

24 NCAC 06A .0410 ACCOUNTING RECORDS

(a) The Operator shall maintain complete, accurate, and legible records of transactions related to their Wagering Operation for five years, including transactions pertaining to revenues, expenses, assets, liabilities, and equity in conformance with generally accepted accounting principles.

- (1) The Commission or Director may direct Operators to modify how the records are maintained if an Operator's records are not in accordance with generally accepted accounting principles or if the records are not in sufficient detail.
- (2) The accounting records shall be maintained using a double entry system of accounting with transactions recorded on the accrual basis and supported by detailed subsidiary records.

(b) The detailed subsidiary records shall include, at a minimum:

- (1) detailed general ledger accounts identifying revenue, expenses, assets, liabilities, and equity;
- (2) a record of investments, advances, loans, and accounts receivable balances due the Operator;
- (3) a record of loans and other accounts payable;
- (4) a record of accounts receivable written off as uncollectible;
- (5) journal entries prepared;
- (6) tax work papers used in preparation of a state or federal tax return if applicable;
- (7) records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to Persons in the normal course of a Wagering business shall be recorded in an amount based on the full retail price normally charged for the service or item or as is otherwise consistent with generally accepted accounting principles;
- (8) records required by the Internal Controls; and
- (9) other records that the Commission requires to be maintained.

(c) The Operator shall maintain records supporting, as applicable:

- (1) for Sports Wagering, the Gross Wagering Revenue, as defined by G.S. 18C-901(7); and
- (2) for Pari-Mutuel Wagering, the total Wagers placed by residents of this State.

(d) If an Operator fails to maintain the records used by it to calculate the applicable amounts specified in Paragraph (c), the Commission may compute and determine the amounts on the basis of an audit conducted by the Commission using available information.

*History Note: Authority G.S. 18C-114(a)(14);
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