

This document was prepared at the encouragement of officials at the U.S. Treasury (Office of the Comptroller of the Currency), Congressional leaders in both the House and Senate chambers, senior banking executives and leaders from national trade associations. We seek to better inform the banking community on the AMOA and the business it conducts around the country.

Who We Are

The Amusement & Music Operators Association (AMOA) is a (501-c6) national trade organization serving companies and individuals engaged in the sales, marketing, distribution, and manufacturing of currency-operated equipment.

Our members are primarily small business owners who have less than twenty-five employees.

Our Members Products and Business Overview

AMOA member product consists of jukeboxes, pinball machines, pool tables, electronic soft tip dart boards, foosball, photo booths, redemption as well as other attractions activated by the insertion of coins, currency or other means of payment. In addition to games, many of our members operate ATM's.

AMOA members operate equipment in a variety of locations such as amusement arcades, bars/restaurants, family entertainment centers, water parks, movie theaters, bowling centers, malls, trampoline parks just to name a few.

The equipment operated by AMOA members produces literally tens of thousands of small transactions each day. While cashless technology continues to evolve, it has not yet entirely caught up with the small transaction environment.

Transactions can be anything from fifty cents to five dollars. Because of this, our members continue to have high utilization of quarters, single, fives, tens and twenties.

ATM Operation

AMOA members operate non-bank branded ATM's in small business locations. These types of locations rely on their customers having access to cash in their establishments through an ATM. Most banks choose not to operate ATM's in these establishments as it is not economically feasible to do so. Since AMOA operators are already providing other services to these locations, they can provide ATM service as well, filling a market need that banks cannot meet.

ATM owners often pay a commission to the site in exchange for space to operate the ATM and providing power and internet connection to the machine.

To become an ATM Operator, AMOA members work with an ATM Independent Service Operator, (ISO). The ISO does two things. First the ISO handles the vetting process of the ATM Operator. The following information must be provided to the ISO from the Operator so that a background check can be completed. The requirements are specified according to the Electronic Funds Transfer Act (Reg-E)

- Business Name, dba name, address, type of business, and tax identification number
- Operator personal address, driver's license info, and social security number
- Location name and address of where ATM will be placed
- Banking information of ATM settlement account and also vault cash filler information.

Secondly, the ISO is responsible for being the link between the networks that carry ATM transactions and the ATM owner. The ISO provides transparent, real-time reporting of all ATM transactions and vault cash settlement. Additionally, the ISO manages monthly surcharge distribution to the ATM owner.

ATM Volume, Logistics and Accounting

ATM's dispense cash; therefore, Route Operators depend on a solid banking relationship that allows them to access vault cash on a daily and weekly basis.

The average ATM does 100 transactions a month with an average withdrawal amount of \$80.00. The average ATM will dispense around \$8,000.00 per month. If the operator has a route of 50 machines, \$400,000.00 in cash is required to keep their route of machines running.

Route operators can operate ATM's over a large geographic area. It is not unusual to find an operator whose business borders a couple of states to be conducting business in each of the bordering states. For example, someone operating in Winona, Minnesota may run ATM's in Minnesota, Wisconsin and Iowa and possibly even Illinois.

Relationships with banks that have multiple branches throughout their operating territory ensures that they can withdraw ATM vault cash in the areas where their ATM's are located and not have to carry too much cash in their vehicle.

Typically, ATM operators will have at least two accounts with their bank that pertain to ATM business. The first is a settlement account for vault cash. This account is where the processor deposits the money that was dispensed from the operator's ATM's the previous business day. The second account is used to deposit the Operator's surcharge revenue. The surcharge is the amount charged to the customer when they withdraw money from the ATM. This is the revenue stream Operators use to run their ATM business.

All ATM transactions are documented and recorded.