

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

SECTION 17

KENO

A. GENERAL

Keno Requirements

Licensees are responsible for ensuring that keno systems offered at its gaming establishments are approved for use in Colorado and have been completely and successfully tested to comply with the requirements set forth in CLGR 30-2503 and 30-2510.

A licensee offering the game of keno shall use a keno system approved by the Division. A licensee shall immediately notify the Division, of any malfunction of a keno system.

The licensee may elect to operate a stand-alone keno kiosk. The kiosk must operate within the parameters of Rule 25 and produce all the required reports of live keno.

Each licensee shall be required to maintain a record of the winning numbers for each keno game for a period of at least one year. Any keno support documentation that is included with cage documentation will follow the three-year retention requirement.

For each keno game, adjusted gross proceeds (AGP) equal the total dollar value of tickets written minus the dollar value of total pay outs. Meters may be utilized to support and verify AGP; however, only the actual writes are used in the calculation. Wagered tickets are considered as actual writes on the date of purchase. Any deduction taken for wins occur at the time the winning ticket is redeemed.

Licensees who offer keno must develop system internal controls and include sufficient detail of accounting procedures for keno in the written accounting plan. All licensee's developed internal controls must be reviewed and approved by the Division of Gaming before the casinos use these controls.

1. Each licensee shall conduct the game of keno in accordance with internal controls for its keno system which shall include:
 - a. Access restrictions; which include access/history documentation (i.e., Access Log and Device History Log) and Key Control.
 - b. Hardware and software controls; which includes associated equipment (i.e. wireless tablet or other point of sale) controls
 - c. Override policies and procedures;
 - d. Keno tickets and payoff information; and
 - e. Backup and recovery procedures. Please refer to ICMP section 6 Backup and Recovery

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

2. Preparing keno drawers and keno runner pouch pays.
3. Accounting and asset reconciliation over the keno drawers and keno runner pouch pay/bank that include procedures detailing:
 - a. The verification of each keno drawer and keno runner pouch pay/bank by a keno supervisor, main bank cashier, or cage supervisor;
 - b. Drop, count, and reconciliation of the keno kiosks. Please refer to ICMP section 5 for keno kiosks drop and count procedures;
 - c. The reconciliation of all accepted wager and payment of winning tickets;
 - d. The reconciliation of all keno fills and keno credits, i.e. currency exchanges, if any; Fill used to replenish the imprest bank.
 - e. The documenting of any overage or shortage;
 - f. The reporting of any suspicious winning keno ticket;
 - g. The forwarding of all reports to accounting on a daily basis.
4. Inputting patron's keno request into the keno system.
5. Refunding of any canceled races in a multi-race keno game.
6. Voiding keno tickets.
7. Key Controls and Procedures.

Keno Writer and Runner

A keno writer is a licensed casino employee who receives, verifies, and records the cash wagers of patrons.

A keno writer inputs the information from the patron's keno request, or scans the barcode of the previously issued keno ticket, or enters the serial number into a writer station terminal or wireless mobile point of sale device in accordance with the casino licensee's internal control procedures. This action causes the printing of a one-part sequentially numbered keno ticket or a keno ticket with a unique serial number. Upon receipt of currency, coin, gaming chips, or gaming system generated tickets, in an amount equal to or greater than the total price of the keno ticket from the player or keno runner, the keno writer shall issue the keno ticket and, if due, any change to the player or keno runner.

A keno runner is a licensed casino employee who may act as an intermediary between a patron and a keno writer in order to facilitate the placement or redemption of a keno wager.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

A keno runner/writer is a licensed casino employee that performs both functions of the keno runner and keno writer. A keno runner/writer may accept wagers and redeem winning tickets without the assistance of a keno writer provided that:

1. The keno runner/writer operates from an independent keno drawer or pouch; and
2. The keno system must generate the reports necessary for the accounting and reconciliation of the keno drawer, or pouch, of each keno runner/writer. All accepted wagers and redeemed tickets are accounted for and reconciled to the drawer or pouch and the winning keno ticket.

