

LG202 Internal Controls Worksheet

Keep this required worksheet in your files.

Organization Name: _____ License Number: _____

OBJECTIVES: Your organization is responsible for developing a system of internal accounting and administrative controls for your lawful gambling operation. In addition to any other documented procedures your organization has approved and implemented, the use of this required form will help your organization identify key areas of concern and responsibility. Your system must meet the following objectives:

1. transactions are made with the authorization of your organization's management;
2. gambling revenue transactions are recorded properly and completely to maintain accountability for assets;
3. assets are secured and access to assets is only permitted with the authorization of your organization's management;
4. recorded gambling funds and equipment are monitored on an ongoing basis and discrepancies are resolved;
5. separation of duties, functions, and responsibilities to protect the organization from theft and fraudulent reporting and to ensure compliance with all lawful gambling reporting requirements; and
6. fair play of the games to the public is not restricted.

GAMBLING MANAGER DUTIES: The gambling manager's primary duties are:

1. supervising, hiring, firing, and disciplining gambling employees, including an assistant gambling manager, if any;
2. reviewing and monitoring the conduct of games;
3. determining the product to be purchased and put into play;
4. determining the policy of when to put games into play;
5. ensuring all receipts and disbursements have been properly accounted for in compliance with statute and rule requirements;
6. ensuring that all inventory records have been reconciled each month;
7. supervising all licensing and reporting requirements;
8. promptly filing all required monthly and annual reports;
9. assuring that the organization is in compliance with all statutes and rules related to lawful gambling;
10. assuring that illegal gambling is not conducted at a permitted premises; and
11. attending a majority of the organization's regular meetings.

ASSISTANT GAMBLING MANAGER: A person is considered an assistant gambling manager if they perform **any** of the following:

- Hires, fires, or disciplines gambling employees.
- Determines product to be purchased.
- Completes license and permit application requirements.
- Negotiates leases.
- Six or more functional responsibilities listed in items 1-17 on pages 2-3.

List name(s) of your organization's assistant gambling managers.

1. _____
2. _____
3. _____
4. _____

LG202 Internal Controls Worksheet

Organization: _____ License: _____

FUNCTIONAL RESPONSIBILITIES		List the name(s) of the person(s) assigned. Attach additional sheets if necessary.						
		Gambling manager	Member/Committee	Employee/Volunteer	Lessor - Bar Op	Lessor - Booth Op	Accountant	Other [specify]
REPORTS								
1. Prepares reports submitted to Gambling Control Board and Revenue. If performed by accountant or other person, list person who verifies.								
2. Presents monthly gambling report to membership.								
3. Records the monthly gambling report and authorization of expenditures in organization meeting minutes								
EXPENDITURES								
4. Ensures prior authorization for all gambling expenditures is obtained from membership.								
5. Monitors lawful purpose rating for compliance.								
BANK ACCOUNT AND DEPOSITS								
6a. Maintains the check register (may not do item 14) If 6a performed by accountant or other person, list person who verifies.								
6b. Prepares checks and electronic transaction authorizations for signatures.								
7. Signatories on gambling account (may not be organization's treasurer) .								
8. Prepares bank deposits (may not do items 13 or 14) .								
9. Deposits gambling receipts (may not do items 13 or 14) .								

LG202 Internal Controls Worksheet

Organization: _____ License: _____

FUNCTIONAL RESPONSIBILITIES	List the name(s) of the person(s) assigned. Attach additional sheets if necessary.							
		Gambling manager	Member/Committee	Employee/Volunteer	Lessor - Bar Op	Lessor - Booth Op	Accountant	Other [Specify]
INVENTORY								
10a. Maintains perpetual inventory (may not do item 10b).								
10b. Conducts month-end physical inventory (may not do item 10a or be the seller).								
11. Compares month-end physical inventory to perpetual inventory & reconciles differences. If 11 is performed by accountant or other person, list who verifies.								
12. Maintains merchandise inventory records.								
AUDITS AND VARIANCES								
13. Performs final audit of closed games (may not do items 8, 9, 25, or be the seller). If performed by accountant or other person, list who verifies.								
14. Reconciles bank statement to checks, electronic transactions, and deposits listed in check register. Reconciles bank deposits to game and bank records (may not do items 6a, 8, or 9). If performed by accountant or other person, list who verifies.								
15. Verifies and resolves profit carryover variances. If performed by accountant or other person, list who verifies.								
16. Investigates and resolves fund losses (theft) of missing inventory, tickets, and/or receipts.								
17. Investigates and resolves cash shortages.								

NOTE: Your organization's members, gambling employees, or gambling volunteers must:

- complete all source documents for gambling occasion and daily activity records,
- complete all inventory records (daily tracking, site, physical and perpetual), and
- verify that all gambling expenditures, equipment, assets, and receipts are properly accounted for.

LG202 Internal Controls Worksheet

Organization: _____ License: _____

FUNCTIONAL RESPONSIBILITIES	List the name(s) of the person(s) assigned. Attach additional sheets if necessary.							
		Gambling manager	Member/Committee	Employee/Volunteer	Lessor - Bar Op	Lessor - Booth Op	Accountant	Other [specify]
OTHER 18. Establishes procedures to ensure security over assets (equipment and receipts).								
19. Establishes procedures for opening/closing games and for the conduct of games which ensure that fair play to the public is not restricted.								
20. Develops job descriptions for employees and volunteers.								
21. Trains employees.								
22. Orders products as authorized by gambling manager or assistant gambling manager.								
23. Performs random spot checks of games in play.								
24. Verifies cash banks.								
25. Performs random spot checks of closed games (may not do 13).								
26. Monitors conduct at all of the organization's permitted premises to detect illegal gambling.								
27. List other responsibilities (attach additional sheets).								

OTHER GUIDELINES

Security recommendations:

- Ensure that security measures are put into place to protect assets and all employees/volunteers understand the procedures to follow.
- The use of a safe is recommended to secure assets.
 - √ Keep the safe locked at all times.
 - √ Do not leave the safe open and unattended.
 - √ Give the combination only to assigned personnel.
 - √ Never post the safe combination.
- If a security alarm is used, instruct employees on the proper procedures to follow.
- Do not hide money in an unsecured container on the premises. Money must be kept secure at all times.
- Keep track of keys. Do not leave keys on the premises.
- Limit access to assets. Determine who may have access to assets.

The establishment of a **Gambling Committee**, comprised of members, is suggested to help provide oversight and provide recommendations to the membership.

A **Gambling Committee** might perform the following:

- Review prepared reports.
- Establish criteria for charitable contributions.
- Review requests for charitable contributions and make recommendations to the membership.
- Final audit of games.
- Maintain or verify the check register.
- Monitor compliance with lawful purpose rating.
- Reconcile bank statements to checks, electronic transactions, and deposits listed in check register.
- Reconcile bank deposits to game and bank records.
- Verify and resolve profit carryover variances.
- Other functions determined by the membership.

Signature

I affirm that a comprehensive system of internal controls has been developed and implemented, and will be available for review. The effective date of this system of internal controls is ____/____/____.

Chief Executive Officer

Date

Gambling Manager

Date

Data privacy notice: The information requested on this form and any attachments will become public information when requested and received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling.