

Appendix G

Safety Association Terms and Conditions

Safety Association Terms and Conditions for receipt of funding from the Workers' Compensation Board of Alberta (WCB) under s.136 of the *Workers' Compensation Act (WCA)*.

1.0 Legislation

Workers' Compensation Act, s.136:

- (1) An association of employers who are engaged in an industry to which this Act applies may apply to the Board in a manner acceptable to the Board for a grant under this section.
- (2) On receiving an application, the Board may make a grant to the association in any amount the Board determines if it is satisfied
 - (a) that a primary objective and purpose of the association is the promotion of education in accident prevention in the industry in which the employers are engaged, and
 - (b) that the association sufficiently represents the interests of the employers and workers in that industry in Alberta.
- (3) A grant under subsection (2) shall be used for the purpose of assisting in the payment of the expenses of the association related to the promotion of education in accident prevention in the industry.
- (4) The Board may make a grant subject to any terms and conditions it considers appropriate including, without limitation, terms and conditions respecting the use of funds, reporting and return of unused or misused funds.
- (5) Any money paid by the Board under this section shall be charged against the industry represented by the association and levied as part of the assessment against the industry, and where the association represents more than one industry the Board may apportion the charge among the industries in the manner it considers appropriate.

1.1 Authority

WCB has the sole legislative authority and responsibility to administer funding to Safety Associations formed under s.136 of the *WCA*.

Funding for the Safety Association is provided subject to the terms and conditions continued herein, as authorized under s.136(4).

1.2 Other Policies and Guidelines

These terms and conditions may be revised or amended at the discretion of WCB, in consideration of the individual circumstances of the Safety Association. This document does not supersede the legislation, or existing policy (see Policy 07-03, *Financial Administration of Safety Association Grants*).

Appendix G

Safety Association Terms and Conditions

2.0 Purpose of Terms and Conditions

To assist WCB in ensuring that each of the conditions outlined in s.136 of the *WCA* are met, it is necessary to define the criteria that will be used for each and to ensure that they are applied fairly against the Safety Association.

WCB has a legal responsibility on behalf of industry to ensure that the money collected and disbursed to the Safety Association is achieving the intended effect as defined in the *WCA*. These terms and conditions will identify requirements and deadlines for information required by WCB. They will address the following points:

- financial reporting requirements and deadlines
- content of business plan for continued funding and deadline for submission
- evaluation of Safety Association performance
- industry support
- sharing of resources

3.0 Financial Administration

Section 136(3) of the *WCA* requires that funding be *"used for the purpose of assisting in the payment of the expenses of the association related to the promotion of education in accident prevention."*

3.1 Disbursements

Disbursements are issued in quarterly installments, at the beginning of each quarter, on a calendar year schedule. Alternative disbursement schedules may be arranged if approved by WCB and supported by cash flow projections.

Release of installments is contingent on regular receipt by WCB of statements of the Safety Association's financial performance versus budget for previous quarters. Failure to provide such variance reports may result in the suspension of disbursements until the reports are received.

3.2 Quarterly Reporting

The quarterly financial report must contain the following items:

- budgeted versus actual expenditures
- explanation of major variances
- additional revenues received with restrictions or co-funding requirements

The quarterly report must be submitted to WCB within 60 days of the end of each quarter.

3.3 Annual Reporting

Appendix G

Safety Association Terms and Conditions

Continued disbursement of funds is contingent on submission to WCB of independently-audited financial statements, in a format consistent with the recommendations of the CICA handbook, for the previous year's operations. Audited statements must be delivered to WCB as soon as they have been released by the Safety Association board each year, no later than the last week in June.

3.4 Cash Surpluses

Funds disbursed to the Safety Association must be used for the program purposes identified in the approved business plan. Cash generated from disbursement amounts invested in instruments such as term deposits and GICs must be used in a manner consistent with s.17(2) of the *Societies Act*.

3.5 Rate Levies

Monies disbursed to the Safety Association are recovered through a levy in the same year on the premium rates of member industries. Rate levies are calculated to match revenues with funds disbursed. Any revenue "surplus" or "deficit" at the end of the year will be entered into a separate administrative account and managed through adjustment of premium rates in future years. WCB will neither charge interest to the Safety Association on grant disbursements or "deficits", nor pay interest on "surpluses".

