**Class 4 Support Guidelines for**

**Gaming Machine Operations**

**Introduction**

The review of the Class 4 Game Rules in early 2016 resulted in a number of rules around cash management and routine gaming machine procedures being removed or amended. Although these changes removed some requirements, it is recommended that certain procedures continue in order for venue staff and societies to be assured of the integrity of their gaming machine operation and to assist in handling patron complaints.

**These support guidelines are not mandatory**. They were developed by Class 4 sector representatives to assist gaming machine operators by providing recommendations that will assist venues with their operations. Following these guidelines will help venue operators ensure their gaming machine float remains intact.

# **Cash Float**

*Amount of cash float*

1.1 The amount of gaming float required is dependent on the size of gambling activity at the venue. The amount of cash float should be sufficient enough to ensure the timely banking of GMP while enabling the venue to continue to perform hopper refills, cancelled credit payouts and cash transactions without requiring intermittent cash clearances from the gaming machines.

1.2 It is recommended that the gaming float be kept separate from other venue floats. Any float used for gaming machine transactions must be initially provided by the venue operator and not sourced from gaming machine proceeds (GMP). It is acknowledged that GMP does, at various times, form part of the gaming float in the normal course of operating machines.

## *Cash float balancing*

## 1.3 The total amount of the venue cash float should be a constant figure, the opening hopper count and cash float combined as a total should always equal the total of the closing hopper count and cash balance for any period.

## To ensure the accuracy of the float balancing procedure, it is critical that all daily gaming machine transactions, cash clearances, refills, and cancelled credits have been verified against the daily venue EMS report or the venue cash management system.

## Float balancing should be performed once a hopper count (the weighing of the hopper) has been completed, and the GMP for the venue has been established.

##  *Calculating the gaming float manually*

## 1.6 After removing all bank notes from bank note acceptors and coins from cash boxes, plus weighing the hoppers, complete the following steps:

## Remove required GMP (Gaming Machine Profit) as per the EMS report.

## Calculate the total coin amount in the hoppers either by:

## using the cash management system; or

## manually subtracting the hopper tare weight from the hopper total weight to give you the coin amount in each hopper, then totalling.

## Add the total coin amount in the hoppers to the remaining cash, and this should equal your starting float.

## You should always have the same total float amount; however, your total hopper amount and remaining cash will fluctuate.

# **Gaming Machine Cash Clearances**

* 1. It is recommended that wherever reasonably practicable, the removal and counting of money from gaming machines should be performed by two people.
	2. Scheduled cash clearances should be carried out at times when there is minimum risk of disruption or interference with regard to the safety of venue staff and security of money.
	3. Note acceptors and cash boxes should be emptied at intervals consistent with keeping cash floats to a minimum, preferably after the finish of the day’s last play and before the commencement of the next day’s play.
	4. For reconciliation purposes, best practice is to record the amount of cash removed from each gaming machine separately.
	5. The amount of cash cleared from each gaming machine can be verified by checking the daily EMS report or the venue cash management system.
	6. All cash removed from gaming machines should be safely secured as part of the gaming machine float.

# **Hopper Refills**

* 1. Staff performing hopper refills should ensure that:
		+ a refill is actually required by checking for coin jams and hopper jams, and confirming that the hopper is in fact empty; and
		+ every refill is correctly registered on the gaming machine meters; and
		+ the main door of the gaming machine is securely locked before leaving the machine; and
		+ every refill is recorded on the appropriate venue refill report in accordance with the venue’s cash management policy.

3.2 For reconciliation purposes, the hopper refill amount must be the same as the refill default amount on the gaming machine. Either manual forms or cash management system printouts can be used.

# **Troubleshooting**

*Causes of Discrepancies*

4.1 There are a number of factors to consider and investigate when discrepancies occur in either float balancing or the reconciliation of gaming machine transactions.

Examples of things that may cause discrepancies include:

* Cashboxes not being checked for coins;
* A hopper refill is recorded on the gaming machine refill meter, but no coins or a reduced amount of coins are placed in the hopper resulting in a negative hopper variance;
* Coins are placed in the hopper but a hopper refill is not recorded on the gaming machine refill meter resulting in a positive hopper variance;
* Hoppers are weighed incorrectly or an incorrect hopper count is recorded;
* A cancelled credit is paid to a patron but the credit amount was not cancelled off the gaming machine meters;
* Cash clearances are not verified or recorded correctly.

*Gaming Machine Analysis reports*

4.2 Gaming Machine Analysis reports are a tool for comparing machines’ meter activity with the various cash transactions for each individual gaming machine, so as to provide a means of reconciling them and being able to readily identify situations where irregularities or machine malfunctions have occurred. To assist venues in confirming discrepancies, a GMA can be completed.

4.3 It is essential when completing GMA forms\* that actual cash figures are compared to the machine meters; otherwise, the completion of a GMA form will provide little assistance. Therefore GMA reports should be completed using the data obtained from two sources:

1. Actual gaming machine meter readings, taken directly from either: the gaming machines meters; the venue EMS report or where, by the use of sniffer technology, any computer program or electronic management system that reflects the EMS readings; **and**
2. Physical cash movements by way of cash clearances, hopper refills and cancelled credits.

*\*The GMA report contains specific instructions to assist in completing it. It can be accessed on the Department’s website here:* [*Gaming Machine Analysis Report*](https://www.dia.govt.nz/pubforms.nsf/URL/StandardForms_GamingMachineAnalysis_Nov09.pdf/%24file/StandardForms_GamingMachineAnalysis_Nov09.pdf)

4.4 Where an anomaly or discrepancy is disclosed by the completion of a GMA report and it is believed that the anomaly or discrepancy was caused or contributed to by a fault or malfunction of a gaming machine or any gambling equipment connected to that gaming machine, then the following action should be taken:

1. the person conducting the analysis should immediately inform the corporate society and the venue manager (or, in the case of a club, the club manager); and
2. the venue manager or club manager should ensure that the gaming machine and/or gambling equipment is examined by a person contracted to service gambling equipment, and that any fault or malfunction is rectified.

# **Short Pay Investigation**

*Verifying a short pay claim*

5.1 A shortened version of the GMA report may be completed for the sole purpose of verifying a short pay claim. Such an analysis would require only the following data:

* Coins in meter readings (recording opening\*, closing\*\* and the difference between the two);
* Coins out meter readings (recording opening\*, closing\*\* and the difference between the two);
* Hopper refill meter readings (recording opening\*, closing\*\* and the difference between the two);
* Cash box meter readings (recording opening\*, closing\*\* and the difference between the two);
* A physical count of coins contained in the hopper; and
* A physical count of coins contained in the cash box.

**\*The opening meter reading or count should be that recorded on the most recently completed GMA report**

**\*\*The closing meter reading or count is that performed in the course of completing the analysis**.

*Suspension of Game Play*

5.2 Where required, the venue manager should suspend game play until such time as a player dispute has been resolved or any cash variances have been identified and resolved.

# **Checking of Website and EMS Reports**

* 1. The venue manager, or member of venue personnel for the time being in charge of the gambling operation, should access and check the venue’s website page at [www.ems.govt.nz](http://www.ems.govt.nz/) weekly on a Monday (at the minimum) to verify the required weekly GMP. The EMS Help Desk should be notified if any current EMS reports have not been updated or are unavailable.
	2. The corporate society should access and check the society’s website page at [www.ems.govt.nz](http://www.ems.govt.nz/) weekly on a Monday (at the minimum) to verify the required weekly GMP. The EMS Help Desk should be notified if any current EMS reports have not been updated or are unavailable.

# **Security of Electronic Monitoring Equipment**

## *Password security*

7.1 The corporate society should develop and implement a suitable password security policy in order to ensure that only authorised society and venue personnel have access to the monitor’s web site or EMS Help Desk services.

7.2 The password security policy should include provisions to ensure accuracy of information, for example immediately notifying the monitor if concerns arise around the system being compromised; for example, when a staff member leaves or where a password may have been compromised.

*Responsibility of corporate society*

7.3 Where a potential breach of security or integrity affects electronic monitoring equipment located at a venue, the corporate society should investigate the matter and notify the Secretary.

#  **Notifications**

8.1 In any case where there is a requirement to notify both the Secretary and the EMS Service Desk, notification to the EMS Service Desk will constitute notification to the Secretary.