Montana University System Self-Funded Workers’ Compensation

Safety Smart Programs

PROCEDURE

I. Determination of Funds.
The Finance Subcommittee of the MUS Work Comp Committee will determine the amount of funds, if any, available for MUS Safety Smart disbursement through program outlined below.

In making their determination, the Subcommittee will convene either in person or telephonically to review:

- Financial Audit
- Actuary Report
- Accident Year Spreadsheet
- Claim and payment trends
- Benchmarks established in this policy
- Other information available that the Subcommittee may deem appropriate

The Subcommittee will report to the full WC Committee the amount of funds, if any, the Subcommittee recommends be made available for disbursement. The Committee will take action to accept, modify, or decline the recommendation of the Subcommittee. The Committee will determine how the available funds will be distributed between the Safety Smart Program categories.

II. Safety Smart Program

The WC Committee recognizes the following categories among which available Safety Smart funds, in whole or in part, may be allocated:

Targeted Projects
Projects related to specific Committee-targeted hazard/risk reduction. Committee or designated task force will determine targets for each Safety Smart award period. Campuses or the WC Program may submit applications for the targeted funds.

Safety Initiatives
Safety projects initiated by campuses or system-wide safety projects initiated by the WC Program that are not within the WC Committee targeted hazard/risk reduction category. Campuses or the WC Program may submit applications for the targeted funds.

Rebate for Safety
Funds distributed to campuses earmarked for non-specified safety/loss control enhancements. Distribution to campuses pro-rated on 5 year average premium contribution modified by designated minimums. When funded, no application is required to receive a Safety Rebate.

A. Safety Smart Funding Application Criteria
Funds are intended for the specific purpose of developing and implementing workplace Safety Initiatives or Target Projects related to MUS workers’ compensation loss history or prevention of significant recognized workplace hazards, risk or loss potential.
1. Application for Safety Smart funds must be made by completing a Safety Smart application form and submitting it to the MUS Work Comp Program. All sections of the application must be completed.

2. All applications must be signed by a MUS employee with financial authority within the unit or subunit applying for the Safety Smart funds.

3. Applications may be submitted to the MUS Self-Funded Workers’ Compensation Committee at any time by any unit or subunit of the MUS that is a participating member of the MUS Self-Funded Workers’ Compensation Program, or by the WC Program for system-wide projects.

4. To be eligible for Safety Smart funds, applications must be received by the Program Director at least 10 business days prior to the 4th quarterly Committee meeting to allow adequate time for Committee members to review all eligible applications prior to the meeting. If Safety Smart funds remain available after the first disbursement, applications received at least 10 business days prior to the 1st regularly scheduled quarterly Committee meeting will be evaluated by the Committee. The Committee may appoint a Safety Smart task force to evaluate and make award recommendations to the Committee.

5. Applications will be reviewed and approved or denied by the MUS Work Comp Committee at the 4th and 1st quarterly Work Comp Committee meetings. The Committee has the sole right to award Safety Smart funds, and to determine award and/or rebate amounts.

6. Proposals for Safety Smart funds must address issues with a correlation to MUS workers’ compensation loss history; either specific to the department or statistically relevant to the university system, or the prevention of significant recognized workplace hazards, risks or loss potential.

B. Notice of Award
Safety Smart recipients will be notified in writing of the amount of their award within 10 business days of the Committee’s determination.

C. Fund Disbursement
Prior to disbursement of funds, all necessary accounting details will be determined between OCHE accounting and campus accounting personnel.

D. Use of Safety Smart Funds
Safety Smart Funds may be used only for purposes described in the application within the fiscal year the funds were received. All purchases must be made after receipt of the awarded funds and Safety Smart funds may not be used to reimburse for safety interventions already purchased. Safety Smart funds may not be used to pay for any costs associated with preparing the application.

Safety Smart funds that have been awarded for targeted projects or campus safety initiatives but are unused at the end of the fiscal year must be returned to the Work Comp Program, except that unspent fund amounts of $100 or less per project may be spent by the award recipient consistent with the Program’s intent to improve worker safety rather than returned to the WC Program. Such expenditure is to be noted in the final Safety Smart project report. The entity may make a written request to the Committee to carry over the unused funds; such request must be made in writing and received by the Director of the MUS Work Comp Program no less than 60 days prior to the end of the fiscal year in which the entity received the funding. The Committee by a majority vote may extend the time period for funds to be utilized.

Rebates for Safety must be dedicated toward employee safety, risk management or loss control. The entity that receives the rebate is responsible to the WC Committee for year-end accounting of how funds were spent as described in Section E below.