Each year the Safety Association must provide a preliminary funding request for the upcoming year at a time determined by WCB. The preliminary funding request must be endorsed by the Safety Association's board of directors. WCB will then provide the Safety Association with an accounting of disbursements and premium revenues, and recommend a premium levy for the upcoming year. The Safety Association's board of directors will have the opportunity to review the proposed levy and suggest adjustments.

The Safety Association may request current accounting reports from WCB at any time.

3.6 Unused and Misused Funds

The bylaws of the Safety Association must state clearly that, on dissolution of the Safety Association, any unused funds generated from WCB sources must be returned to WCB for application against the funding/revenue balance of the Safety Association.

If WCB determines that the Safety Association has misused funds – e.g., spent money from WCB sources for purposes other than those contained within the letter or intent of a business plan, or contrary to the terms and conditions outlined herein – WCB may take action including legal remedies to obtain reimbursement of the misused funds.

4.0 Business Plan for Continued Funding

Appendix G

Safety Association Terms and Conditions

Section 136(2)(a) of the *WCA* specifies that, "*a primary objective and purpose of the association is the promotion of education in accident prevention in the industry in which the employers are engaged.*"

4.1 Required Elements of Business Plan

The Safety Association established and receiving funding under s.136 of the *WCA* that wishes to receive funding in the following year must present WCB with a detailed business plan containing progress on strategies, plans, and budgets. The business plan must receive final approval by WCB before year-end if funding is to continue uninterrupted into the new year.

The business plan must support a "reporting cycle", which will be continuous throughout the existence of the association:

- i) the business plan must indicate the extent to which the association achieved the objectives stated in the previous proposal, with reasons why objectives may not have been met and action to be taken to avoid future shortfalls in objectives
- ii) the plan must identify objectives for the following year, with a strategic plan for achieving the desired outcomes

Financial details must accompany both major sections, with a final funding request for the following year. Certain critical elements, described in the sections to follow, must appear in the plan submitted for review. The absence of required elements or a lack of detail in any given element may delay the funding review and approval process.

4.1.1. General

WCB requires a detailed business plan for continued funding. The plan must have sufficient information to ascertain:

- i) the primary objective and purpose of the association is the promotion of education in accident prevention in the industries in which the member employers are engaged
- ii) the association represents the interests of the employers and workers in that industry in Alberta
- iii) the association has support of employers in represented industries
- iv) the association has well-supported and credible objectives, plans, and budgets sufficient to provide effective education to its members
- v) the measures and research approaches which will be used to demonstrate achievement of objectives

4.1.2 Results to Date

Appendix G

Safety Association Terms and Conditions

In return for funding, the association agrees to undertake the activities specified in the business plan. Each business plan must start with a report of results under each of the activities previously committed to. The report of the current year's performance to date must:

- provide introductory information on how courses and programs originated and their target outcomes
- quantify progress toward objectives, and project to year-end (see also 4.2):
 - courses developed
 - courses delivered
 - number of students attending
 - percentage increase or decrease from previous year
 - other major programs or publications developed
 - conferences coordinated
 - programs conducted with other safety and industry associations
 - small business assistance
 - injury reduction initiatives

(these indicators or measures are listed as examples only; actual measures used must be relevant to the objective)

- provide a list of employers using services, courses or services used, and employees attending; this information will be used by WCB to evaluate subsequent injury reduction and the evaluation will be provided to the association
- any redirection of resources
- report unaudited financial results to date:
 - budgeted versus actual expenditures
 - explanation of major variances
 - additional revenues received with any restrictions noted
 - variance forecast to year-end
- report important changes in association structure and administration

Appendix G

Safety Association Terms and Conditions

4.1.3 Business Plan for Following Year

The business plan for the following year must contain:

Strategies

The business plan must provide an overview of strategies for the coming year. This should reference trends in the growth or decline of injuries and could reference an environmental survey of the nature and impact of workplace accidents, employer practices with respect to safety, and cost of injuries to employers and industry.

Background information is available from the Alberta Government's occupational health and safety division (OHS), the Alberta Government ministry responsible for OHS, and WCB.

