

Title 13: Gaming

Part 7: ACCOUNTING RECORDS

Part 7 Chapter 1: In General

Rule 1.1 Record Keeping of Licensee

(a). Each licensee, in such manner as the Executive Director may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to gaming. Each licensee that keeps permanent records in a computerized or microfiche fashion shall provide the State Gaming Commission, upon its request, with a detailed index to the microfiche or computer record that is indexed by casino department and date. Documents may be scanned or directly stored to unalterable media with the following conditions:

1. The storage media system must contain the exact duplicate of the original document, and any multiple part documents are readily identifiable. In addition, the system must be capable of viewing side by side the original document to any multiple part documents for comparison.
2. Upon request by agents, hardware (terminal, printer, etc.), and software must be provided in order to perform audit procedures.
3. Controls must exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for audit purposes.
4. At least semi-annually, internal audit personnel must review a sample of the documents on the storage media system to ensure the clarity and completeness of the stored documents, and maintain their findings for at least three years.
5. Each licensee must meet the required standards in a field trial of the storage media system before they rely totally on the system for required record retention.
6. Unless the storage media system is used to perform audit functions, no gaming document, report, slip, form, etc., may be electronically imaged until all required document review and audit procedures have been completed.
7. Once the original gaming records are audited and subsequently electronically imaged, they must be maintained for at least ninety (90) days from the audit of the gaming records.
8. At a minimum, one complete set of archives must be maintained onsite, and a second complete set is to be secured in a water proof and fire proof location.

(Amended: 03/15/2007.)

(b) Each licensee shall keep general accounting records on a double entry system of accounting maintaining detailed supporting and subsidiary records, including:

1. Detailed records identifying revenues, expenses, assets, liabilities, and equity for each establishments;
2. Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;
3. Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, either by each shift or other accounting period approved

by the Executive Director, and individual and statistical game records reflecting similar information for all other games;

4. Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

5. The records required by the minimum standards for internal control;

6. Journal entries prepared by the licensee and its independent accountant; and

7. Any other records that the Executive Director specifically requires be maintained.

(c) Each licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

(d) Each licensee shall report adjusted gaming revenue totals monthly to the Executive Director. Each licensee shall also report monthly, data related to hotel properties, if applicable, reflecting number of hotel rooms, occupancy rates and average daily rates. The adjusted gaming revenue and hotel data for each month shall be due by the close of business on the 10th day of the following month. If the 10th falls on a weekend or legal holiday, the information shall be due by close of the next business day.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. § 75-76-19*

Part 7 Chapter 2: RECORDS OF OWNERSHIP

Rule 2.1 Corporate Licensee Shall Maintain Ownership Records on Premises

(a) Each corporate licensee shall keep on the premises of its gaming establishment the following documents pertaining to the corporation:

1. A certified copy of the articles of incorporation and any amendments;

2. A copy of the bylaws and any amendments;

3. A copy of the certificate issued by the Mississippi Secretary of State authorizing the corporation to transact business in Mississippi;

4. A list of all current and former officers and directors;

5. Minutes of all meetings of the stockholder;

6. Minutes of all meetings of the directors;

7. A list of all stockholders listing each stockholder's name, address, the number of shares held, and the date the shares were acquired;

8. The stock certificate ledger;

9. A record of all transfers of the corporation's stock; and

10. A record of amounts paid to the corporation for issuance of stock and other capital contributions.

(b) Each partnership licensee shall keep on the premises of its gaming establishment the following documents pertaining to the partnership:

1. A copy of the partnership agreement and, if applicable, the certificate of limited partnership;

2. A list of the partners, including their names, addresses, the percentage of interest held by each, the amount and date of capital contribution of each partner, the date the interest was acquired, and the salary paid by the partnership; and

3. A record of all withdrawals of partnership funds or assets.

(c). Each sole proprietorship licensee shall keep on the premises of its gaming establishment a schedule showing the name and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals.
(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. § 75-76-27*

Part 7 Chapter 3 FINANCIAL STATEMENTS AND ANNUAL AUDIT

Rule 3.1 Retention of Financial Records and Submission to Audits.

(a). Each licensee shall prepare financial statements covering all financial activities of the licensee's establishments for each business year. If the licensee or a person controlling, controlled by, or under common control with the licensee owns or operates room, food, or beverage facilities, the financial statement must cover those operations as well as gaming operations. Licensees shall submit the financial statements to the State Gaming Commission not later than three months following the end of the business year covered by the statement. Each financial statement must be signed by the licensee who thereby attests to the completeness and accuracy of the statement.

In the event of a license termination, change in the business entity, or a change in the percentage of ownership of more than twenty percent, the licensee or former licensee shall, not later than three months after the event, submit to the Commission a financial statement covering the period since the period covered by the previous financial statement.

