

MONTANA UNIVERSITY SYSTEM (MUS) WORKERS' COMPENSATION PROGRAM

Policy: SafetySmart Policy & Procedure

Policy Number: WC-05

Effective Date: June 20, 2018

Page 1 of 4

I. SafetySmart Policy Statement

SafetySmart 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 SafetySmart 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 SafetySmart 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 SafetySmart funds:
 - i. must be made by completing all sections of a SafetySmart application and signed by an individual with financial authority within the unit or subunit applying for the SafetySmart 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. SafetySmart Funding

1. The Committee has the sole right to award SafetySmart funds, and to determine award and/or rebate amounts. The Committee may appoint a SafetySmart 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.

**MONTANA UNIVERSITY SYSTEM (MUS)
WORKERS' COMPENSATION PROGRAM**

Policy: SafetySmart Policy & Procedure

Policy Number: WC-05

Effective Date: June 20, 2018

Page 2 of 4

3. SafetySmart 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 SafetySmart awards or distribution have been accounted for and a report compliant with Section D submitted to Program Director.
- C. Use of SafetySmart Funds
1. SafetySmart funds must be dedicated toward worker safety, occupational health, or work comp loss control.
 2. SafetySmart 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 SafetySmart funds may not be used to reimburse for safety interventions already purchased.
 3. SafetySmart 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. SafetySmart 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 SafetySmart Fund Recipients
1. Each unit/subunit receiving SafetySmart 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 SafetySmart funding;
 - b. A description and/or pictures of task(s) being performed after SafetySmart 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 SafetySmart investment;
 - f. Accounting of SafetySmart 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.

**MONTANA UNIVERSITY SYSTEM (MUS)
WORKERS' COMPENSATION PROGRAM**

Policy: SafetySmart Policy & Procedure

Policy Number: WC-05

Effective Date: June 20, 2018

Page 3 of 4

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 SafetySmart funds is accountable for complying with state and campus procurement rules, accounting and auditing practices. Administrative or Indirect costs incurred as a result of SafetySmart funding are the responsibility of the recipient.
3. SafetySmart recipients agree to notify the MUS Work Comp Committee if any equipment or materials purchased through the use of SafetySmart 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 SafetySmart 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

Determination, awarding, and disbursement of SafetySmart funds will occur along the following approximate timeline:

Jan - March	3rd Quarter Mtg.	Finance Subcommittee determines SafetySmart funding recommendation to the Committee at the 3 rd quarterly meeting. Committee acts on SafetySmart recommendation and determines allocation of available funds among the SafetySmart Program Categories.
	Safety Smart Promotion	If SafetySmart funds are awarded based on campus applications, WC Program will promote/advertise/recommend and assist units/subunits with the application process. Applications accepted until 10 days prior to .4 th quarter meeting.
April - June	Applications and Extension Requests	Applications for any unawarded funds are due <u>10 days</u> prior to 4 th quarter meeting.
	4th Quarter Mtg.	Committee will review applications and extension requests received at least 10 days prior to the meeting and will make award decisions.
	Award Notice # 1	Director will notify applicants of award determination and the fund amounts, if any, to be disbursed approximately August 1 st , pending submittal of reports for any previously awarded SafetySmart funds. If Rebate funds are awarded, Director will coordinate with Committee Representative for funds transfer.
July 1 – Fiscal Year Start		
July - September	Disbursement #1	SafetySmart funds awarded at 3 rd or 4 th quarter Committee meeting will be available for transfer approximately August 1 st provided criteria in 4a, 4b and 4c of the procedure are met.
	1st Quarter Mtg.	Finance Subcommittee will recommend to Committee a plan for FY SafetySmart funds allocated but not awarded or distributed, if any. Committee will act on recommendation. If second disbursement is authorized, Committee will review applications received at least 10 business days prior to the meeting and make funding award decisions.
	Notice of Award # 2	Director will notify applicants of award determination and that funds, if any, will be disbursed within 30 business days.

**MONTANA UNIVERSITY SYSTEM (MUS)
WORKERS' COMPENSATION PROGRAM**

Policy: SafetySmart Policy & Procedure

Policy Number: WC-05

Effective Date: June 20, 2018

Page 4 of 4

October - December	Fund Disbursement #2	\$afetySmart funds awarded at 1st quarter Committee meeting will be disbursed approximately mid-October.
	Written Reports Due	Reports from awardees on use of \$afetySmart funds spent in the <i>previous</i> fiscal year due October 1 st . No new funds will be disbursed to a campus until report for prior year is submitted. Director will provide reports to Committee.

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.

History: MUS \$afetySmart 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.

Authority: Use of Fund Balance adopted August 4, 2009; Revised to Maintaining Net Position WC-01, adopted September 7, 2016. Program Agreement and Document Creating the MUS Self-Funded Workers' Compensation Program 2003; By-Laws of the MUS Self-Funded Workers' Compensation Committee; BOR Policy Statement 118-104-R0303; Annual DLI Approval to Self-Insure; MT Operations Fund Equity Policy, MOM 311; 39-71-21, MCA.