BUSINESS AND FINANCE DEPARTMENT
General Accounting

Effective Date: 9/1/2026

REPORTING AND RESOLUTION OF INSTITUTIONAL LOSSES POLICY

Policy Number	505-01
Approval Authority	President
Responsible Administrator	Chief Financial Officer
Responsible Office	Business and Finance
Policy Contact	Business and Finance

1.0 POLICY STATEMENT

Tennessee State University is committed to the responsible stewardship of its resources and to maintaining high ethical standards. The University will not tolerate theft, fraud, misappropriation, or misuse of its funds or property. All employees, students, and authorized contractors are required to report any known or suspected loss of institutional assets immediately. The University will investigate all reported incidents, pursue the recovery of assets, and take appropriate administrative or legal action, as deemed appropriate.

2.0 IMPORTANCE AND REASON FOR THE POLICY

TSU's policy for the reporting and resolution of institutional losses is critical to safeguarding the institution's financial health, maintaining its reputation, ensuring compliance with federal and state regulations, and protecting student interests. This policy establishes clear procedures for identifying, reporting, and mitigating losses, which helps manage risks, maintain objective decision-making, and uphold public trust.

3.0 DEFINITIONS

Institutional Loss: Any loss of cash, supplies, equipment, or other assets due to theft, fraud, embezzlement, forgery, or unexplained disappearance.

Misfeasance/Malfeasance: Improper or illegal performance of duty resulting in loss.

Resources: As used herein, will refer to assets such as cash or other financial resources, supplies, inventories, equipment, and other fixed assets, real property, intellectual property, or data.

4.0 PROCEDURES

I. Introduction

A. Administrators at all levels of management should be aware of the risks and exposures inherent in their areas of responsibility, and should establish and maintain proper internal controls to provide for the security and accountability of all assets and other resources entrusted to them.

B. It is the responsibility of the institution to establish a process to identify, report, and investigate losses of state or institutional funds, property, or other resources, whether by malfeasance or misfeasance.

C. The Tennessee State University policy, Preventing and Reporting Fraud, Waste or Abuse, includes requirements for reporting suspected instances of fraud, waste or abuse to the university's Office of Internal Audit where such matters are subsequently reported to the Comptroller of the Treasury (T.C.A.§ 8-19-501(a)).

II. Reporting and Resolution Process

A. Reporting Losses – For each reportable incident, the institution must complete a "Notification of Loss Report" or "Property Loss Report".

1. The Notification of Loss Report should be used to report single incidents of shortages or losses of any asset, resource or data immediately upon occurrence or discovery. This report should be used to report the loss or shortage of any amount which is the result of acknowledged or suspected fraud, waste or abuse by either an employee or a non-employee (for example, a vendor, contractor, or student).

2. The Property Loss Report may be used to report property losses in any quarter in which losses occur and may include more than one incident or loss of property. However, see item 1 above if the property loss is a result of fraud, waste or abuse.The institution must also report covered property losses to the State of Tennessee, Department of Treasury, Office of Risk Management.

B. Reporting Resolution – The investigation unit (which is typically the TSUPD in the case of theft or vandalism) is identified on the notification report and will file a "Case Resolution Report" or similar report at the conclusion of the

investigation. Depending upon the nature and extent of the investigation, an Internal Audit Report may be issued in lieu of a Case Resolution Report.

C. Distribution of Reports – Each notification and resolution report should be submitted to the following officials or offices:

1. President
2. Chief Financial Officer (CFO)
3. Director of Internal Audit
4. Campus Police (as appropriate)

III. Requirements Regarding Losses and Shortages

A. Cash or Other Financial Resources – TSU maintains cash, procurement cards, credit cards, and other financial resources to facilitate its business needs. TSU personnel must report cash shortages or losses equal to or greater than $500 immediately to Internal Audit or Campus Police (as appropriate).

1. Some cash shortages result from human error and are the cost associated with doing business. However, objective reviews must be completed to eliminate misconduct and provide assurance that controls are effective.

2. Regardless of the amount, management should routinely perform objective reviews of shortages or other losses to identify any unusual items, recurring issues, or a pattern of financial shortages.

B. Property – TSU is required to maintain inventory records for capitalized property and sensitive minor equipment, as required by university policy.

1. Losses of physical property due to inventory shrinkage, vandalism, unexplained events, natural disasters, or acts of God should be reported to Office of Internal Audit at the time of the occurrence.

2. However, unexplained losses and those due to shrinkage or vandalism should be objectively reviewed by management to identify any unusual items, recurring issues or a pattern of losses.

3. Occurrences that are potentially serious situations that would create public concern regardless of amount (e.g., the loss of certain chemicals) must be reported to the Office of Internal Audit and the Tennessee Department of the Treasury Office of Risk Management immediately, followed by a written report.