KENO WAGERS

Placement of Wagers

All wagering at the game of keno shall be conducted at an approved keno workstation or in approved areas using a hand-held tablet or portable station connected to the keno system via a secure wi-fi connection. All keno wagering must occur on licensed premises.

A wager is placed where and when the keno ticket is written.

All wagers at keno shall be made with currency, coin, gaming chips, coupon, or other Division approved wagering instruments. Each player shall be required to use a keno request in order to place a wager. The only exception is for a quick-pick, a straight or basic keno ticket in which the computer system randomly selects the marked number or numbers (spots) for the patron.

A keno request which is marked in such a way that it is not clear which number or type of wager is to be played shall be returned to the player for preparation of another keno request.

Each player shall be responsible for ensuring that the spots recorded on the keno ticket agree with the spots marked on the player's keno request. The licensee shall not be responsible for any error by a keno writer on a ticket purchased directly from the keno writer which the player does not detect prior to the start of the first game for which the ticket has been generated. The licensee shall also not be responsible for any error on a ticket purchased through a keno runner if the error is not detected or cannot be corrected prior to the start of the first game for which the ticket has been generated.

A keno ticket may not be voided or changed once the first game wagered on the ticket has been closed and the game draw started. Multi-race keno tickets can be terminated at the discretion of the operator in a quit-race or early out transaction, wherein all remaining games shall be voided and refunded and any wins thus far shall be paid.

Colorado Limited Gaming Control Commission ***Internal Control Minimum Procedures (ICMP)***

Placing a Wager with a Keno Runner

If communication between the keno runner or keno runner/writer and the system is down, no keno ticket purchases or keno winning ticket payments may occur via a pouch pay. The winning ticket payment must occur through the writer.

If a patron requests to place a keno wager with a keno runner, the keno runner shall:

- a. Require the patron to complete a two-part keno runner request where required by a keno system or licensee's procedures, and to present currency, coin, gaming chips, slot tokens, or coupons in an amount sufficient to fund the request;
 - (i) A runner may accept payment for a wager in another casino that is contiguous and under common ownership as the casino where the keno ticket is written. However, the keno ticket must be written in the casino where the physical keno game is housed, in the licensed gaming area.
 - (ii) A wager is placed where and when the keno ticket is written.
- b. Provide the duplicate of the keno runner request to the patron as a receipt for the keno wager, where a keno runner request is required by a keno system or licensee's procedures;
- c. If applicable, the wager may be added through a mobile hand-held point of sale keypad or tablet;
- d. Take the patron's wager information together with the currency, coin, gaming chips, slot tokens, or coupons to a keno writer at a keno workstation or to a keno booth, satellite keno booth, or keno locker where the keno runner has a keno drawer;
- e. Receive the keno ticket or tickets and any change from the keno writer or generate them directly at his or her workstation in a keno booth, satellite keno booth, or keno locker; and
- f. Deliver the keno ticket or tickets and any monies due to the patron.

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 recorded the wagers they have accepted. Written procedures must be in place detailing how this will be achieved.

Redeeming a Winning Ticket with a Keno Runner

If a patron requests to redeem a winning keno ticket with a keno runner, a keno runner shall:

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- a. Accept the ticket from the patron; provided, however, a keno runner who generates and redeems keno tickets at a keno workstation, utilizes a winning keno ticket report to verify the winning ticket and has sufficient funds in his or her pouch to redeem the ticket, may accept the ticket in exchange for the winning payout;
- b. Take the winning ticket to a keno writer for processing. If the keno runner has paid the patron directly from his or her pouch the keno writer shall transact with the runner to collect or pay any monies transacted. If a keno runner also functions as a writer, the runner's own writer bank funds the runner pouch;
- c. Unless the keno runner has paid the patron directly from his or her pouch, obtain the proceeds of the ticket or the change due from the keno writer or the keno runner's drawer; and
- d. Deliver the proceeds or the change due to the patron.

