

System-wide Policy: FI0131 - Cash Shortages and Property Losses	
Version: 3	Effective Date: 05/05/2025

SECTION 1. Policy Statement

I. Scope

- A. This policy applies to situations where a department experiences cash shortages or property losses, and the department does not suspect that a University employee caused the cash shortage or property loss.
- B. For purposes of this policy, “property” losses include: cash and cash equivalents (which includes gift cards); tangible personal property; and damage to real property (buildings or land). And, for clarity, references to “cash” means U.S. legal currency and cash equivalents, such as gift cards. See [FI0313—Gift Cards and Gift Certificates](#) for more information about gift cards and gift certificates.
- C. If a department reasonably believes that a University employee caused the cash shortage or property loss, the department must follow the steps in FI0130—Fraud, Waste, and Abuse.

II. Obligation to Report—Departments

- A. If a department believes that cash shortages or property losses were due to theft, robbery, or burglary, the department must:
 1. Report the incident to their campus or institute police department, the University’s internal audit department, and to the applicable Chief Business Officer.
 2. If the University location does not have a University-operated police department, the department head must report the incident to their local law-enforcement office; and report the incident to the applicable Chief Business Officer.
- B. In addition to the reporting requirements above, departments must comply with FI0130 - Fraud, Waste and Abuse, when the department believes that a University employee might have caused the loss.

III. Specific Reporting Criteria

- A. Cash Shortages under \$500.00
 1. In instances where a department does not have reasonable belief that cash shortages were due to theft, robbery, or burglary and the amount is under \$500.00, departments are not required to report losses under \$500.00.
- B. Cash Shortages of \$500.00 or more
 1. Within 3 business days, department heads or their designee must report cash shortages of \$500.00 or more to:
 1. The Office of Audit and Compliance; and
 2. The applicable Chief Business Officer.
 2. Departments are responsible for replenishing petty cash shortages from departmental funds. See [FI0525—Petty Cash](#) for more information.

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C. Property Losses

1. Within 3 business days of a loss first being discovered, department head or designee must report the details of the property loss to the applicable Chief Business Officer.
2. For purposes of this policy, a “business day” is Monday through Friday, excluding when the University is closed for a holiday or an administrative closing.

IV. Reporting Obligation

A. Department Heads or Designee

1. Department heads or their designee must submit T-64 forms to the applicable Chief Business Officers and to the University’s Controller.

B. Chief Business Officers

1. The applicable Chief Business Officer or designee must report to the University’s Office of Audit and Compliance all losses that appear on T-65 forms.

C. Audit and Compliance

1. Each month, the University’s Office of Audit and Compliance will send applicable T-65 forms to:
 1. The State of Tennessee Comptroller’s Office
 2. The University’s Controller’s Office
 3. The University’s Risk Management Office

SECTION 2. Reason for the Policy

This policy provides reporting requirements for cash shortages and losses of equipment or other University property when employee involvement is not reasonably suspected.

SECTION 3. Scope and Application

This policy applies to all University employees.

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SECTION 4. Procedures

SECTION 5. Definitions

N/A

SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Violations of this policy could result in adverse human resources actions, up to and including termination.

SECTION 7. Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Sarah Pruett	865-974-4438	spruett1@tennessee.edu

SECTION 8. Policy History

Revision 3: 04/2025

Revision 2: 04/2019

Revision 1: 10/2017

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SECTION 9. Related Policies/Guidance Documents

FI0130 – Fraud, Waste, and Abuse

FI0605 – Equipment