(b). Each licensee shall prepare all financial statements utilizing a chart of accounts recognized by generally accepted accounting principles.

(c). Each licensee shall furnish to the Executive Director, upon written request, statistical and financial data for the purpose of compiling, evaluating, and disseminating financial information regarding the economics and trends within the gaming industry.

(d). Each licensee must submit an audit report of its financial statements to the State Gaming Commission each year. This audit must be performed by an independent accountant who holds a permit to practice public accounting in the State of Mississippi.

The independent accountant, through the licensee, must submit an audit report which expresses an unqualified or qualified opinion, or disclaim an opinion on the statements taken as a whole in accordance with standards for the accounting profession established by rules and regulations of the Mississippi State Board of Public Accountancy. The preparation of statement without audit does not constitute compliance. The examination and audit must disclose whether the accounts, records and control procedures maintained by the licensee are as required by the regulations promulgated by the State Gaming Commission.

(e). The licensee shall submit to the State Gaming Commission its audited statements no later than three months after the last day of the licensee's business year. If the license of a licensee is terminated within three months of a period covered by an audit, the licensee may submit compiled statements in lieu of the additional audited statement for the licensee's final period of business.

(f). If a licensee changes its business year, the licensee shall prepare and submit to the State Gaming Commission audited financial statements covering the period from the end of the previous business year to the beginning of the new business year no later than three months from the end of such period.

(g). All reports which directly relate to the independent accountant's examination of the licensee's financial statements must be submitted within three months after the end of the licensee's business year.

(h). The Executive Director may request additional information and documents from either the licensee or the licensee's independent accountant, through the licensee, regarding the financial statements or the services performed by the accountant.

(i). The licensee is responsible for the payment of all costs and fees generated by any audit required by the Commission. Failure to pay such costs and fees may result in revocation of the license.

(Adopted: 04/21/1994; Readopted: 04/29/1995.)

Source: *Miss. Code Ann. §§ 75-76-27 , 75-76-49*

Rule 3.2 Retention of Records.

Each licensee shall provide the State Gaming Commission, upon its request, with the records required to be maintained by these regulations. Unless the Executive Director approves or requires otherwise in writing, each licensee shall retain all such records within Mississippi for at least three years after they are made. However, slot wagering instruments must only be maintained for a minimum of 90 days if the following conditions apply:

(a). All information on the wagering instrument is contained on a separate system generated report and kept with the daily audit paperwork; and

(b). The wagering instruments do not contain the signature of the verifier, or other evidence of internal control procedures having been performed.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 12/18/1997; Amended: 09/15/2004; Amended: 06/15/2006.)

Source: *Miss. Code Ann. § 75-76-35*

Rule 3.3 Computation of Gross Revenues

Gross revenue includes cash received as winnings, cash received for credit extended to a patron for purposes of gaming, and compensation received for conducting any game in which the licensee is not party to a wager, less cash paid out as losses to patrons or amounts paid to purchase annuities to fund losses paid to patrons over several years by independent financial institutions.

(a). For each table game, gross revenue equals the closing bankroll plus credit slips for cash, chips, or tokens returned to the casino cage, plus drop, less opening bankroll and fills to the table.

(b). For each slot machine, gross revenue equals drop less fills to the machines, jackpot payout, and, if the licensee retains detailed documentation supporting the deduction, the actual cost to the licensee of any personal property (other than costs of travel, food, lodging, services, food and beverages) provided for or distributed to a patron as winnings. The initial hopper load is not a fill and does not affect gross revenue.

(c). For each counter game, gross revenue equals the money accepted by the licensee on events or games that occur during the month or will occur in subsequent months less money paid out during the month to patrons on winning wagers; or the money accepted by the licensee on events or games that occur during the month plus money, not previously included in gross revenue, that

was accepted by the licensee in previous months on events or games occurring in the month, less money paid out during the month to patrons on winning wagers.

(d). For each card game and any other game in which the licensee is not a party to a wager, gross revenue equals all money received by the licensee as compensation for conducting the game.

(e). A licensee shall not include either shill win or shill loss in gross revenue computations.

(f). A licensee shall not exclude money paid out on wagers that are knowingly accepted by the licensee in violation of Gaming Control Act or the regulations of the Mississippi Gaming Commission from gross revenue.

(g). If in any month the amount of gross revenue is less than zero, the licensee may deduct the excess in the succeeding months, until the loss is fully offset against gross revenue.

(h). Counterfeit money or tokens, foreign currency received in gaming devices, and cash taken in fraudulent acts perpetrated against a licensee for which the licensee is not reimbursed, are not included in gross revenue.