Payment of Winning Wagers

Except as otherwise provided for pay outs which exceed \$500.00 but less than \$1,500, after the 20 numbers have been selected by the draw device and are finalized in the keno system, a player may take a winning keno ticket to a keno workstation for redemption or give the winning ticket to a keno runner who shall redeem the ticket on behalf of the patron. All winning wagers shall be paid in accordance with the information recorded in the keno system and on the computer-generated keno ticket. The winning ticket must be presented to the keno writer or runner and exchanged for the winning amount of cash or purchase of another keno ticket.

Winning wagers with a payout equal to or greater than \$1,500 (reduced by the wager) but less than \$5,000 shall be authorized by a keno supervisor or a supervisor thereof. Winning wagers with a payout of \$5,000 or more shall be authorized by the Gaming Manager to whom the keno supervisor reports to or a supervisor thereof. The keno manager or appropriate personnel shall sign the back of the winning keno ticket as evidence of such authorization. Also, an IRS W-2G Statement of Gambling Winnings must be completed in accordance with IRS regulations. Refer to IRS W-2G requirements for proper completion of this form. Licensees must verify whether the taxable keno winner is listed in the GPI registry. Please refer to ICMP Section 1 General, for GPI procedures.

All winning keno tickets shall expire no less than 120 days from the final race completion date.

The barcode of the winning keno ticket or QR code which is not accepted or read by the keno writer station point of sale terminal or wireless mobile point of sale device, shall require that the ticket serial number be manually input by the keno writer or keno runner/writer in accordance with the licensee's internal control procedures.

If the keno system is not operational, in accordance with the licensee's internal control procedures, a winning keno ticket:

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- For \$10.00 or less may be manually paid by a keno writer or keno runner/writer;
- For more than \$10.00 but less than or equal to \$1,000, may be manually paid by the keno writer or keno runner/writer with authorization from the keno supervisor or a supervisor thereof; and
- For over \$1,000, may not be paid until the keno ticket can be verified by the keno computer system.

Keno Ticket

The keno ticket shall contain, at a minimum, the following:

1. The date and time of issuance;
2. The keno workstation number where the ticket was issued;
3. The numbers selected by the patron listed in a clearly identifiable manner; the designation of groups using symbols or alpha characters;
4. The number of games to be played;
5. The first and last game number;
6. The conditioning;
7. The rate of each wager or way;
8. The number of ways played for each spot group;
9. The total price of the keno ticket;
10. The identification number or number of the keno writer;
11. A conspicuous notice that the keno ticket shall expire no less than 120 days from the final race completion date, after which the obligation of the licensee to pay the patron will expire; and
12. The name of the casino issuing the ticket.

If a licensee offers multi-race keno tickets, a patron will complete one keno request for all of the games wagered by the patron. The licensee will pay all winning games once all games are completed, unless any of the games are canceled. If any of the games are canceled, the licensee may permit the refund of all canceled games found on a multi-race keno ticket, as long as the keno system can generate adequate documentation for the refund.

Casinos may only void keno tickets prior to the start of a game for which keno tickets were issued. Multi-race keno tickets may only be voided prior to the start of the first game.

B. KENO WORKSTATION DRAWERS

A keno imprest bank is a bank that contains a pre-determined and constant dollar amount of currency and coin. At any point in time, the total of the contents in the imprest bank must equal the pre-determined dollar amount. Overages and shortages must be documented on an overage/shortage slip.

Colorado Limited Gaming Control Commission ***Internal Control Minimum Procedures (ICMP)***

Keno workstation drawers must be an imprest bank that are part of the cage accountability. These banks must be reflected on the Cash Inventory Sheet under miscellaneous banks and independently inventoried twice each shift (open & close) by two cashiers or one cashier and the gaming manager during the gaming day.

Imprest banks maintained in the cashier cage must be inventoried prior to the imprest bank being used. An imprest bank which is not operational for that gaming day must be independently inventoried at least once during the gaming day. If an overage or shortage is noted, an investigation is conducted into the discrepancy. The results of the investigation must be documented.

A keno writer or keno runner shall be authorized to accept and redeem wagers from a keno drawer assigned to the keno writer or keno runner. A keno runner may be assigned a keno pouch pay bank instead of a keno drawer.

