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POLICY MEMORANDUM

Procedures for Reopening after Temporary Closure Due to COVID-19

To assist licensees with reopening after the mandated COVID-19 temporary closures, the Board has compiled a list of procedures that should, at a minimum, be considered and addressed. These procedures are not intended to be all encompassing. Other steps may be necessary and should be determined on an individual basis, and in consultation with the Board, as necessary.

A Reopening Plan must be established and emailed to the Audit Division (LVRisk@gcb.nv.gov or RNRisk@gcb.nv.gov) if the affected property is a Group I licensee, or to the Tax and License Division (TLCompliance@gcb.nv.gov) if a Group II licensee. An additional copy should be emailed to the Enforcement Division (Ops@gcb.nv.gov).

Note that the reopening plan is not intended to serve as a vehicle for requesting required approvals or waivers, unless otherwise specified in the policy memorandum. Separate letters should be sent to the appropriate Board divisions for waiver requests.

The plan must be submitted at least seven (7) days before reopening occurs or as soon as reasonably possible thereafter. Additionally, all procedures performed during the reopening process must be in compliance with the Minimum Internal Control Standards (Group I licensees), the Internal Control Procedures (Group II licensees) or any Board approved variations of these standards/procedures that were active at the time of closure or were approved subsequent to the closure.

Reopening Plans must address the following items for each property, as applicable:

1. Contact information of person coordinating the reopening activity (i.e., name, title, phone number, e-mail address, and if available, mobile phone number that can be used to reach contact person during activities).

2. Notification of the reopening date and time. Additionally, identification of the gaming, entertainment and club venue areas that will be reopened and, if applicable, which will not. If the opening of various gaming/entertainment/club

venue areas are to be phased in, then the anticipated reopening dates/times for each area must be specified. Any changes made to a licensee's gaming day must also be specified.

3. A schedule for the replenishment of funds, including cash, chips and tokens, in all areas of casino accountability (e.g., hoppers, booths, cage, kiosks, fill cabinets, vaults, table games trays, etc.), along with an indication of the responsible department(s).

4. Licensees must ensure that the Audit Division (Group I licensees) and the Tax and License Division (Group II licensees) have been provided with the most current count and drop times required by NGC Regulation 6.130(1)(a).

5. There were certain quarterly and semi-annual filings that were due to be submitted to the Board during the time of the mandated closure, including those required by NGC Regulations 3.100(2), 5.050, 6.130(1)(b) and 8.130(1), respectively. The deadlines for these filings are administratively approved to extend to no later than 30 days after the Governor authorizes the reopening of gaming operations within the state.

   The Tax and License Division should be contacted regarding any questions that are specifically related to filing tax and fee returns/forms.

6. Procedures and verifications must be performed to ensure that all liabilities to patrons are correctly accounted for and reconciled from the time of the temporary closure to the time of reopening, including but not limited to incremental progressive amounts, safekeeping/front money/wagering account balances, player tracking point balances, race and sports futures/unpaids, payout receipts and wagering vouchers, etc.

7. As payout receipts and wagering vouchers may have expired during the temporary closure, licensees must take measures to pay these liabilities or extend the expiration dates for such liabilities to accommodate the period the property was closed. Consequently, the redemption period requirements of Regulations 6.110(11) and 6.110(12)(b) are administratively approved to be extended to 30 days after the Governor authorizes reopening of gaming operations. Furthermore, the revenue reporting requirements of Regulations 6.110(11) and 6.110(12)(b)(1) are also extended to 30 days after the Governor authorizes reopening of gaming operations. Additionally, the reporting requirement of Regulation 6.110(12)(b)(2) is extended to the quarter following the quarter the Governor authorizes reopening on gaming operations. Regardless of whether a licensee chooses to use these waivers or chooses to comply with the requirements of the regulations, the applicable tax forms that reflect monthly and/or quarterly payout receipt and wagering voucher activity must continue to be submitted.

   Licensees must also ensure that other payments owed to patrons (e.g., winning sports tickets, etc.) are paid when submitted for payment. Any expiration dates

that such liabilities have, either through regulatory requirement (e.g., NGC Regulation 22.080(3)) or through a licensee's internal policy advised to patrons, must be extended to include the time period the property was closed.

8. The "cash on hand" bankroll requirement of NGC Regulation 6.150, as calculated using the Board's prescribed bankroll formula, is waived for a period of 7 days after the Governor authorizes the reopening of gaming operations. However, licensees who reopen are still expected to comply with the "next business day" funds requirement during this 7 day period. The Audit and Tax and License Divisions, as applicable, should be contacted for any questions regarding this administrative waiver.

9. An indication must be given as to whether the administrative waivers that were granted in the Board's March 17, 2020 *Procedures for Casino Closures and Changeovers Policy Memorandum* will be used. These waivers provided licensees with an additional 30 days for filing audited or reviewed financial statements (NGC Regulation 6.080) and the CPA /Internal Audit reports (NGC Regulation 6.090 (9) and (15)). If a request for extension is required beyond the 30 days, contact the Audit Division for information related to additional administrative extensions.

