving keno work stations

(a) Keno gaming operations shall only be conducted in a separate and distinct area approved by the Commission, although a casino licensee may conduct the same keno game or different keno games in separate approved areas. Any area designated for keno gaming activity shall be located:

1. On the casino floor;
2. In a casino simulcasting facility; or
3. In a public keno area in accordance with the provisions of

N.J.A.C. 19:45-1.47B.

(b) Any area designated for keno may contain a physical structure known as a keno booth to house the keno writers and to serve as the central location for the following:

1. The custody of the keno booth inventory, including currency, coin, coupons, gaming chips, slot tokens, and forms and documents normally associated with the operation of a keno booth;
2. The exchange by patrons of coupons for currency, coin or keno tickets in conformity with N.J.A.C. 19:45-1.46(j);
3. The receipt of currency, coin, gaming chips, coupons and slot tokens for wagering at the game of keno;
4. The issuance of cash to patrons upon the presentation of a recognized credit or debit card in accordance with N.J.A.C. 19:45-1.25(i);
5. The payment of winning wagers at the game of keno; and

6. Such other functions normally associated with the operation of a keno booth.

(c) The keno booth shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein, and shall include the following:

1. Separate work stations which shall include:
 - i. Manually triggered silent alarm systems connected directly to the monitoring rooms of the closed circuit television system, the security department office and the on-site office of the Division;
 - ii. A computer terminal which shall be used to issue keno tickets and calculate payouts for winning keno tickets; and
 - iii. An area for the storage of a keno drawer.
2. A segregated area for the storage of the keno computer equipment. The location and security of the keno computer equipment shall be approved by the Commission. Nothing herein shall preclude a casino licensee from storing its keno computer equipment in another segregated and secure area of the casino hotel facility, provided that the location of and the security measures for such area have been approved by the Commission.

(d) In addition to the requirements in (c) above, a keno booth may contain the following:

1. A segregated and secure area for the storage of locked keno drawers pursuant to N.J.A.C. 19:45-1.48; and
2. A segregated and secure area, maintained on an imprest basis by the keno supervisor, which may be used to establish opening keno inventories and complete keno fills and keno credits pursuant to the requirements of this chapter.
 - i. The casino licensee shall submit for review and approval procedures governing how this area will be maintained on an imprest basis. In addition, each keno supervisor shall prepare a count sheet to record the opening and closing balance for their shift which shall be signed by both the incoming and outgoing keno supervisor.

(e) If a keno booth is designed so as to be immediately adjacent to the cashiers' cage or a satellite cage and access to the keno booth is through the cashiers' cage or satellite cage, the casino security department escort otherwise required by N.J.A.C. 19:45-1.48, 1.49 and 1.50 for the transportation of keno drawers and keno fills and credits shall not be required.

(f) A casino licensee may, in its discretion, operate one or more satellite keno booths. All the provisions of this subchapter governing the operation of a keno booth shall apply to a satellite keno booth with the exception of the following:

1. The keno games for which wagers are accepted at a satellite keno booth must be the same keno games for which wagers are accepted at the keno booth;
2. The only keno computer equipment which may be located at a satellite keno booth shall be the computer terminals used by the keno writers to issue keno tickets and calculate payouts of winning keno tickets;
3. A satellite keno booth may not contain a separate area for the storage of currency and coin pursuant to (d) above; and
4. A satellite keno booth may operate without the presence of a keno supervisor; however, a keno writer at a satellite keno booth may not redeem a winning keno ticket for \$1,500 or more unless the payment is authorized by obtaining the signature of a keno supervisor or a supervisor thereof in accordance with N.J.A.C. 19:47-15.6(b).

(g) A casino licensee may, in its discretion, permit a keno runner to generate and redeem keno tickets from a keno locker located on the casino floor, in the casino simulcasting facility or other secure location as approved by the Commission. Each keno locker shall be a fully enclosed structure and shall contain one keno work station. A keno locker shall be closed and locked whenever it is unattended by a keno runner. A keno work station in a keno locker shall include:

1. A manually triggered silent alarm system connected directly to the monitoring rooms of the closed circuit television system, the casino security department office and the on-site office of the Division;

2. A computer terminal which shall be used to issue keno tickets and calculate payouts for winning keno tickets;

3. An area for the storage of one or more keno drawers, which area shall only be used by a keno runner selling or redeeming keno tickets from that keno locker; and

4. A light that is located above the work station and is visible from outside the keno locker, which light shall automatically illuminate whenever the door to the keno locker is open.