Keys to the keno drawers shall be maintained and controlled in compliance with ICMP Section 10, Key Control. Each keno drawer key shall be signed in and out in accordance with Section 10.

No licensee shall cause or permit currency, coin, or gaming chips to be added or removed from the keno imprest bank or pouch pay bank during the gaming day except:

- (a) In exchange for a keno ticket purchased by a patron;
- (b) To make change for a patron buying a keno ticket;
- (c) In receipt of a coupon from a patron in exchange for currency, coin, or a keno ticket;
- (d) To pay a winning keno ticket;
- (e) To refund a voided keno ticket; or
- (f) In conformity with keno fill and keno credit CURRENCY EXCHANGE procedures.

POUCH PAYS

Pouch Pay/Bank Check-Out Procedures – From the Cashier Cage to Keno Runner/Writer

Pouch pay banks (funds) must be an imprest bank that are a part of the cashier cage accountability and must be documented on the Daily Cash Summary. Pouch pay banks are maintained in the cashier cage or in an alternate locked and secured area (pouch cabinet) under surveillance coverage.

When the keno runner or keno runner/writer checks out their imprest bank/pouch from the cashier cage, the following procedures are performed:

1. Imprest banks/pouches may be prepared before check out as long as the imprest amount is reflected on the Daily Cash Summary. The cashier preparing or disbursing the bank to the keno runner performs an inventory of the bank and completes an Imprest Bank Inventory

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

form. The cashier completes a Miscellaneous Disbursement form to support that the funds are leaving the cage. The inventory form is attached to the Miscellaneous Disbursement form.

2. The cashier gives the keno runner or keno runner/writer an imprest pouch bank and completes the paid-out portion of the Miscellaneous Disbursement form by documenting the date, shift, and dollar amount of the bank.
3. The keno runner or keno runner/writer recounts the imprest pouch bank. If there are no discrepancies, both the cashier and the keno runner or keno runner/writer sign the Imprest Bank Inventory form and Miscellaneous Disbursement form. The cashier maintains both forms.

Pouch pay banks may be disbursed from the cage to an alternate locked and secured area (pouch cabinet) under surveillance coverage. Adequate controls must be in place to ensure that licensee's assets are secured. Licensees must have adequate written controls in place for pouch pay banks maintained in a pouch cabinet to ensure assets are secured. Two licensed individuals must count and complete an inventory sheet at the beginning and end of the shift the pouch is utilized.

Pouch Pay/Bank Check in Procedures – From the Keno Runner or Runner/Writer to the Cashier Cage

When the keno writer/runner checks in their bank/pouch to the cashier cage, the following procedures are performed:

1. The keno runner or keno runner/writer prints or requests a report that details the keno activity by that keno runner during their shift or session. The keno writer/runner reconciles their keno activity to this report. If an even money exchange was performed during the shift and any writes, or payouts were exchanged with the cashier or keno main bank this report may list all writes, or payouts that were redeemed by the keno runner during their shift. If this is the case, a reconciliation of writes, or payouts already exchanged with the cage or keno main bank must be performed to ensure that all writes, or payouts redeemed are accounted for. The report printed at the time of even money exchanges must be used to assist in the reconciliation. The licensee must ensure a procedure is in place in order for the keno runner/writer to perform an adequate reconciliation when writes, or payouts have been previously exchanged with the cage or keno main bank during the shift.
2. The keno runner or keno runner/writer turns in their cash and copy of the writes, any payouts and report to the cashier or keno main bank. The cashier or keno main banker counts the cash, verifies the writes and payouts slips. A new Imprest Bank Inventory form is completed and the dollar amount of the inventory must tie to the original imprest bank/pouch inventory amount. Both the cashier or keno main banker and the keno runner or keno/writer sign the inventory form and the cashier or keno main banker retains the

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

form.

