

(c) The detailed, supporting, and subsidiary records shall include, but not necessarily be limited to:

1. Records of all patron checks initially accepted by the licensee, deposited by the licensee, returned to the licensee as "uncollected", and ultimately written-off as uncollectible.

2. Statistical game records to reflect drop and win amounts or, for the game of poker, the poker revenue, by table for each table game, and by keno work station number or keno writer for the game of keno, by each shift.

3. Records supporting the accumulation of the costs and number of persons, by category of service, for regulated complimentary services.

4. Records of all investments, advances, loans and receivable balances, other than patron checks, due to the establishment.

5. Records related to investments in property and equipment. The records shall identify the investments made under section 144 of the Casino Control Act as an alternative to the additional two percent tax on gross revenues. Such investments must be approved by the Commission as to their eligibility.

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6. Records which identify the handle, payout, win amounts and percentages, theoretical win amounts and percentages, and differences between theoretical and actual win amounts and percentages, for each slot machine on a week-to-date, month-to-date, and year-to-date basis.

7. Records of all loans and other amounts payable by the establishment.

8. Records which identify the purchase, receipt, and destruction of gaming chips and plaques.

9. Records provided for in the system of internal accounting controls submitted to the Commission pursuant to the Casino Control Act.

10. Records used by the casino licensee to reconcile simulcast wagers with sending tracks pursuant to N.J.A.C. 19:55-7.1, calculate outstanding pari-mutuel tickets pursuant to N.J.A.C. 19:55-7.2 and calculate payments to the Racing Commission pursuant to N.J.A.C. 19:55-7.3.

Amended by R.1985 d.51, effective February 19, 1985.

See: 16 N.J.R. 3303(a), 17 N.J.R. 481(a).

(d)-(e) deleted.

Amended by R.1988 d.209, effective May 16, 1988.

See: 19 N.J.R. 1975(b), 20 N.J.R. 1102(a).

Substantially amended (c)3.

Amended by R.1992 d.499, effective December 21, 1992.

See: 24 N.J.R. 2692(b), 24 N.J.R. 4570(a).

In (c)3, deleted description of minimum records to be maintained for complementaries and recodified text, with changes, as N.J.A.C. 19:45-1.9(e).

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcast provisions added at (c)10.

Amended by R.1994 d.141, effective March 21, 1994.

See: 25 N.J.R. 5906(a), 26 N.J.R. 1380(a).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

19:45-1.3 Licensee's system of internal controls

(a) Each casino licensee shall submit to the Commission and Division a description of its system of internal procedures and administrative and accounting controls in accordance with section 99 of the Act. Such submission shall be made at least 60 days before gaming operations are to commence, unless otherwise directed by the Commission. Each such submission shall contain both narrative and diagrammatic representations of the internal control system to be utilized by the licensee and shall include, without limitation, the following:

1. Administrative controls which include, without limitation, the procedures and records that are concerned with the decision making processes leading to management's authorization of transactions;

2. Accounting controls which have as their primary objectives the safeguarding of assets and the reliability of financial records and are consequently designed to provide reasonable assurance that:

i. Transactions are executed in accordance with management's general and specific authorization;

ii. Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and N.J.A.C. 19:45-1.6, and to maintain accountability for assets;

iii. Access to assets is permitted only in accordance with management authorization; and

iv. The recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

3. Procedures and controls for ensuring, through the use of the casino security department, that the casino and casino simulcasting facility are constantly secure during normal operations and any emergencies due to malfunctioning equipment, loss of power, any natural disaster or any other cause.

(b) The Commission shall review each submission required by (a) above and with the advice of the Division shall determine whether it conforms to the requirements of the Act and the Commission's rules and whether the system submitted provides adequate and effective controls for the operations of the casino licensee. If the Commission finds any insufficiencies, it shall specify such insufficiencies in writing to the casino licensee, which shall make appropriate alterations. When the Commission determines a submission to be adequate in all respects, it shall so notify the casino licensee. No casino licensee shall commence gaming operations unless and until its system of internal controls is approved by the Commission.

(c) Each casino licensee shall submit to the Commission and the Division any changes to its system of internal procedures and administrative and accounting controls previously determined by the Commission in (b) above to be adequate in all respects at least 60 days before the changes are to become effective, unless otherwise directed by the Commission. The proposed changes may be approved or disapproved by the Commission consistent with the standards contained in (b) above. No casino licensee shall alter its internal controls unless and until such changes are approved. However, the Commission shall make a determination concerning a submission for changes in previously submitted control plans no later than 60 days following receipt of the changes unless the Commission and the casino licensee agree to extend the period for making such a determination. If there is no determination made within 60 days and there is no agreement to extend the period for making such a determination, then the changes shall be deemed to be approved.

