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SR81824 Be Smart About Safety SR.doc

SR81824 Requirements
Be Smart About Safety (BSAS)

Objective:

To record the “Be Smart About Safety” assessment by fund source.

Project Type:

This is a new enhancement to the Distribution of Payroll Expense process that should report BSAS assessments by fund source.

Requested by:

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Due Date(s):

Target date – End of 1st quarter 2008

Background

“Be Smart about Safety” is a Safety and Loss Prevention program that became effective July 1, 2005. Locations continue to develop safety and loss prevention plans approved and funded by Office of the President – Risk Services (OP-RS). At the campus, BSAS is funded as part of the Self-Insured Workers’ Compensation Program; however, the program is a distinctly separate portion of Workers’ Compensation. The BSAS assessment rate is included in the annual funding assessment.

OP-RS refunds surplus funds not utilized by approved BSAS programs, claims or new loss prevention and safety programs. OP-RS allocates these refunds to applicable funding sources (federal, general, campus, or medical center funds) based upon average payroll percentages.

Current Process

Campuses include the BSAS assessment rate in the Workers Compensation Rate, which OP-RS evaluates and changes at the beginning of each fiscal year. In order to determine the assessed amounts to be transferred to the BSAS program, campuses perform manual calculations to determine the appropriate assessments. The campuses then manually initiate financial journals transferring amounts from the Workers Compensation account (Object Code 8500) to the BSAS account (Transaction Code 0814) and then to UCOP through the Financial Control.

The Workers Compensation assessment is determined during the Distribution of Payroll Expense process at month-end and reported on the Workers Compensation Totals report, PPP5206. Each campus may have multiple Workers Comp assessment rates that have selection attributes that include location, account range, fund range, account/fund, organizational unit, department code, or sub location. It should be noted that the Workers Compensation calculation process involves “below-the-line” objects as described in the Generic Full Accounting Unit, release 1138.

Proposed Process

This is an enhancement to the Distribution of Payroll Expense Reporting process that should include the following:

- Accumulate the Workers Compensation Assessment dollars by fund source
- Calculate the BSAS assessment and identify amount separately from the Workers Compensation
- Report the BSAS assessments by range on the PPP5206 – Workers Compensation Totals

Because BSAS is a component of Workers Compensation, the calculation routine in the Distribution of Expense process will remain the same. The division of the two assessments must be completed after the calculation of the Workers Compensation assessment.

Requirements

1.0 Control Table Updates

It is suggested that the BSAS assessment rate be stored on the Workers Compensation Rate Table 23 (PPP0123). The current WC Rate label should include BSAS. The suggested labels for the columns are WC/BSAS Rate and BSAS Rate. See Attachment A for modified UPAY 707 form and Attachment B for Table 23.

2.0 Expense Distribution

During the Expense process, a routine should be added to calculate the BSAS assessment for reporting on the PPP5206. Using the Workers Compensation Total Amount displayed on the PPP5206, an algorithm should be developed to determine the portion that should be attributed to BSAS.

For example:

If

- the fund range is 19900 to 19999,
- the Workers' Compensation and BSAS assessment rates are .0089/.0008 respectively,
- and the accumulated WC/BSAS amount is \$10,000.00,

Then

- the new process should calculate the BSAS assessment total as \$898.88 by using the following algorithm:
 - $[10,000 / .0089 = 1,123,595.50] \times .0008 = 898.8764$
 - the product should be truncated to two places right of the decimal
 - e.g., 898.8764 becomes 898.87
- the amount should be reported on the PPP5206.

3.0 Reporting

The PPP5206 should be modified to include a new column for the BSAS Assessment Amount. The Workers Compensation Amount label should be changed to include Workers Compensation and BSAS. Suggested labels are WC/BSAS Amount and BSAS Amount. See Attachment C. Other processes, such as Online Rush Checks (PPRCABEY8), that create a table of the Workers Compensation rates should be modified to include the BSAS Assessment Amount.

4.0 Implementation Concerns

The Workers Compensation Assessment became a “below-the-line” process as the result of the Full Accounting Unit project, which allowed campuses to establish unique chart of accounts on the Employee Data Base. Additionally, the development and use of the Cost Allocation for Workers Compensation further complicated finding universal solutions to the calculating and reporting of the BSAS assessments. Campuses will be responsible for initiating local modifications to complete this reporting requirement. The distribution of this report should be to

the functional office responsible for the accounting of the BSAS assessments. No automated journal entries will be developed for this process.

Attachment B

Workers Compensation Rate Table (23) PPP0123

Standard Report Heading

LOCATION CODE	TYPE	RANGE FROM	RANGE TO	WC/BSAS RATE	BSAS RATE
L	1-LOCATION			.0089	.0008
3	1-LOCATION			.0089	.0008
3	2-ACCOUNT	404900	404998	.0098	.0010
3	2-FUND	19900	19999	.0089	.0008
3	4-ACCOUNT-FUND	620000-19900		.0354	.0034
3	5-ORG UNIT CODE	8000		.0105	.0001
3	6-HOME DEPT CODE	028400		.0394	.0036
3	7-SUB LOCATION	GN		.0089	.0003
3	7-SUB LOCATION	MD		.0354	.0050

Attachment C
 Workers Compensation Totals – PPP5206

Standard Report Heading

PROCESS MONTH: JANUARY

WORKERS COMPENSATION TOTALS

LOCATION CODE	TYPE	RANGE FROM	RANGE TO	RATE	WC/BSAS AMOUNT	BSAS AMOUNT
L	1-LOCATION			.0089	.00	.00
3	1-LOCATION			.0089	80,468.60	7,233.13
3	2-ACCOUNT	404900	404998	.0098	20,046.53	2,045.56
3	2-FUND	19900	19999	.0089	10,000.00	898.88
3	4-ACCOUNT-FUND	620000-19900		.0354	50,000.00	4,802.26
3	5-ORG UNIT CODE	8000		.0105	25,000.00	238.10
3	6-HOME DEPT CODE	028400		.0394	60,000.00	5,482.23
3	7-SUB LOCATION	GN		.0089	90,000.00	3,033.71
3	7-SUB LOCATION	MD		.0354	100,000.00	14,124.29
WC & BSAS ASSESSMENT					415,515.13	
BSAS ASSESSMENT						165,158.16