3. The cashier completes the paid in portion of the Miscellaneous Receipt form documenting the date, shift, and amount of the bank. The cashier and the keno runner sign the Miscellaneous Receipt form.
4. The Imprest Bank Inventory form, the Miscellaneous Receipt form, the writes, payouts and reports are maintained by the cashier, the amounts recorded on the Daily Cash Summary and forwarded to accounting with the cage paperwork for that shift.
5. The imprest bank can be re-imprest prior to checking the bank into the cage.
6. If an overage or shortage occurs, the keno writer/runner completes an overage or shortage slip, and the supervisor shall investigate any overages/shortages.
7. If an overage occurs, the excess amount from the keno runner's bank is given to the cage cashier who records the overage as a separate line item on the Daily Cash Summary.
8. If a shortage occurs, a shortage slip is prepared and given to the cage cashier. The cage cashier records the shortage as a separate line item on the Daily Cash Summary.

C. KENO CURRENCY EXCHANGES

Even exchanges of chips, tokens, coupon, tickets and/or coins may be made at the cage or the imprest keno main bank. If a keno writer, keno runner or keno runner/writer needs additional currency or coin, the keno writer or keno runner shall prepare a keno bank exchange form in accordance with the Division's Internal Control Minimum Procedures.

1. The keno writer or keno runner completes the bank exchange form, a one-part form maintained in the keno bank, with the following information:
 - a. Licensee name,
 - b. Date,
 - c. Time,
 - d. Bank number,
 - e. Amount of funds turned into the cage or keno main bank by denomination, and
 - f. Amount of funds requested in exchange for the amount of funds, by denomination, turned into the cage or keno main bank.
2. The keno writer or keno runner signs the bank exchange form indicating proper completion of the form and removal of the funds from the bank.
3. The keno writer may give the funds and form to the keno runner. If the imprest bank is mobile or if the bank can be locked and secured while the keno writer or keno runner is

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

absent, the keno writer or runner may perform these procedures at the cage.

4. If a keno runner is utilized, the runner verifies the funds in the presence of the keno writer. If the keno writer performs an even money exchange with the cashier and a runner is not involved, it is not necessary to complete a bank exchange form. If a change of accountability occurs (i.e., use of a runner), when exchanging funds, a bank exchange form must be completed.
5. The keno runner takes the funds and the bank exchange form to the cashier cage to purchase the appropriate amount of funds.
6. Upon receipt of the funds and the bank exchange form, the cashier verifies that the funds agree to the bank exchange form. The cashier exchanges the funds for the amount of funds as requested on the bank exchange form and signs the form indicating receipt of and disbursement of the funds as indicated on the form.
7. The keno runner verifies the funds and compares them to the bank exchange form to ensure they agree and signs the form in the presence of the cashier, indicating the amount agrees to the funds requested and receipt of the funds.
8. The cashier gives the funds and the bank exchange form to the keno runner. The runner transports the funds and the bank exchange form to the keno writer.
9. The keno writer verifies the amount of funds received is the amount requested in the presence of the runner. Upon verification, the keno writer initials next to the total amount received on the bank exchange form indicating receipt of the funds. The keno writer then places the funds in the keno bank and immediately places the bank exchange form in the locked accounting box. It is acceptable to have the runner place the bank exchange form in the locked accounting box on the keno writer's behalf.

Even money exchanges between the keno banks and the cashier cage must be monitored by surveillance. The monitoring must be of such quality that the transaction cameras are able to differentiate between bill denominations, and between chip, token, and coin denominations. The amount of chips must be identifiable by the color and/or design of the chips.

D. KENO CREDITS

A keno writer or keno runner may transfer currency, coin, gaming chips, slot tokens, and coupons to the cashier's cage by preparing a keno credit form in accordance with the Division's Internal

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

Control Minimum Procedures.

E. KENO KIOSK

A keno kiosk is a self-service device, that provides an interface for a patron to purchase one or more keno tickets by allowing the patron to select the applicable number of spots for each keno game purchased, utilizing cash or approved cash equivalent (i.e. TITO ticket) as the manner of payment into the kiosk, in order to receive a confirmation keno ticket receipt printed by the kiosk. A kiosk may use a slot ticket or winning keno ticket receipt as payment for a wager. The kiosk will not cash out winning keno tickets receipts, instead it will issue a keno kiosk printed TITO ticket as a receipt for a winning keno ticket, which contains, at a minimum, the serial number of the keno ticket.

