Policy: $afety$mart Policy & Procedure
Policy Number: WC-05
Effective Date: June 20, 2018
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I. $afety$mart Policy Statement

$afety$mart is a MUS Self-Funded Workers’ Compensation Program (Program) mechanism for utilizing fund balance that exceeds its needs to enhance campus workplace safety and loss control efforts consistent with the Program’s goals and its Policy WC-01 Maintaining Net Position, and related to MUS workers’ compensation loss history or prevention of significant recognized workplace hazards, risk or loss potential. Disbursement of fund balance is never guaranteed and is at the discretion of the Committee.

II. Procedures

A. Committee Action

The Committee will take action to accept, modify, or decline the recommendation of the Finance Subcommittee and will determine how the available funds will be distributed, in whole or in part, within the following $afety$mart categories:

1. 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.

2. Campus Project Application

   a. Targeted Projects - Projects related to specific Committee-targeted hazard/risk reduction. Committee or designated task force will determine targets for each $afety$mart award period. Campuses or the Workers’ Compensation Program Director (Program Director) may submit applications for the targeted funds.

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

   c. Application Criteria for $afety$mart funds:

      i. must be made by completing all sections of a $afety$mart application and signed by an individual with financial authority within the unit or subunit applying for the $afety$mart funds;

      ii. must address issues that correlate to MUS workers’ compensation loss history or the prevention of a significant recognized workplace hazard, risk or loss potential.

      iii. must be received by the Program Director at least 10 business days prior to the Committee meeting at which funding awards will be considered.

B. $afety$mart Funding

1. The Committee has the sole right to award $afety$mart funds, and to determine award and/or rebate amounts. The Committee may appoint a $afety$mart task force to evaluate and make award recommendations to the Committee.

2. Applications will be reviewed and approved or denied by the Committee at the 4th and 1st quarterly Committee meetings; typically scheduled in June and September each year.
3. $afety$mart recipients will be notified in writing of the amount of their award within 10 business days of the Committee's determination.

4. Prior to disbursement of funds:
   a. members must be currently participating in the Program and owe no past premiums to the Program;
   b. all necessary accounting details for transferring funds have been agreed to by OCHE accounting and campus accounting personnel;
   c. funds from prior year $afety$mart awards or distribution have been accounted for and a report compliant with Section D submitted to Program Director.

C. Use of $afety$mart Funds
   1. $afety$mart funds must be dedicated toward worker safety, occupational health, or work comp loss control.
   2. $afety$mart funds awarded for campus targeted projects or safety initiatives may be used only for purposes described in the application. All purchases must be made after receipt of the awarded funds and $afety$mart funds may not be used to reimburse for safety interventions already purchased.
   3. $afety$mart funds that have been awarded but are unused at the end of the fiscal year may be carried into future fiscal years within parameters outlined in Section D, or returned to the Program.
   4. $afety$mart funds are not intended to pay for any costs associated with preparing the application, for administering awarded funds, or for personnel wages.
   5. Labor charges associated with installation, or similar task-specific work are allowed.
   6. Program Director may authorize modification of awarded proposals within the following criteria:
      a. Intent of the award is not altered;
      b. Objectives of the award are substantially the same;
      c. Information is available that was not known at the time of proposal;
      d. Award amount is not increased; and,
      e. Director reports the modification to the WC Committee at its next quarterly meeting.
   7. Committee retains sole discretion to approve use of funds upon written request by campus representative on an exigency basis for costs identified in #4 of this section.

D. Reporting & Accounting Requirement by $afety$mart Fund Recipients
   1. Each unit/subunit receiving $afety$mart funds must provide a written report to the 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:
      a. A description and/or pictures of task(s) being performed before $afety$mart funding;
      b. A description and/or pictures of task(s) being performed after $afety$mart funding;
      c. 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;
      d. Number of employees and departments impacted;
      e. The anticipated useful life of this specific $afety$mart investment;
      f. Accounting of $afety$mart fund expenditures during the fiscal year and amount of unspent funds intended for carry-over or return to Program, if any. Accounting will consist of at least, a brief description, quantity, date and total cost of each purchase.
Intent to carry funds forward must include an explanation of why funds were unspent within the award year and timeline for anticipated expenditure. Return of unused funds is to be coordinated with the Program Director.

2. 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.

3. $afety$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.

4. Committee retains the sole discretion to direct campuses to return to the Program $afety$mart funds awarded or allocated but unspent after the award year if progress toward utilizing the prior year funds is not evident or is inadequately reported by the recipient.

E. Timeline

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<tr>
<th>Determination, awarding, and disbursement of $afety$mart funds will occur along the following approximate timeline:</th>
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<tbody>
<tr>
<td><strong>Jan - March</strong></td>
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<tr>
<td><strong>Finance Subcommittee determines $afety$mart funding</strong></td>
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<td><strong>Committee acts on $afety$mart recommendation and determines</strong></td>
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<td><strong>Safety $mart Promotion</strong></td>
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<td><strong>April - June</strong></td>
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<td><strong>Applications for any unawarded funds are due 10 days prior</strong></td>
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<td><strong>to 4th quarter meeting.</strong></td>
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<td><strong>at least 10 days prior to the meeting and will make fund</strong></td>
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<td><strong>ing award decisions.</strong></td>
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<td><strong>Any, to be disbursed approximately August 1st, pending</strong></td>
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<tr>
<td><strong>submittal of reports for any previously awarded $afety</strong></td>
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<tr>
<td><strong>$mart funds awarded at 3rd or 4th quarter Committee</strong></td>
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<td><strong>meeting will be available for transfer approximately August</strong></td>
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<td><strong>1st provided criteria in 4a, 4b and 4c of the procedure are met.</strong></td>
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<td><strong>Finance Subcommittee will recommend to Committee a plan for</strong></td>
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<td><strong>FY $afety$mart funds allocated but not awarded or distributed, if any.</strong></td>
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<td><strong>Notice of Award # 2</strong></td>
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Quarterly meetings are typically 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.

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<tr>
<th>October - December</th>
<th>Fund Disbursement #2</th>
<th>$\text{safety$mart}$ funds awarded at 1st quarter Committee meeting will be disbursed approximately mid-October.</th>
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<tbody>
<tr>
<td>Written Reports Due</td>
<td>0</td>
<td>Reports from awardees on use of $\text{safety$mart}$ funds spent in the previous fiscal year due October 1st. No new funds will be disbursed to a campus until report for prior year is submitted. Director will provide reports to Committee.</td>
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History: MUS $\text{safety\$mart}$ Procedure adopted September 5, 2011, Revised February 6, 2012, Revised March 6, 2013, Revised February 23, 2017 and Revised June 20, 2018, each effective upon adoption.