(h) A casino licensee may, in its discretion, operate roving keno work stations which contain a keno terminal and a keno drawer. The roving keno work station shall be:

1. Operated by a keno writer in accordance with the rules of this Chapter and N.J.A.C. 19:47; and

2. Operated on the casino floor, in the casino simulcasting facility or in a public keno area in accordance with the provisions of N.J.A.C. 19:45-1.47B; provided, however, if a roving keno work station shall be operated in a public keno area, the keno writer shall receive and return his or her imprest funds and perform all fills and credits in a restricted casino area approved by the Commission for such activity.

As adopted, effective: 06/05/95

As amended, effective: 09/16/96

As amended, effective: 03/16/98

As amended, effective: 04/06/98

As amended, effective: 03/17/03

As amended, effective: 05/03/04

19:45-1.47A Keno runners

(a) A casino licensee may employ one or more “keno runners” to assist in the conduct of keno. A keno runner may act as an intermediary between a patron and a keno writer in order to facilitate the placement or redemption of a keno wager. A keno runner may also accept and redeem keno wagers at a keno booth, satellite keno booth or keno locker without the assistance of a keno writer provided that:

1. The keno runner operates out of his or her own keno drawer and, if applicable, pouch or wallet; and
2. The casino licensee’s approved keno system can generate the reports necessary for the accounting and reconciliation of the assets and documents contained in the keno drawer of each keno runner.

(b) A keno runner may, in accordance with internal controls approved by the Commission, carry an imprest fund of currency for the purpose of and giving change to patrons who make keno wagers. Such funds may be issued from the keno vault, the main bank or the master coin bank, but shall not be issued by a keno writer. A keno runner who generates and redeems keno tickets at a keno work station and utilizes a winning keno ticket report to verify and directly redeem winning keno tickets pursuant to (d)2 below may carry funds from his or her keno drawer in a pouch or wallet for the purpose of redeeming winning keno tickets and giving change to patrons who make keno wagers. Any such pouch or wallet shall be approved by the Commission, contain an amount not to exceed \$1,500, and be carried and used only by a keno runner to redeem winning keno tickets and give change to patrons who make keno wagers. A keno runner shall return all funds from the pouch or wallet to his or her keno drawer no later than the end of the keno runner’s shift and prior to closing out pursuant to N.J.A.C. 19:45-1.48(j).

(c) If a patron wishes to use a keno runner to place a keno wager, the keno runner shall:

1. Require the patron to complete a two-part keno runner request and to present currency, coin, gaming chips, slot tokens or coupons in an amount sufficient to fund the request;

2. Provide a part of the keno runner request to the patron that will identify the patron to the keno wager;

3. Take the part of the keno runner request with the information regarding the wager together with the currency, coin, gaming chips, slot tokens or coupons to a keno writer at a keno work station or to a keno booth, satellite keno booth or keno locker where the keno runner has a keno drawer;

4. Receive the keno ticket or tickets and any change from the keno writer or generate them directly at his or her work station in a keno booth, satellite keno booth or keno locker; and

5. Deliver the keno ticket or tickets to the patron in exchange for the identifying part of the keno runner request, provided that, prior to the exchange, the keno runner shall compare the two parts of the keno runner request to ensure that the ticket is being delivered to the correct patron.

(d) If a patron wishes to use a keno runner to redeem a winning keno ticket, a keno runner shall:

1. Agree to assist the patron only if the winning keno ticket has a value that does not exceed \$500.00;

2. Accept the ticket from the patron in exchange for a one-part keno ticket receipt; provided however, a keno runner who generates and redeems keno tickets at a keno work station, utilizes a winning keno ticket report to verify the winning ticket and has sufficient funds in his or her pouch or wallet to redeem the ticket may accept the ticket in exchange for the winning payout;

3. Take the winning ticket to a keno writer at a keno work station or to a work station in a keno booth, satellite keno booth or keno locker where the keno runner has a keno drawer or, if the keno runner has paid the patron directly from his or her pouch or wallet pursuant to (d)2 above, redeem the

winning keno ticket at a keno work station no later than the end of the keno runner's shift; and

4. Unless the keno runner has paid the patron directly from his or her pouch or wallet pursuant to (d)2 above, receive the proceeds of the ticket from the keno writer or take them from the keno runner's drawer in the keno booth, satellite keno booth or keno locker and deliver them to the patron in exchange for the keno ticket receipt.