The licensee may elect to operate a stand-alone keno kiosk which will be required to produce all the required reports of live keno. Additionally, the keno kiosk may accept input from the patron of any casino player reward accounts and the keno system may permit acceptance or granting of points for electronic keno game purchases.

The licensee, at its discretion, shall determine the number of keno games to be conducted during the gaming day. A licensee may conduct keno games at different intervals at separate locations within the licensed premises. Each keno game conducted during the gaming day shall be assigned a unique sequential game number and time stamp by the keno computer system. A casino that uses a keno kiosk may independently determine the limit or time between electronic keno games.

Access to Keno Kiosk

Each licensee shall conduct the game of keno in accordance with internal controls for its keno system which shall include:

Access restrictions; which include access/history documentation (i.e., Access Log and Device History Log)

A kiosk access log must be maintained inside each kiosk. The handwriting must be legible and discernable to a person reviewing the log. Each person who accesses a slot machine or kiosk for any defined event shall make an entry on the log. A defined event includes, but is not limited to, the following:

- Service and repairs,
- Clearing bill/ticket validator jams,
- Tilt resets,
- Cassette fills,
- Troubleshooting error conditions,
- Coin test activity

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

All logs must reflect the title of the form, licensee name, and device number. Minimum required information for each entry is date, time, employee initials and license number of the individual accessing the machine, and the reason for access. Entries are to be complete, accurate, and legible. If a door is opened twice by the same individual during a fill, the log may be signed once with an entry of “fill x 2.” If two individuals opened the door during a fill, the log must be completed by each individual upon their respective access.

Licensees must have procedures in place which allows for the electronic version of the device history logs to be maintained and secured on a portable device by the licensee. The procedures must also allow for the electronic files to be accessible to licensees, which can be viewed at each individual gaming device or kiosk immediately upon request by the Division.

Keno Kiosk Drop and Count Procedures

Keno drop and count procedures will follow the same guidelines as a kiosk drop described in ICMP Section 5, Table Games, Slot & Kiosk Drop & Count Procedures.

Wagers Placed at a Keno Kiosk

All wagers at a keno kiosk shall be made with currency, coin, or TITO ticket, inserted into the kiosk bill acceptor to place the wager.

The keno ticket shall contain, at a minimum, the following:

- (a) The date and time of issuance;
- (b) The keno asset number where the ticket was issued;
- (c) The numbers selected by the patron listed in a clearly identifiable manner; the designation of groups using symbols or alpha characters;
- (d) The number of games to be played;
- (e) The first and last game number;
- (f) The conditioning;
- (g) The rate of each wager or way;
- (h) The number of ways played for each spot group;
- (i) The total price of the keno ticket;
- (j) A conspicuous notice that the keno ticket shall expire no less than 120 days from the final race completion date, after which the obligation of the licensee to pay the patron will expire; and
- (k) The name of the casino issuing the ticket.

If a licensee’s keno kiosk permits multi-race keno tickets, a multi-game ticket shall be used for all of the games to be wagered by the player and the multi-games ticket shall be inserted into the kiosk. The player shall be required to pay for the wager prior to the start of the first game.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

Voided or Refunded Keno Kiosk Tickets

A keno kiosk ticket may be voided prior to the start of the game for which the keno ticket was issued. A multi-race keno ticket may only be voided, in its entirety, prior to the start of the first game for which the keno ticket was generated. The method for voiding keno kiosk tickets shall be in accordance with the licensee's internal control procedures. Each keno computer system shall be capable of maintaining, on a daily basis, a listing of voided keno tickets for each keno workstation.

A licensee may permit a player to receive a refund on a multi-race keno ticket for those games not drawn; provided, however, that the keno computer system is capable of generating adequate documentation for the refund and the procedures governing the refund transaction are in accordance with the licensee's internal control procedures.

