

# TRIBAL GAMING PROPERTIES

## TIPS MANAGEMENT & COMPLIANCE

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### TMC FUNCTIONS

1. Collect tips hours and income
2. Pool of eligible employees
3. Identify tipped job codes worked
4. Proration of tips among personnel, support personnel and cashiers.
5. Multiple proration methods
6. Pay tips (optional) or pay partial tips at day earned.
7. Report tips to payroll for weekly or bi-weekly pay.
8. Special handling of poker tournaments tips.

### SPECIAL FEATURES

1. Fully compliant with GITCA Agreement.
2. Extended configuration flexibility to accommodate various proration and distribution requirements.
3. Pooled tips allocation features
4. Integration with property T&A, HR, Payroll and Point of Sales systems.
5. TMC generates gross-to-pay tips for payroll update
6. Reducing excessive employees IRS audit
7. Pooled tips distributed based upon qualified hours worked
8. Proration ratios by shift and hours of work and by skill and position.

### IRS GITCA AGREEMENT COMPLIANCE

IRS overall objective in offering the Gaming Industry Tips Compliance Agreement (GITCA) is to extend tips reporting, improve proration accuracy and timely distribution of tips earned by all employees in a Gaming Property. Compliance with the GITCA is also important, reducing the burden of excessive tax audits and often substantial IRS penalties incurred by both employees and employer.

Cetec developed its TIPS Management & Compliance (TMC) system based upon industry standards and IRS compliance provisions to automate cumbersome tip handling processes and insure compliance with GITCA and other IRS agreements. TMC is used by Native Indian Properties to eliminate tips reporting and calculation errors and IRS incurred penalties.

The TMC web based application was designed to improve manageability of earned tips, application flexibility, error recovery procedures, scalability, reporting and security.

Tipped Job Codes (or positions) within a number of departments is inherent within the functions of the TMC solution. These tipped job codes include those in:

- The Slots Department
- Table Games Department
- The Poker Department
- The Poker tournaments



- The Cashier Cages
- Food and Beverage outlets

TMC maintains different methodologies for the distribution of tips which depend on the unique policies of each department. The first methodology is in prorating pooled tips. The second methodology is in declaring individual dealer tips with parts of the declaration going to other pools at the casino. As such, TMC's methodologies are represented each by the policies of their own department. In the Slots Department for example, personnel pool their tips for distribution to their key and support personnel on a shift by shift basis. In addition, TMC was designed to support multiple properties deployed to vary from one property to another with the primary objective to eliminate excessive manual handling of tips reporting, proration and allocation details. In addition, TMC's compliance provisions virtually eliminate IRS penalties and significantly reduce operational costs.

### TIPS MANAGEMENT & COMPLIANCE SOLUTION