(e) Each keno runner shall, in accordance with a casino licensee's approved internal controls, "sign in" prior to the start of each keno game for which the keno runner was authorized to accept keno wagers. This act shall constitute a representation by the keno runner that all wagers accepted for that game have been placed and that corresponding keno tickets have been issued, or that no wagers were accepted for that game. A keno runner may "sign in" manually, electronically on the keno computer system or by giving verbal notice to the keno supervisor or keno writer authorized to start the keno game. After "signing in," a keno runner shall not accept additional wagers for the game, but may deliver keno tickets to patrons for wagers that were placed prior to the keno runner "signing in."

(f) No keno supervisor or keno writer shall start a keno game until all keno runners who are authorized to accept wagers for that game have "signed in" in accordance with (e) above, and the keno supervisor or keno writer shall certify at the end of the shift that all keno runners "signed in" prior to the start of each keno game during the shift.

Adopted, effective: 04/06/98

As amended, effective: 05/03/04

19:45-1.47B Public keno areas

(a) In addition to conducting keno operations on the casino floor or in a casino simulcasting facility in accordance with the provisions of N.J.A.C.

19:45-1.47, a casino licensee may conduct keno operations in other public areas of the casino hotel ("public keno areas") in accordance with the provisions of this section. Public keno areas shall be approved by the Commission and may include, without limitation, restaurants, lounges and bars, but shall not include qualifying sleeping units or other hotel rooms used for the lodging of guests. An area of the casino hotel that is leased to an on-premise shopkeeper may be a public keno area provided that the lessee holds a casino service industry license.

(b) Keno tickets shall only be issued and redeemed in public keno areas by a keno writer or keno runner operating in accordance with the provisions of N.J.A.C. 19:45-1.47 or 1.47A.

(c) An application to conduct keno operations in a public keno area pursuant to this section shall be made in accordance with the provisions of N.J.A.C. 19:43-7.6. Any such application shall, at a minimum, describe:

1. The public areas where keno tickets shall be sold and redeemed;
2. The method or methods that shall be used to sell and redeem keno tickets; and
3. If keno runners shall be used, the location of the keno work stations from which the keno runners shall purchase and redeem keno tickets and the routes that shall be used to get to and from such keno work stations in the public keno area or to and from the perimeter of the casino floor or casino simulcasting facility.

Adopted, effective: 04/06/98

19:45-1.48 Accounting controls for the operation of keno booths and keno work stations

(a) Whenever a keno work station is opened for gaming, the keno work station shall commence operation with an amount of currency and coin to be known as the "keno inventory." The amount of the keno inventory shall be

determined by the casino licensee, except that the keno inventory shall not exceed \$1,500 for a keno writer working from a roving keno work station, a keno runner working from a keno locker, and a keno writer or keno runner working from a satellite keno booth located in a public keno area. No casino licensee shall cause or permit currency, coin or gaming chips to be added to, or removed from, the keno inventory during the gaming day except:

1. In exchange for a keno ticket purchased by a patron;
2. In order to make change for a patron buying a keno ticket;
3. In receipt of a coupon from a patron in exchange for currency, coin or a keno ticket in conformity with N.J.A.C. 19:45-1.46(j);
4. In payment of a winning or voided keno ticket in conformity with the provisions of N.J.A.C. 19:47-15.6; or
5. In conformity with the keno fill and keno credit procedures described in N.J.A.C. 19:45-1.49 and 1.50.

(b) Whenever a keno work station is opened for gaming activity, the keno inventory shall be stored in a lockable container known as a “keno drawer.” For a given shift, each keno writer and each keno runner authorized to accept and redeem wagers shall have his or her own keno drawer and no other person shall operate out of the drawer of that keno writer or keno runner. A keno runner who utilizes a winning keno ticket report to verify and directly redeem winning keno tickets pursuant to N.J.A.C. 19:45-1.47A(d)2 may carry funds from the keno inventory in his or her keno drawer in a pouch or wallet as permitted by N.J.A.C. 19:47A(b)2, provided that all such funds are returned to the keno drawer no later than the end of the keno runner’s shift. Nothing herein shall preclude a keno writer or keno runner from working at multiple keno work stations throughout the gaming day provided the keno writer or keno runner appropriately logs on and off each computer terminal and continues to operate from his or her assigned keno drawer.