Keno Kiosk Ticket Redemption

A player may take a winning keno ticket to a kiosk where a printed TITO ticket as a receipt for a winning keno ticket is issued, which contains, at a minimum, the serial number of the keno ticket. A player then takes the keno ticket receipt to a keno workstation or cashier to cash out.

Winning wagers with a payout of \$1,499 or less will be paid through the keno workstation or cashier. Winning wagers with a payout equal to or greater than \$1,500 (less the wager) but less than \$5,000 shall be authorized by a keno supervisor or a supervisor. Winning wagers with a payout of \$5,000 or more shall be authorized by the gaming manager to whom the keno supervisor reports or a supervisor thereof. The keno supervisor or gaming manager thereof shall sign the back of the winning keno ticket as evidence of such authorization.

The licensee shall follow the current IRS standards for keno jackpot awards of \$1,500 or more and perform a gaming intercept as required for all jackpot pay outs as outlined in the Internal Control Minimum Procedures Section 1, H.

Patrons with multi-game tickets shall not be paid for any winning games until the completion of the last game for which the multi-race keno ticket was issued unless the remaining races on the multi-race keno ticket are cancelled.

All winning keno tickets shall expire no less than 120 days from the final race completion date.

A winning keno ticket's barcode or QR code which is not accepted or read by the keno writer station point of sale terminal or wireless mobile point of sale device, shall require that the ticket serial number shall be manually input by the keno writer in accordance with the licensee's internal control procedures.

If the keno system is not operational, in accordance with the licensee's internal control procedures, a winning keno ticket:

- a. For \$10.00 or less may be manually paid by a cage cashier;

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- b. For more than \$10.00 but less than or equal to \$1,000, may be manually paid by the keno supervisor or a supervisor thereof; and
- c. For over \$1,000, may not be paid until the keno ticket can be verified by the keno computer system.

F. KENO GAMBLING PAYMENT INTERCEPT

Report gambling winnings on Form W-2G if the winnings are \$1,500 (reduced by wager) or more from a keno game.

The licensee shall follow the current IRS standards for keno jackpot awards and perform a gaming intercept as required for all jackpot pay outs as outlined in the Internal Control Minimum Procedures Section 1 H. Please refer to ICMP Section 1 General, H for GPI procedures.

G. UNCLAIMED KENO WINNING PAYOUTS

Revenue audit or accounting must generate daily reports on a weekly basis to verify if an unclaimed taxable keno jackpot hit. When one is found, surveillance must pull a picture of the patron. An attempt to identify the patron through a player's card or cage transaction. The patron has no less than 120 days from the date of final race completion to claim the winning ticket otherwise the ticket expires. All paperwork must be kept together until either the winning ticket is claimed or the ticket expires.

H. PROGRESSIVE KENO GAMES

A progressive keno game is a game with an award that increases based on the placement or result of a wager. A progressive keno game can be:

- A single keno game; or
- Linked with two or more Colorado licensed retail establishments (Multi-link system, also known as Wide Area Progressive (WAP)).

A progressive jackpot meter must be shown for any keno progressive offered.

Pursuant to CLGR 30-2504(2), records must be maintained that support the current amount shown on a progressive jackpot meter. The Licensee must establish control procedures which provide supporting documents to explain and/or reconcile any increase, reduction, or discontinuance of a progressive jackpot amount offered for patron play at a licensed retail establishment. The records and documents must be retained in accordance to the records retention requirements set forth in Regulation 30-1607.

Normal mode of progressive keno games.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- (a) During the normal mode of progressive games, the keno system, if it serves as a progressive controller for “local” casino operated progressives, must increment the progressive amount at the time of each game draw calculation and apply any progressive contributions calculated to the progressive jackpot. The progressive jackpot must account for, and reflect, the total contribution of all qualifying wagers placed.

The licensee offering the progressive must establish key control procedures to prevent unauthorized access to the progressive controller hardware or system.

