

System-wide Policy: FI0131 - Cash Shortages and Property Losses	
Version: 2	Effective Date: 04/23/2019

FI0131 – Cash Shortages and Property Losses

Topics:

General Policies	Forms
Procedures	Contacts

Objective:

To provide reporting requirements for cash shortages and losses of equipment or other university property when employee involvement is not suspected.

Policy:

General Policies

1. This university is required to report any cash shortages or unauthorized removal of property to the state comptroller's office. If employee involvement is known or suspected, the reporting procedures in [FI0130 - Fraud, Waste and Abuse](#) should be followed. The policies and procedures below apply to cash shortages and losses of equipment or other university property in which employee involvement is not suspected. (See [Reporting Procedures](#) for losses of university resources.)
2. Cash or property losses resulting from theft, robbery, or apparent burglary should be reported immediately to the campus/institute police department. If the campus or institute has no police department, the local police department and campus/institute business office should be notified.

Cash Shortages

3. Departments must report cash shortages of \$250 or more within 3 business days to the [Office of Audit and Compliance](#) and the campus/institute business office. Shortages less than \$250 do not have to be reported.
 - A. Petty Cash Shortages: All petty cash shortages must be replenished from a departmental cost center. The request to replenish the fund should fully

System-wide Policy:	
FI0131 - Cash Shortages and Property Losses	
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document the circumstances surrounding the shortage. To replenish funds, departments should prepare a T-4. The T-4 must be approved by the campus/institute chief business officer or designee for amounts of \$250 or more.

- B. Shortages in Cash Collections: All shortages in payments received for goods and/or services should be documented with the deposit and reviewed by a supervisor. Departments should have written procedures for shortages in cash collections.

Property Losses

- 4. To ensure prompt inspection of any damage and facilitate the settlement of an insurance claim, all property losses must be reported within 30 calendar days of the date a loss is first suspected to the appropriate budget entity business office or financial officer, who in turn will forward a report to the [Office of the Treasurer](#). Claims for property losses will be processed in accordance with [POLICY FI0135](#).
- 5. All missing equipment or other university property should be reported on an [EQUIPMENT INVENTORY CHANGE/DELETION REQUEST \(Form T-64\)](#). If the items are believed to be missing because of theft, robbery, or apparent burglary, a copy of the police report should be attached to the form T-64 (Also see [FI0605 - Equipment](#)) If missing equipment or other university property is listed on the university's equipment inventory system, and the department has not been able to locate the items after an exhaustive search, the department should prepare a T-64 including a written explanation describing the circumstances of the disappearance. The form should be sent to the campus/institute chief business officer or designee and then forwarded to the Equipment Records section of the Controller's Office. Based on the circumstances reported by the department, the campus/institute chief business officer may require the loss to be reported to the police.
- 6. Items discovered missing during the annual inventory verification, should be reported on a T-64 and reported to the campus/institute chief business officer or designee.

System-wide Policy: FI0131 - Cash Shortages and Property Losses	
Version: 2	Effective Date: 04/23/2019

7. The campus/institute chief business officer (or designee) must report all losses on the [T-65 Form.xlsx](#) which is sent monthly to the Office of Audit and Compliance and the Treasurer's Office.
8. Each month the Office of Audit and Compliance sends the [T-65 Form.xlsx](#) to the State Comptroller's Office (State Audit and the Division of Investigations), the Equipment Records section of the Controller's Office, and the Risk Management section of the Treasurer's Office.

PROCEDURES:

To view links to campus policies and procedures, click here:

<https://policy.tennessee.edu/campus-policies-procedures/>

FORMS:

- [Equipment Inventory Change/Deletion Request \(Form T-64\)](#)
- [T-65 Form.xlsx](#) *Note: document will automatically download*

FOR MORE INFORMATION:

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