(c) Keno drawers shall be prepared by a main bank cashier, master coin bank cashier, cage supervisor or keno supervisor.

(d) The keys to the keno drawers containing the keno inventories shall

be maintained and controlled in a secure place approved by the Commission. Each key shall be signed-in and signed-out in accordance with procedures approved by the Commission.

(e) Immediately prior to opening a keno work station for gaming, each keno writer or keno runner assigned to a work station shall, if the drawer is not already located at that keno work station, transport the keno drawer, in the presence of a casino security department member, to the appropriate keno work station where the drawer shall be counted in accordance with the requirements of (h) below. If the keno writer or keno runner is assigned to a keno work station in a keno booth or satellite booth where his or her drawer is already located, the keno writer or keno runner shall count his or her drawer at the keno work station in accordance with the requirements of (h) below. Each keno runner assigned to work from a keno locker shall, prior to opening his or her work station for gaming, count his or her drawer in accordance with the requirements of (h) below at the keno booth, cashiers' cage or other restricted casino area approved by the Commission.

(f) Nothing in this section shall preclude a casino licensee from developing approved internal control procedures pursuant to which the keno drawers for a shift are delivered to the keno booth by a member of the casino security department, provided the casino security department does not have access to the keys to the keno drawers.

(g) Each keno drawer which is prepared shall contain a form in addition to the currency and coin. The form shall be, at a minimum, a two-part form with the preparer of the drawer maintaining the duplicate as a balancing item and the original being sent with the currency and coin. The preparer shall record, at a minimum, the following information on the original and duplicate form:

1. The date and time of preparation of the keno drawer;
2. The keno work station location number;
3. The total amount of each denomination of currency and coin to be distributed;

4. The total amount of all denominations of currency and coin to be distributed; and

5. The signature of the preparer.

(h) The keno writer or keno runner shall count the contents of the drawer in the presence of a keno supervisor or a supervisor thereof and shall assure the accurate comparison of the count to the figures recorded on the form referenced in (g) above.

1. If the count and figures agree, the keno writer or keno runner and keno supervisor or supervisor thereof shall sign the form attesting to the accuracy of the information recorded thereon.

2. If a discrepancy exists between the amount of currency and coins counted and the amount of currency and coins recorded on the form, the appropriate corrections shall be made on the form by the keno supervisor or supervisor thereof. The keno supervisor or supervisor thereof shall place his or her initials next to each correction. Once all appropriate corrections have been made, the keno writer and keno supervisor or supervisor thereof shall sign the form. The keno supervisor or supervisor thereof shall immediately prepare a discrepancy report and forward a copy of the report to casino accounting, the Commission booth, the security department and the on-site office of the Division.

(i) Upon compliance with the signature requirements of (g) and (h) above, the keno writer or keno runner shall input the opening inventory figure in total or by denomination into the computer terminal and maintain the form required by (g) above in the keno drawer until the end of the keno writer's or keno runner's shift. Notwithstanding the foregoing, the keno supervisor or a supervisor thereof may input the opening inventory figure or figures into the computer terminal provided the keno writer or keno runner verifies the opening inventory figure or figures input into the computer to the figures recorded on the form required by (g) above.

(j) At the end of each keno writer's or keno runner's shift, all currency, coin, slot tokens, coupons and gaming chips remaining in the keno drawer

shall be counted by the keno writer or keno runner at the keno booth, cashier's cage or other restricted casino area approved by the Commission. The keno writer or keno runner shall record on the form required by (g) above or on a separate one-part form the following information:

1. The total value of each denomination of currency, coin, slot tokens and gaming chips in the keno drawer;
2. The total value of all coupons in the keno drawer;
3. The total value of all denominations of currency, coins, slot tokens and gaming chips in the keno drawer;
4. The total amount of all keno fill slips;
5. The total amount of all keno credit slips; and
6. The signature of the preparer.