Multiple linkage of progressive keno games. If more than one progressive keno game is configured in the keno system, the progressive meter must automatically display the reset amount after an award. If a hidden amount is configured, the progressive meter will reset to the hidden meter amount configured after a progressive win. The progressive jackpot meter must display the following information:

- a. The winning progressive jackpot amount; and
- b. The new reset amount that is displayed

No licensee may discontinue a progressive keno game until all of the advertised progressive amounts or prizes or both have been awarded, or the advertised progressive amount, minus the normal non-progressive award for the combination that would have awarded the progressive amount, is moved to another progressive link within the licensed establishment or this amount is disbursed in another method approved by the Division, such as an additional pay out.

The licensee offering the progressive must establish key control procedures to prevent unauthorized access to the progressive controller hardware or system.

Keno Games - Multi-Link Systems/Wide Area Progressive (WAP) Systems and Deductions on Tax Returns

Please refer to CLGR 30-2504.01 for submission and approval requirements. The approval requirements would include reviewing and approving internal controls, reporting, and cash requirements found in CLGR 30-2504 (3) - (6).

Multi-link systems are the collection of hardware, software, and associated equipment used to link keno host systems with satellite keno systems and can include progressive keno systems that offer keno games and/or progressive keno game across telecommunication lines between two or more Colorado licensed retail establishments. Multi-state systems are the collection of hardware, software, and associated equipment used to link and monitor progressive keno across telecommunication lines in at least one Colorado licensed retail establishment and in one or more lawfully operated casino(s) in other jurisdictions that participate in the same multi-state wide-area progressive keno system. Persons authorized to control or operate a multi-link or multi-state keno

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

system, must hold a valid operator or manufacturer distributor (or Associated Equipment Supplier) license issued by the Commission.

All primary jackpots won by patrons will be paid directly by the statewide and multi-state multi-link vendor. Each licensee will receive a report detailing its pro-rated portion of the keno award that is allowable as a deduction on the tax return to arrive at taxable AGP. The licensee's pro-rated portion of statewide primary jackpots paid during the month is reported in the "Statewide Contributions" box for the multi-denomination slot denomination on the monthly gaming tax return.

I. KENO TOURNAMENT PROCEDURES

Refer to CLGR Rule 30-2512 for guidelines on keno tournaments. All keno tournament rules must be submitted and approved by the Division five days before the tournament's scheduled start. The conditions for all contests and tournaments are prominently displayed or available for patron review in the keno area and/or player's club.

All contest/tournament entry fees and prize pay outs (including mail transactions) are summarized daily on a document which includes:

- (a) Patron's name;
- (b) Date of entry/pay out;
- (c) Dollar amount of entry fee/pay out (both alpha and numeric) or nature and dollar value if a non-cash prize;
- (d) Signature of the individual completing the transaction attesting to the receipt or disbursement; and
- (e) Name of the contest/tournament.

Contest/tournament entry fees and pay outs are summarized and posted to the accounting records on at least a monthly basis.

Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review in the keno area and/or player's club. The rules include at a minimum:

- (a) All conditions the patron must meet to qualify for entry into, and advancement through the contest/tournament;
- (b) Specific information pertaining to any single contest/tournament, including dollar amount of money placed in the prize pool; and
- (c) The distribution of funds based on specific outcomes.

Results of each contest/tournament are recorded and available for participants to review. The recording includes the name of the event, dates of the event, total number of entries, dollar amount of entry fees, total prize pool, and dollar amount paid for each winning category. The name of each

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

winner is recorded and maintained but not made available to the participants unless authorized by management personnel. This also applies to free tournaments (i.e.; the patron does not pay an entry fee) except the total number of entries, dollar amount of entry fees, and total prize pool are not required for free tournaments.

All contest/tournament records are maintained for each event in accounting.

J. TIPS

Casino must have procedures in place for accepting and processing tips received by the keno writer and keno runner. Tips received by a keno writer or a keno runner are deposited into a container clearly marked "tips" or distinguishable as a depository for tips. Tips received by a keno writer or a keno runner cannot be combined with the casino's monies. 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.