Any of the above items which were previously excluded from gross revenue, but were reimbursed at a later date, must be included in the next month's gross revenue license fee return.

(i). Cash received as entry fees for contests or tournaments in which the patrons compete for prizes are not included in gross revenue, nor are cash or the value of noncash prizes awarded to patrons in a contest or tournament considered losses.

(j). All revenue received from any game or gaming device which is leased for operation on the premises of the licensee-owner to another person other than the owner, or which is located in an area on such premises which is leased by the licensee-owner to any such person, must be included as part of the gross revenue of the licensee-owner.

(k). Any prizes, premiums, drawings, benefits or tickets which are redeemable for money, merchandise or other promotional allowance may only be deducted as losses when the award is a direct result of slot machine play and when the points or credits accumulated are determined by coin out. The actual cost to the licensee of any merchandise awarded to the patron shall be the basis of the deduction for any non-cash items. Accrued "points" from player tracking promotions may not be deducted but only may be deducted at such time as the said points are redeemed by the patron. All types of promotional play at a table game must be included in the computation of gross revenue.

(l). Any portion of the face value of any chip, token or other representative of value won by a licensee from a patron for which the licensee can demonstrate that it or its affiliate has not received cash should not be included in the computation of gross gaming revenue.

(m). Uncollected baccarat commissions should not be included in the computation of gross gaming revenue provided that proper documentation, as approved by the Executive Director of the Mississippi Gaming Commission, is maintained.

(n). If a licensee provides periodic payments to satisfy a payout resulting from a wager, the initial installment payment when paid and the actual cost of the payment plan approved pursuant to Regulation III. A., Section 9 and funded by the licensee may be deducted from winnings. For any funding method which merely guarantees the licensee's performance and under which the licensee makes payments directly out of cash flow (e.g., irrevocable letters of credit, surety bonds, or other similar methods), the licensee may only deduct such payments when paid to the patron. A licensee may deduct from winnings its pro rata share of a wide area progressive linked system payout, under the provisions of its contract with the operator of the system, and in accordance with the requirements stated herein.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 09/23/1999; Amended: 09/21/2000.)

Source: *Miss. Code Ann.* §§ 75-76-45, 75-76-47, 75-76-49

Part 7 Chapter 4: INVESTIGATIVE COSTS, FINES OR OTHER ASSESSMENTS

Rule 4.1 Cost, Fines or Other Assessments Associated with Investigations

The applicant for a state gaming license is required to pay all or any part of the fees and costs of investigation of such applicant as may be determined by the Executive Director of the Gaming Commission. These costs shall be made payable to the Mississippi Gaming Commission within thirty-days of written notice. Any fines or other assessments levied by the Mississippi Gaming Commission or the Executive Director will be considered due and payable thirty days after final determination of such fines or assessments and shall be made to the State Tax Commission. The investigative fee levied by the Mississippi Gaming Commission will be as follows: for those gaming licensees with 1500 or more gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$325,000.00 per year; for those gaming licensees with 1000 to 1499 gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$250,000.00 per year; and for those gaming licensees with less than 1000 gaming devices as defined in Section §75-76-5 (m), including slot machines as defined in Section §75-76-5 (ff), the fee will be \$150,000.00 per year. This fee will be in four (4) equal quarterly installments due within thirty (30) days of receipt of the assessment. The number of gaming devices for any licensee for purposes of the assessment will be determined annually based on the average number of gaming devices reported to the Mississippi Gaming Commission during a twelve (12) month period. This fee is only applicable to any person or party issued a gaming license, and any corporation or other entity registered as a holding company or publicly traded corporation of such licensee, and any person or individual required by Commission regulations or otherwise required by the Commission to be found suitable in connection with such licensee or holding company or publicly traded corporation registered in connection with such licensee. The remainder of fees collected in excess of the amount authorized by statute will be credited to the gaming licensees for the following year. The following fees apply to all those not subject to the investigative fee above:

- (a). Corporate and Investigations fee ~~\$80~~100/ hour plus expenses
- (b). Gaming laboratory fee \$225/line item
- (c). Associated Equipment fee \$125 hour
- (d). Work permit application fee ~~\$75~~125/original
- (e). Work ~~Permit~~permit rescheduling fee ~~\$125~~50/renewal
- (f). Annual report filing fee \$150/suitability license
- (g). Junket permit fee \$500/plus \$500 investigative fee
- (h). Inspection/tracking fee \$100/per machine
- (i). Instructor Permits \$100
- (j). Work permit replacement fee \$10

See *Miss. Code Ann.* §75-76-33.

(Adopted: 04/21/1994; Readopted: 04/29/1995; Amended: 4/29/2010.)

Source: *Miss. Code Ann.* §§ 75-76-5, 75-76-33