(k) Once the form required by (g) above has been completed with the information required by (j) above, it shall be placed in the keno drawer. If the casino licensee uses a separate form to record the closing keno inventory pursuant to (j) above, both forms shall be placed in the keno drawer. The keno drawer shall then be locked by the keno writer or keno runner and either:

1. Immediately transported to the cashiers' cage, master coin bank or satellite cage by the keno writer or keno runner in the presence of a casino security department member; provided however, that a casino security department escort shall not be required if a locked cart is used to transport the keno drawer and the surveillance department is notified in advance of the transport;
2. Placed in a secure storage area in the keno booth and held for subsequent transportation by the casino security department in a manner approved by the Commission, provided, however, that the casino security department shall not have access to the key to the keno drawer; or
3. Turned over to the keno supervisor for subsequent reissuance.

(l) Each casino licensee shall develop internal control procedures for the accounting and reconciliation of the assets and documents contained within the keno drawers used each gaming day. These procedures shall include

reports generated by the keno computer system and shall provide for the verification of each keno drawer, including verification of the use of winning keno ticket reports, by a keno supervisor, main bank cashier or cage supervisor and the reporting of any overage or shortage including any problem associated with the use of winning keno ticket reports. Copies of all reports shall be forwarded to casino accounting on a daily basis.

(m) Nothing herein shall preclude a keno writer or keno runner from counting the contents of his or her drawer at an area designed for this purpose within the keno booth rather than at the keno work station, provided however, that such area is approved by the Commission.

(n) Each keno writer and keno runner shall be required to independently count the contents of his or her keno drawer and prepare the form required in (j) above without access to any information recorded on the reports referenced in (l) above.

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As amended, effective: 04/06/98
As amended, effective: 05/03/04
As amended, effective: 04/03/06

19:45-1.49 Keno drawer fill procedures

(a) Once a keno drawer has been opened for use by the keno writer or keno runner, if the keno writer or keno runner needs additional currency or coin the keno writer or keno runner shall prepare a keno fill slip.

(b) Keno fill slips shall be serially prenumbered forms. The series numbers of all keno fill slips shall be unique to the game of keno and each series of keno fill slips shall be used in sequential order. All original and duplicate void keno fill slips shall be marked "VOID" and shall require the signature of the keno writer or keno runner who prepared the slip.

(c) A keno fill slip shall be at least a two-part manual or computerized form and shall contain, at a minimum, the following information on the original

and each copy of the slip:

1. The denomination of the currency and coin being requested;
2. The total amount of each denomination of currency and coin being requested;
3. The total amount of all denominations of currency and coin being requested;
4. The keno work station location number which the currency and coin will be distributed;
5. The date and time of preparation; and
6. The signature of the keno writer or keno runner or, if computer-prepared, the identification code of the keno writer or keno runner.

(d) Upon completion of the keno fill slip by the keno writer, a keno supervisor shall either prepare the requested fill from the excess currency and coin maintained in the keno booth pursuant to N.J.A.C. 19:45-1.47 or transport all copies of the keno fill slip to the main bank or master coin bank where a cashier shall prepare the requested fill. Nothing herein shall preclude a main bank or master coin bank cashier or cage supervisor from picking up the completed keno fill slip at the keno booth.

(e) Once the requested funds have been prepared for transfer, either the keno supervisor or a supervisor thereof or the main bank or master coin bank cashier, as applicable, shall sign all copies of the keno fill slip and retain a copy as a balancing item. The funds shall be transported to the keno writer or keno runner by the keno supervisor or a supervisor thereof or by a main bank or master coin bank cashier or cage supervisor along with the original keno fill slip. If the funds have been prepared by a main bank or master coin bank cashier, the individual who will transport the funds shall sign for receipt of the funds and a member of the casino security department shall escort the funds. If the funds need to be transported outside of the keno booth they shall be placed in a sealed envelope or container.

(f) Once the funds have been given to the keno writer or keno runner, the casino security department employee, if applicable, shall sign the original

keno fill slip as evidence of the transportation of the funds. The keno writer or keno runner shall then count the currency and coin and, if the amount is consistent with the amount recorded on the keno fill slip, sign the original keno fill slip and enter the amount of the fill into the computer terminal.

Notwithstanding the foregoing, the keno supervisor may input the amount of the fill into the computer terminal provided the keno writer or keno runner verifies the amount input by the keno supervisor to the amount recorded on the original keno fill slip.

(g) Upon compliance with the signature requirements described in (f) above, the original keno fill slip shall be maintained in the keno drawer for subsequent reconciliation purposes.

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