

112-104-9. Complimentaries. (a) Each facility manager's internal control system shall include internal controls for the authorization, issuance, recording, and auditing of complimentaries, including cash and non-cash gifts. The internal controls shall be submitted according to K.A.R. 112-104-1. These internal controls shall include the procedures by which the facility manager delegates to its employees the authority to approve the issuance of complimentaries and the procedures by which conditions or limits that may apply to this authority are established and modified, including limits based on relationships between the authorizer and recipient.

(b) On a daily basis the facility manager shall record the name of each patron provided with complimentaries, the category of service or item, the value of the services or items provided to each patron or that patron's guests as calculated in accordance with subsection (d), and the license number of the employee authorizing the issuance of the services or items. For the purposes of this regulation, "guest" shall mean any person who receives complimentaries as a result of that person's relationship with the patron receiving the primary complimentaries. Upon request, a copy of this daily report shall be submitted to the commission.

(c) The internal audit department shall review the reports required in subsection (b) at least monthly. These reports shall be made available to the commission, audit committee of the board of directors, and any other entity designated by the executive director, upon request.

(d) All complimentaries shall be valued and recorded as follows:

(1) At full retail price normally charged by the facility manager if the complimentary is provided directly to patrons in the normal course of the facility manager's business, including rooms, food, and beverages;

(2) at an amount based upon the actual cost to the facility manager of providing the service or item, if the complimentary is not offered for sale to patrons in the normal course of a facility manager's business;

(3) at an amount based upon the actual cost to the facility manager of having a third party who is not affiliated with the facility manager provide a service or item directly or indirectly to patrons by the third party; or

(4) if provided directly or indirectly to a patron on behalf of a facility manager by a third party who is affiliated with the facility manager, in accordance with the provisions of this regulation as if the affiliated third party were the facility manager.

(e) Complimentaries that are cash gifts shall include the following:

(1) Public relations payments made for the purpose of resolving complaints by or disputes with facility manager patrons;

(2) travel payments made for the purpose of enabling a patron to return home;

(3) cash gifts issued to patrons as a result of actual gaming activity; and

(4) coupons issued and redeemed as part of a promotion program.

(f) The facility manager shall report to the commission on a quarterly basis both the dollar amount of and number of patrons provided with each category of

complimentaries. The complimentaries reported shall be separated into categories for rooms, food, beverage, travel, cash gift, non-cash gift, and other services or items.

(g) If cash and non-cash complimentaries issued to a patron or the patron's guest or guests have a value of \$600.00 or more, the facility manager shall meet the following requirements, in addition to those in subsection (f):

(1) Record the name and address of the recipient;

(2) record the unique identification number from the recipient's government-issued photo identification card and perform one of the following:

(A) Examine the identification card to ensure that it is consistent with the actual appearance of the patron;

(B) obtain the patron's signature and compare it to the patron's signature and general physical description in a patron signature file; or

(C) obtain authorization from a level I employee attesting to the patron's identity;
and

(3) record the method of verification.

(h) All cash complimentaries shall be disbursed directly to the patron by a gaming cashier at the cage after receipt of appropriate documentation or in any other manner approved by the executive director.

(i) No facility manager shall permit any employee to authorize the issuance of cash or non-cash complimentaries with a value of \$1,000.00 or more, unless the employee is licensed and functioning as a level I employee.

(j) Each facility manager shall submit to the commission a report listing the name of each patron who has received \$1,000.00 or more in cash and non-cash complimentaries, including amounts received by the patron's guests within a calendar month. Each report shall be filed within five business days and shall include the total amount of cash or non-cash complimentaries provided to each patron and the patron's guests. (Authorized by and implementing K.S.A. 2007 Supp. 74-8772; effective Sept. 26, 2008.)