

**Office of President, Financial Management
Office of Risk Services
Guidelines for “Be Smart About Safety Program”
General Liability Program
Employment Liability Program
Automobile Liability & Physical Damage Program
and Property Program**

“Be Smart About Safety” Safety & Loss Prevention Program – Effective July 1, 2008

Loss costs can be controlled with safety and loss prevention by:

- identifying and correcting the causes,
- developing and implementing safety awareness programs; and
- identifying and managing the indirect costs associated with injuries.

Office of the President, Risk Services (OPRS) has implemented the **“Be Smart About Safety”** (BSAS) loss prevention program. Locations develop safety and loss prevention plans which are submitted to OPRS for approval and funding. Programs at each location will be monitored by OPRS’s “Safety and Loss Prevention” personnel to ensure expected results are achieved. Forms can be found at <http://www.ucop.edu/riskmgmt/documents/fundingapp.pdf>

Funding of the “Be Smart About Safety” Program

“Be Smart About Safety” is funded as part of each Program. The Program’s actuary has determined that this is consistent with other California public agencies.

1. Annual Assessment

A distinctly separate portion of the funding is utilized for the “Be Smart About Safety” program.

Including Safety in Annual Funding

As an example, “Be Smart About Safety” is now included in the annual funding estimate, as shown in the table below.

Example Actuarial Funding Exhibit:

| | |
|--|------------------|
| Claim Costs | \$17,500,000 |
| Program Expense | |
| Third Party Claims Administrator (TPA) | 1,000,000 |
| Administrative Expenses & Insurance | <u>5,000,000</u> |
| Funding Estimate | \$23,500,000 |

| | |
|---|---------------------|
| “Be Smart About Safety”/Loss Prevention | 1,500,000 |
| “Be Smart About Safety” Accrual Credit* | <u>(1,500,000)</u> |
| Total Funding Estimate | <u>\$23,500,000</u> |

* The Actuary provides a credit for successful “Be Smart About Safety” programs implemented and utilized at the Locations.

Accounting Procedures

The accounting procedures are designed to eliminate duplicate expenditures in the University’s Financial Statements and to correctly account for the separate elements of the assessment related to the General, Employment, Auto and Property expense and the “Be Smart About Safety” programs.

Assessment by UCOP

UCOP will assess the applicable “Be Smart About Safety” amount determined by the actuary. UCOP will separately hold funds for each of the “Be Smart About Safety” programs. The entries will be as follows:

Campus:

Dr. _____ X-XXXXXXX-XXXXX-X-7930/7940/8930 (full assessment)

Cr. Financial Control X-119500 (full assessment)

Dr. Fund Balance Transfer X-119850-XXXXX-0814 (“Be Smart About Safety” portion)

Cr. _____ X-XXXXXXX-XXXXX-X-7930/7940/8930 (“Be Smart About Safety” portion)

Campuses will need to reclassify the “Be Smart About Safety” portion amount to a fund balance transfer. The effect must be that the campuses’ Program (general, employment, auto or property) expense on the campus general ledger excludes any assessment for the “Be Smart About Safety” Program.

UCOP-EIAS:

Dr. Financial Control E-1195XX-900XX (full assessment)

Cr. Financial Control E-119540-90040 (full assessment)

UCOP-Location M (General, Employment or Auto):

Dr. Financial Control M-119500 (full assessment)

Cr. General Liability Program (includes employment practices and auto) M-115477 (self-insurance premium portion)

Cr. Be Smart About Safety Program M-119850-69793-080X (“Be Smart About Safety” General Liability portion)

- Cr. Be Smart About Safety Program M-119850-69794-080X (“Be Smart About Safety” Employment Practices Liability portion)
- Cr. Be Smart About Safety Program M-119850-69795-080X (“Be Smart About Safety” Automobile Liability portion)

UCOP-Location M (Property):

- Dr. Financial Control M-119500 (full assessment)
- Cr. Property Program (includes employment practices and auto) M-724006-75551-05-3380 (the CFS Object Code is 7950) (self-insurance premium portion)
- Cr. Be Smart About Safety Program M-119850-69793-080X (“Be Smart About Safety” General Liability portion)

Transfer of Funding to Campus

Funding from the “Be Smart About Safety” assessment will be transferred to campus as a fund balance transfer:

UCOP-Location M:

- Dr. Be Smart About Safety Program M-119850-6979X-080X
- Cr. Financial Control M-119500

UCOP-EIAS:

- Dr. Financial Control E-119540-90040
- Cr. Financial Control E-1195XX-900XX

Campus:

- Dr. Financial Control X-119500
- Cr. “Be Smart About Safety” X-119850-XXXXXX-0814