

## **DSCC Institutional Losses**

### **I. Purpose**

The purpose of this policy is to establish the process and procedures for reporting and resolution of institutional losses at Dyersburg State Community College.

### **II. Scope**

The DSCC Institutional Losses Policy is applicable to all losses of state or institutional funds, property, or resources at Dyersburg State Community College in accordance with TBR Guideline B-080 Reporting and Resolution of Institutional Losses.

### **III. Policy**

#### **A. Introduction**

1. 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.
2. It is the responsibility of Dyersburg State Community College (DSCC) to establish a process to identify, report and investigate losses of state or institutional funds, property or other resources, whether by malfeasance or misfeasance.
3. Tennessee Board of Regents (TBR) Policy 4:01:05:50, Preventing and Reporting Fraud, Waste or Abuse, includes requirements for reporting suspected instances of fraud, waste or abuse to the system office where such matters are subsequently reported to the Comptroller of the Treasury (T.C.A. § 8-19-501(a)).

#### **B. Reporting and Resolution Process**

1. Reporting Losses – For each reportable incident, the Vice President for Finance and Administrative Services must complete a TBR Notification of Loss Report or Property Loss Report.
  - a. 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).

b. 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 A.3 above if the property loss is a result of fraud, waste or abuse.

c. The Vice President for Finance and Administrative Services must also report covered property losses to the State of Tennessee, Department of Treasury, Office of Risk Management.

2. Reporting Resolution – The investigation unit identified on the notification report will file a TBR Case Resolution 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.

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

- President
- Vice President for Finance and Administrative Services
- Internal Auditor
- Director of Physical Plant, Safety, and Security (if appropriate).
- TBR Vice Chancellor for Business and Finance
- TBR System-wide Chief Audit Executive

### C. Requirements Regarding Losses and Shortages

1. Cash or Other Financial Resources – DSCC maintains cash, procurement cards, credit cards and other financial resources to facilitate its business needs. The Vice President for Finance and Administrative Services must report cash shortages or losses equal to or greater than \$500 immediately to TBR.

a. 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.

b. Regardless of 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.

2. Property – DSCC maintains inventory records for capitalized property and sensitive

minor equipment, as required by Tennessee Board of Regents Guideline B-110, Fixed Assets and Sensitive Minor Equipment. Institutions must report property losses to TBR at least quarterly.

- a. Losses of physical property due to inventory shrinkage, vandalism, unexplained events, natural disasters, or acts of God should be reported to TBR on a quarterly basis on the Property Loss Report. A Case Resolution Report is not required to be submitted for such losses.
- b. 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.
- c. 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 TBR and the Office of Risk Management immediately, followed by a written report by the Vice President for Finance and Administrative Services.

#### D. Property Claims Process

1. Property Claims – Individual occurrences exceeding \$25,000 must be reported to the TBR Office of Facilities Management and the Office of Risk Management immediately, followed by a written report by the Vice President for Finance and Administrative Services.
  - a. The Office of Risk Management website at <http://treasury.tn.gov/risk/> contains contact information under the “Contact Us” link and details of the insurance claim process under the “Claims Process” link.
  - b. Each report of damage for a claim should include a detailed description of the loss and the estimated cost.

### IV. Compliance

All faculty and administrative staff must adhere to this policy.

### V. Definitions

Resources – assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.

### VI. Revision History

Policy approved by Administrative Council on 09/28/2016. Policy approved by Administrative Council on 10/27/2022. Policy approved by Administrative Council on November 21, 2024.