IV. Property Claims Process

Property Claims – Individual occurrences exceeding $25,000 must be reported to the TSU Office of Facilities Management and the Tennessee Department of the Treasury Office of Risk Management immediately, followed by a written report.

The Office of Risk Management website is located at http://treasury.tn.gov/risk/ and contains contact information under the "Contact Us" link and includes details of the insurance claim process under the "Claims Process" link.

Each report of damage for a claim should include a detailed description of the loss and the estimated cost. In addition to the reporting requirements noted above, the department where the loss occurred should also receive a copy of this report.

V. Actions

TSU management will evaluate the information provided and make a determination concerning external reporting obligations, if any, and the feasibility of pursuing available legal remedies in cases of misconduct, including fraud, waste or abuse.

5.0 AUTHORITY AND REFERENCES

- T.C.A. § 49-7-2011 Complaints Against Postsecondary Institutions
- T.C.A. § 49-8-203 Powers and Duties
- T.C.A. § 8-19-501 Reporting unlawful or unauthorized taking or abuse of public money, property or services – Methods of making reports

6.0 HISTORY

Policy 05.12	Reporting and Resolution of Institutional Losses	June 2020

TENNESSEE STATE UNIVERSITY

Property Loss/Damage Claim

1. Use this form to first report potential or actual loss or damage of University-owned property to Planning, Design and Construction and Risk Management.
2. Each department must complete this form as soon as they are made aware of an incident; inaccurate or incomplete reports will slow the recovery and reimbursement process; failure to provide timely notification or supply required documentation and cooperate with the University's loss adjustment personnel may jeopardize potential recovery for the University and your department.
3. Please attach other pertinent information that will facilitate claim processing i.e. photos, estimates of damage, inventory of damaged/missing items, copies of estimates, if available.

Street Address of Incident:			
School/Dept./Building Name:			
Other details of exact location:			
Department Head Name:			
Claim Contact Name:			
Claim Contact Phone Number:			
Claim Contact Email Address:			
Date & Approximate time of loss:			
Is this the first report of loss?	Yes ◯	No ◯	If no, date of last submittal:_____

Cause of Loss (mark all that apply)					
Fire and/or Smoke	☐	Roof Leak	☐	Theft or Vandalism	☐
Lightning	☐	Pipe Leakage	☐	Transit/During Shipment	☐
Wind	☐	Backup of Sewers or Drains	☐	Vehicle	☐
Flood	☐	Underground Seepage	☐	Utility Interruption	☐
Hail	☐	Escaped Fluids	☐	Electrical Failure or Disturbance	☐
Tornado	☐	Mechanical Breakdown	☐	Spoilage	☐
Freezing	☐	Computer Virus or Cyber Attack/Threat	☐	Hazardous Materials Release/ Contamination	☐
Earth Movement, Settling, or Cracking	☐	Explosion	☐	Other (provide explanation below)	☐
Other / Notes:					

1. Describe the property lost/damaged and the causation in detail (narrative of circumstances surrounding event):	
2. Estimate Dollar Value of the Loss *Approximate value to repair and/or replace damaged property with like kind and quality.*	
Comments:	
3. List all witness names and contact information (including contractors and UT employees working near the location):	

	Yes	No
4. Did you take measures to protect the property from further damage? How?	◯	◯
Comments:		
5. Can the damaged property be salvaged in any way to minimize the ultimate loss?	◯	◯
Comments:		
6. Was Facilities Services contacted to inspect and repair the loss? If not, who?	◯	◯
Comments:		
7. Did the police, fire or other agency/utility respond to the loss event? Agency Name & Contact:	◯	◯
Comments:		
8. Has Belfor, the state's remediation contractor, been contacted to assist in cleanup and water extraction?	◯	◯
9. What is the current estimate of how long it will take to repair?		
10. Estimated time that department/school/unit operations will be materially impaired as a result of the loss event?		
11. Did or will your department experience any significant lost revenues or increased expenses associated with the loss (outside of the direct damage to the property)?	◯	◯
If so, what is your estimate of the cost of the interruption?		
Comments:		
12. Was there an outside, non-TSU party(s) responsible for the loss? If so, provide name and address, describe in detail how party is potentially responsible:	◯	◯
13. Is there a contract with the responsible party? If so, provide copy of the contract.	◯	◯
14. Was any of Tennessee State University's proprietary/confidential data or other protected personal information lost or compromised in this event?	◯	◯
Comments:		

NOTIFICATION OF LOSS REPORT

NOTIFICATION OF LOSS REPORT
FOR TENNESSEE STATE UNIVERSITY

Date: _____

To: Chief Financial Officer
Tennessee State University
3500 John A. Merritt Blvd
Nashville, TN 37209

Dear _____

Please be advised that the following loss has occurred in: _____
Department Name

Below is the brief description of the loss. Include the individual's name, approximate amount in question, and the nature of the loss.

The situation is currently being investigated by:

Name of Submitter: _____

Title: _____

Email Address: _____