

Office of the President – Office of Risk Services
Accounting Guidelines for Workers’ Compensation
Be Smart About Safety Funds

This document provides funding guidelines for the University’s Workers’ Compensation “Be Smart About Safety” (BSAS) Program.

“Be Smart About Safety” – Safety, Loss Prevention & Loss Mitigation Program

Workers’ compensation costs can be controlled with safety and loss prevention by:

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

Effective July 1, 2005 Office of the President, Risk Services (OPRS) implemented the “**Be Smart About Safety**” 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](#)

Funding of the “Be Smart About Safety” Program

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

Annual Premium Rate

A distinctly separate portion of the Workers’ Compensation premium rate on payroll is utilized for a portion of the “Be Smart About Safety” program. A rate is calculated by the actuary and included in the annual premium assessment.

Including Safety in Annual Premiums

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

Example – Actuarial Premium:

Claim Costs	\$126,000,000
Program Expense	
Third Party Claims Administrator (TPA)	13,000,000
Administrative Expenses	<u>35,000,000</u>
Premium Estimate	\$174,000,000
“Be Smart About Safety”/Loss Prevention	<u>16,000,000</u>
Total Premium Estimate	<u>\$190,000,000</u>

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 premium related to the Workers' Compensation expense and the "Be Smart About Safety" programs.

Transfer of Assessment to UCOP

The assessment for "Be Smart About Safety" is a separately calculated portion of the funds assessed and transferred to UCOP will be held for the "Be Smart About Safety" program. The entries will be as follows:

Campus:

Dr. Workers' Compensation Expense X-XXXXXX-XXXXX-6-8500 (full assessment)

Cr. Financial Control X-119500 (full assessment)

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

Cr. Workers Compensation Expense X-XXXXXX-XXXXX-6-8500 ("Be Smart About Safety" portion)

Campuses will need to calculate the "Be Smart About Safety" portion from information provided by OPRS and reclassify that amount to a fund balance transfer. The effect must be that the campuses' Workers' Compensation 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:

Dr. Financial Control M-119500 (full assessment)

Cr. Workers' Compensation Liability M-115481 (premium portion)

Cr. Be Smart About Safety Program M-119850-69790-080X ("Be Smart About Safety" portion)

Transfer of Funding to Campus

Funding from the "Be Smart About Safety" assessment:

UCOP-Location M:

Dr. Be Smart About Safety Program M-119850-69790-080X

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