

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

SECTION 14

DEALER TIPS

The reporting and distribution procedures for dealers' tips were developed and provided by the Internal Revenue Service, in cooperation with the Colorado Division of Gaming. Requests for additional information and/or interpretations of these procedures should be made to the Internal Revenue Service offices at (303) 446-1675.

A. GENERAL REQUIREMENTS

Tips for dealers may be distributed to dealers on any equitable basis for any reasonable time period, as long as all tips received are reported.

Tips must be accepted at the table and clearly identified by the dealer when received in a manner as intended to draw the attention of the supervisor and immediately deposited into a locked token box at the table. For tables having a tip storage device (i.e. token tube) installed on them, the dealer placing the tip into this device will satisfy this identification and deposit requirement. All token boxes must be securely maintained at all times. Dealers may accept a ticket as a tip as long as the table has the ability to issue and redeem tickets at the table. Upon receipt of the ticket, the dealer must immediately notify the pit supervisor, and drop the ticket in the dealer's tip box. The cashier redeems these tickets and exchanges them for currency when counting dealer tips.

Dealers may receive a tip or gratuity in the form of currency as long as the currency was not used in a wager. When a dealer receives a tip or gratuity in the form of currency the dealer must notify the pit supervisor. The dealer will then, as determined by house policy, either immediately place the tip in the locked token box, or select an equivalent value in chip(s) and immediately place the chip(s) in the locked token box and place the currency into the table drop box.

Tips must be independently counted by two licensed employees, one of whom is independent of pit operations and both employees must be independent of the accounting department. Tips must be counted under surveillance camera.

Dealer tips receipted into the cage may impact cage accountability depending upon how they are distributed, and therefore must be reflected accordingly on the daily cash summary.

The count must be recorded on the tip count/summary sheet and signed by the two licensed employees performing the count. The tips may be counted by box or may be pooled and counted all together. See an example of the tip count/summary sheet at the end of this section.

After tips have been counted, but prior to tips being distributed, the tips may be stored either in the cashier's cage or the pit area. However, the tips must always be securely maintained.

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If tips are not distributed by payroll check, tip distribution is documented on the tip distribution sheet. This sheet is completed using information from the tip count/summary sheet. As the licensed employee distributes tips to each dealer, the licensed employee signs the tip distribution sheet next to the dealer's name. As each person receives their tips, they sign the sheet as well. The total tips distributed (tips paid to dealers and tips paid to other employees) must equal the total tips counted on the tip count/summary sheet.

The tip distribution sheet is forwarded to, and retained by, the casino's accounting department and reconciled to the tip count/summary sheet received from the cage.

All amounts distributed to dealers during a payroll period **are** included in that dealer's wages which are subject to withholding for that period.

Total tips per the tip count/summary sheet and the tip distribution sheet for the payroll period are reconciled to the tips included in wages for that period. The accounting department retains this reconciliation.

Total dealer tips may be reduced by tips paid to other casino employees (i.e., cashiers, waitpersons, etc.) provided these tips are accounted for by the accounting and payroll departments. Tips paid out to other casino employees must be documented on the tip distribution sheet.

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FORMS

Following are descriptions of the forms discussed in this section. In some cases, sample forms are provided. **It is the licensee's responsibility to ensure that all forms meet ICMP requirements.** See the General Section for further clarification.

Tip Count/Summary Sheet

The tip count/summary sheet is used to count and total all tips by shift or by day.

Tip Distribution Sheet

The distribution of tips is recorded on the tip distribution sheet. Tips paid out to other casino employees are also recorded on this sheet.