Safety Smart Procedure V3
Adopted September 5, 2011
Revised v2.6/6/12
Revised v3. 3/6/2013
E. Reporting Requirement by $afety $mart Fund Recipients

Each unit/subunit receiving $afety $mart funds for targeted projects or safety initiatives or through a safety rebate must provide a written report to the Program Committee describing the use of funds within 90 days after the fiscal year end in which the funds were received (approximately October 1st). The report must include at a minimum:

1. A description and/or pictures of task(s) being performed before $afety $mart funding;
2. A description and/or pictures of task(s) being performed after $afety $mart funding;
3. Indicate whether the funded safety goal was met and any supporting data or material; if the safety goal was not met, what lessons were learned;
4. Accounting of $afety $mart fund expenditures;
5. Number of employees and departments impacted;
6. The anticipated useful life of this specific $afety $mart investment.

When the WC Program receives $afety $mart funds for system-wide projects, the Director must also submit copies of the report to at least the following: Commissioner if Higher Education, Board of Regents, CEO/CFO/COO of each affected campus, and the head of any subunit affected by the project. An article describing the project will be submitted to the pertinent publications on the affected campuses.

The unit/subunit receiving $afety $mart funds is accountable for complying with state and campus procurement rules, accounting and auditing practices. Administrative or Indirect costs incurred as a result of $afety $mart funding are the responsibility of the recipient.

$afety $mart recipients agree to notify the MUS Work Comp Committee if any equipment or materials purchased through the use of $afety $mart funds is unsatisfactory or are not meeting that unit's needs. Re-allocating equipment or materials within the university system may be considered.
**F. Timeline**

Determination, awarding, and disbursement of Safety Smart funds will occur along the following timeline:

<table>
<thead>
<tr>
<th>July - September</th>
<th>July 1 - Fiscal Year Begins</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Disbursement -1</strong></td>
<td>Safety Smart funds awarded at 4th quarterly Committee meeting will be available for disbursement approximately August 1st.</td>
</tr>
<tr>
<td><strong>1st Quarterly Mtg.</strong> (1st Wed. in Sept.)</td>
<td>Finance Subcommittee will recommend to Committee a plan for FY Safety Smart funds allocated but not awarded or distributed, if any. Committee will take action on recommendation. If second disbursement authorized, Committee will review applications received at least 10 business days prior to the meeting and make funding award decisions.</td>
</tr>
<tr>
<td><strong>Notice of Award -2</strong></td>
<td>Director will notify applicants of award determination and that funds, if any, will be disbursed within 30 business days.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>October - December</th>
<th>Fund Disbursement-2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Written Reports Due</strong></td>
<td>Safety Smart funds awarded at 1st quarterly Committee meeting will be disbursed approximately mid-October.</td>
</tr>
<tr>
<td><strong>2nd Quarterly Mtg.</strong> (1st Wed. in Dec.)</td>
<td>Reports from awardees to the Committee on use of Safety Smart funds spent in the previous fiscal year due October 1st. Director will provide reports to Committee.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jan - March</th>
<th>3rd Quarterly Mtg. (1st Wed. in March)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3rd Quarterly Mtg.</strong> (1st Wed. in March)</td>
<td>Finance Subcommittee determines Safety Smart funding recommendation to the Committee at the 3rd quarterly meeting. Committee will take action on Safety Smart funding level recommendation and determine allocation of available funds among the Safety Smart Program Categories.</td>
</tr>
<tr>
<td><strong>Safety Smart Promotion</strong></td>
<td>If Safety Smart funds are awarded, Committee members and the Director will promote/advertise/recommend and assist units/subunits with the application process. Interested applicants are to collaborate with the UM-EHRM or MSU-SRM on a contemplated proposal. Applications accepted approximately mid-March to mid-May.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>April - June</th>
<th>Extension Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extension Requests</strong></td>
<td>Requests for additional time beyond fiscal year to spend funds already awarded are due April 30th.</td>
</tr>
<tr>
<td><strong>Applications Accepted</strong></td>
<td>Until 10 days prior to 4th Quarter Meeting. Application deadline is approximately 3rd week in May.</td>
</tr>
<tr>
<td><strong>4th Quarterly Mtg.</strong> (1st Wed. in June)</td>
<td>Application Review. Committee will review applications received at least 10 days prior to the meeting and will make funding award decisions.</td>
</tr>
<tr>
<td><strong>Notice of Award -1</strong></td>
<td>Director will notify applicants of award determination and the fund amounts, if any, to be disbursed approximately August 1st.</td>
</tr>
</tbody>
</table>

June 30th – Fiscal Year End

Quarterly meetings are held on the first Wednesday in September (1st quarter), first Wednesday in December (2nd quarter), first Wednesday in March (3rd quarter) and first Wednesday in June (4th quarter) whenever possible. Meeting dates are subject to change based on Committee member availability and Program needs.