   Due to COVID-19, the financial statements and the CPA/Internal Audit reports that are due during the first six months of 2020 are to be submitted to the Audit Division (NComprpts@gcb.nv.gov for Northern Nevada and Scomprpts@dcb.nv.gov for Southern Nevada). No hard copy filings will be required.

10. For the disposition of any progressive amounts pursuant to NGC Regulations 5.110(5)(c)(4) and 5.112(6)(d)(4), the disposition time requirements of NGC Regulations 5.110 and 5.112 do not begin until the Governor authorizes the reopening of gaming operations.

11. Amendments to the Internal Control System, if applicable, must be submitted within 30 days after reopening.

12. Upon reopening, licensees with a reserve requirement under NGC Regulation 5.225 or 22.040 must ensure that the maintained reserve complies with the requirements of these regulations or is in compliance with any active waivers that were previously approved by the Board. If an increase to the reserve is necessary, then the Audit Division must be provided with the original reserve agreement for the increase within 20 days of reopening. Any questions regarding these reserves should be directed to the Audit Division.

13. As the Minimum Internal Control Standards (Group I licensees) and Internal Control Procedures (Group II licensees) require licensees to perform certain monthly, quarterly and semi-annual procedures, it is possible that due to the mandated closure, licensees may have been unable to perform certain accounting, internal audit and CPA required procedures. If the temporary closure impeded a licensee's ability to perform certain required procedures, violations will not be cited.

Instead, those procedures will be administratively waived. Contact the Audit Division or the Tax and License Division, as applicable, if additional clarification is needed.

Licensees and club venue operators must be in full compliance with all applicable Surveillance Standards and the surveillance system and camera coverage should be checked by licensees to ensure proper functioning prior to the commencement of live gaming. Additionally, the DVR system used for surveillance should be tested to ensure:

- Full screen review
- Data with time and date superimposed
- 30 images per second
- Media player has necessary software to view images
- Watermark verification software

14. Upon reopening, licensees and club venue operators will be responsible for reviewing the list of expired gaming employee registrations for their property. Employees whose gaming registrations have expired during the closure may work for up to 30 days while they renew their registrations. The Enforcement Division will not take any regulatory action against licensees for expired gaming registrations, as long as all applicable renewal applications are submitted via the Board's online registration system within 30 days of the reopening date. This exemption is only for renewal applications. New registration applications must be submitted prior to commencing work in a gaming position.

    If you have already terminated laid off or furloughed employees in the Board's system, and they subsequently return to work at your location at the time of reopening, the Board will offer a one-time option to administratively reinstate those employees at your location in our system. Please communicate any affected employees to the Enforcement Division at rgarcia@gcb.nv.gov. Employees must have been previously registered at your location, separated from service due to the COVID-19 closures, and must be reinstated within 60 days of your date of reopening. If you communicate the list of affected employees to the Board, you will not need to perform any transactions in the online registration system. The Board will reactivate those employees at your location, and they will show on your registered employee list in the online registration system the following day.

15. Verify that all new and modified gaming devices and associated equipment installed between the period of closure and reopening have been approved in accordance with NGC Regulation 14 prior to making the new or modified gaming device or associated equipment available to the public. Unapproved new or modified gaming devices and associated equipment must not be made available to the public.

16. For Club Venues:

- Club venues under the Board's authority will be allowed to reopen in compliance with any directive or guidance issued by the Governor's office and state and local health officials.
- Any registered club venue employee whose registration expired during the temporary closure will be allowed to work for up to 30 days after resumption of operations while they renew their application. This does not apply to new registrations.
- If you have already terminated laid off or furloughed employees in the Board's system, and they subsequently return to work at your location at the time of reopening, the Board will offer a one-time option to administratively reinstate those employees at your location in our system. Please communicate any affected employees to the Enforcement Division at rgarcia@gcb.nv.gov. Employees must have been previously registered at your location, separated from service due to the COVID-19 closures, and must be reinstated within 60 days of your date of reopening. If you communicate the list of affected employees to the Board, you will not need to perform any transactions in the online registration system. The Board will reactivate those employees at your location, and they will show on your registered employee list in the online registration system the following day. Licensees should conduct due diligence on recently terminated employees whose registrations have not expired.
- Surveillance inspections will not be necessary prior to reopening as long as the camera configurations have not changed and compliance with item #14 is met.
- If any changes were made to policies and procedures during the temporary closure, please forward the revised version to ops@gcb.nv.gov.

17. Licensees should verify with all other state and local government entities to ensure compliance with their specific reopening requirements. Additionally, licensees must comply with all prescribed local, state and federal COVID-19 health requirements. Further direction and requirements on these matters may be issued by the GCB as the situation evolves.

18. Any additional information not addressed in #1 - #18 above that a licensee considers relevant should also be included in the Reopening Plan that is submitted pursuant to this Policy Memorandum.

Nevada Gaming Control Board Agents may be present to observe some or all of these procedures. The Board will coordinate Agent involvement with licensees, if Agent observation is to occur. Any questions regarding reopening procedures may be directed to the Board's Audit, Enforcement, Tax and License or Technology Divisions, as applicable.

Sincerely,

Terry Johnson, Esq.
Board Member

TJ/KC

cc: Sandra Douglass Morgan, Esq., Chairwoman
Phil Katsaros, Board Member