(d) The submission required by (a) above shall be accompanied by a report of an independent certified public accountant licensed to practice in New Jersey stating that the submitted system conforms in all respects to the standards of internal control set forth in the Act and the Commission's rules or in what respects the system does not conform.

Amended by R.1981 d.272, effective August 6, 1981.

See: 13 N.J.R. 47(c), 13 N.J.R. 628(a), 541(a).

Amended by R.1982 d.189, effective June 21, 1982.

See: 14 N.J.R. 381(a), 14 N.J.R. 664(c).

Amended by R.1989 d.457, effective September 5, 1989.

See: 21 N.J.R. 1506(a), 21 N.J.R. 2808(c).

Changes to submission schedule from 90 days to 120 days before gaming commences and Commission determination to be made within 90 days, reflects changes to Casino Control Act.

Amended by R.1991 d.381, effective August 5, 1991.

See: 23 N.J.R. 1302(a), 23 N.J.R. 2323(a).

In (a): reduced mandatory maximum application period for internal control submissions from 120 to 60 days.

Added (a)1-2. In (b): stylistic revisions.

In (c): reduced time frames for submission of any changes to licensee's system of internal procedures, as well as time frame for determination regarding changes.

Amended by R.1994 d.265, effective June 6, 1994.

See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).

19:45-1.4 Records regarding ownership

(a) In addition to other records and information required by this regulation, each casino licensee shall maintain the following records regarding the equity structure and owners:

1. If a corporation:

i. A certified copy of articles of incorporation and any amendments thereto;

ii. A copy of by-laws and amendments thereto;

iii. A current list of officers and directors;

iv. Minutes of all meetings of stockholders and directors;

v. A current list of all stockholders and stockholders of affiliates, including their names and the names of beneficial owners of shares held in street or other name where any beneficial owner has a beneficial interest in two percent or more of the outstanding shares of any class, addresses, and the number of shares held by each and the date acquired;

vi. A complete record of all transfers of stock;

vii. A record of amounts paid to the corporation for issuance of stock and other capital contributions and dates thereof;

viii. A record, by stockholder, of all dividends distributed by the corporation; and

ix. A record of all salaries, wages, and other remuneration (including prerequisites), direct and indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than five percent of the outstanding capital stock of any class of stock.

2. If a partnership:

i. A schedule showing the amounts and dates of capital contributions, the names and addresses of the contributors, and percentage of interest in net assets, profits, and losses held by each;

ii. A record of the withdrawal of partnership funds or assets;

iii. A record of salaries, wages, and other remuneration (including prerequisites), direct and indirect, paid to each partner during the calendar or fiscal year; and

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

3. If a sole proprietorship:

i. A schedule showing the name and address of the proprietor and the amount and date of his original investment;

ii. A record of dates and amounts of subsequent additions to the original investment and withdrawals therefrom; and

iii. A record of salaries, wages, and other remuneration (including prerequisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

4. If a limited liability company:

i. Certificates of formation, amendment, and cancellation;

ii. Operating agreement;

iii. A current list of all members and managers;

iv. A schedule showing the amounts and dates of contributions by members, the names and addresses of the contributors, and percentage of interest in net assets, profits, and losses held by each member and manager;

v. A record of the distributions of limited liability company funds or assets; and

vi. A record of salaries, wages, and other remuneration (including prerequisites), direct and indirect, paid to each member and manager during the calendar or fiscal year.

(b) All records regarding ownership shall be located on the premises of the establishment, unless a specific exemption is allowed to the licensee by the Commission.

(c) Each casino licensee or applicant shall, upon request by the Commission or Division, provide a list of all record holders of any or all classes of publicly traded securities issued by any holding company or by any other affiliated entity which is required to qualify as a financial source pursuant to subsection 84b of the Act.

Amended by R.1992 d.500, effective December 21, 1992.

See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a).

Added (c).

Amended by R.1993 d.126, effective March 15, 1993.

See: 25 N.J.R. 63(a), 25 N.J.R. 1229(c).

In (c): added text regarding publicly traded securities and reference to subsection 84b of the Act.

Amended by R.2002 d.283, effective September 3, 2002.

See: 34 N.J.R. 1371(a), 34 N.J.R. 3127(a).

In (a), added 4.