Office of President – Office of Risk Services
Accounting Guidelines for “Be Smart About Safety” Program
General Liability Program – Professional Liability - 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.

BSAS Funding Application

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.

Annual Premium

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

Including Safety in Annual Premiums

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

Example – Actuarial Premium Exhibit:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claim Costs</td>
<td>$21,000,000</td>
</tr>
<tr>
<td>Program Expense</td>
<td></td>
</tr>
<tr>
<td>Third Party Claims Administrator (TPA)</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Administrative Expenses &amp; Insurance</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Premium Estimate</td>
<td>$28,000,000</td>
</tr>
<tr>
<td>“Be Smart About Safety”/Loss Prevention</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Total Premium Estimate</td>
<td>$30,000,000</td>
</tr>
</tbody>
</table>
**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 premiums related to the General Liability, Professional Liability, Employment Practices Liability, Auto Liability & Physical Damage, and Property expense and the “Be Smart About Safety” programs.

**Assessment by UCOP**

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

**Campus:**

Dr. _________________ X-XXXXXX-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-XXXXXX-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 and Auto Physical Damage 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” Property portion)
**Transfer of Funding to Campus**

Funding from the “Be Smart About Safety” premiums 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-XXXXX-0814