Program Outlines

Summary of programs to support the stated strategies. The program outlines might include information on:

- educational approach such as worker training, train the trainer, contract-out training
- course delivery methods such as classroom, correspondence, on the job, electronic interactive, self-directed
- approaches to facilitate participation of small business
- health and safety auditing
- Certificate of Recognition and injury reduction initiatives such as PIR

Financial Details

A breakdown of costs and revenues. Note that the association fiscal year must correspond to the calendar year.

- salaries and benefits
- consulting costs
- travel
- cost of facilities
- supplies and materials
- specific program-related expenditures
- capital expenditures and amortization
- any revenues from courses, publications, or special services
- revenues and expenses outside Alberta
- commitments beyond the current year

Administrative Plans

Appendix G

Safety Association Terms and Conditions

- projected changes to the administrative or structural organization of the association
- changes to bylaws

Evidence of Support (see also Section 4.8)

- letters of endorsement from other associations, groups or individuals

4.1.4 Deadline for Business Plan

The business plan for funding for the following year must be received prior to October 31 of the current year.

4.2 Business Plan Evaluation

An effective safety association can have direct, positive influence on injury reduction. Section 136(2)(a) of the *WCA* identifies the purpose of funding safety associations as: "*the promotion of education in accident prevention.*" Results and evaluation of safety association performance must be directly related to this purpose.

4.2.1 Roles in Business Plan Evaluation

An independent evaluation of the business plan of the association must be conducted yearly to determine whether the association has been effective in providing health and safety education. OHS may conduct the evaluation, or the evaluation may be conducted by a private consulting firm.

The Safety Association shall provide the information outlined in Section 4.1.2 regarding the outcome of strategies and programs. The Safety Association is encouraged to conduct and present the results of representative membership surveys to determine member expectations for training programs, participation rates, and members' perceptions of program value.

WCB reviews the business plan evaluation respecting training impact in member industries. WCB will analyze safety association enrollment data to determine injury reduction effectiveness.

At any time during the year WCB may request a special report of program or financial performance.

4.3 Industry Support

As funding provided to Safety Associations is recovered through a special levy authorized by the *WCA*, WCB must ensure that there is continued support for the Safety Association before continuing the levy. Section 136(2)(b) states that funding may be provided if, "*the association sufficiently represents the interests of the employers and workers in that industry in Alberta.*"

Appendix G

Safety Association Terms and Conditions

4.3.1 Association Board Representation

The board of directors of the Safety Association must contain representatives from each major employer association active within the member industries. The board must have worker representatives appointed on a volunteer basis and/or selected by organized labour.

Proposals for continued funding must be approved by the Safety Association board of directors before submission to WCB. A board minute to this effect, and list of members voting on the motion, must be submitted with the proposal. Annual general meetings of all stakeholders should be held with formal presentations of past year results.

4.3.2 Industry Association Support

The proposal for continued funding of the Safety Association must be accompanied by letters of endorsement from major employer and worker associations, as applicable, representing the membership.

4.3.3. Membership Support

In the event that the Safety Association does not provide sufficient evidence of support under 4.3.1 and 4.3.2, the Safety Association shall conduct and present the results of representative membership surveys, using methodology acceptable to WCB, to determine member satisfaction with the objectives, programs, and results of the association.

5.0 Sharing Resources

Safety Associations are established to provide service to their member industries. Recognizing that training programs must be tailored to different industrial sectors, associations must avoid duplication of effort in development of standard programs. All associations must share information and resources in order to avoid inefficient spending practices.

5.1 Associations Must Access Existing Resources

On identifying the need for a training program, the association must review the products of all other Safety Associations to determine if an existing program is available for adaptation. The association must not commence original program development if suitable external programs can be adapted. If an existing program is acquired and adapted, the association must provide written credit to the source association in course materials.

5.2 Associations Must Provide Access to Existing Resources

Appendix G

Safety Association Terms and Conditions

The association must make established programs available for adaptation by other associations. Recognizing the costs to the membership associated with program development, the association may charge a reasonable fee for the adaptation and use of programs. The Safety Association will at all times maintain copyright and all other proprietary rights to material and information distributed in any form.