

POLICY NUMBER: POL-149

**Chapter:
WORKPLACE SAFETY AND PREVENTION**

**Subject:
SAFETY ASSOCIATION FUNDING**

**Effective Date:
December 17, 2015**

**Last Update:
November 18, 2023**

PURPOSE STATEMENT:

The purpose of the policy is to explain how:

- Safety associations apply for and receive funding from the Workers Compensation Board (WCB).
 - The WCB evaluates and monitors safety associations who have received funding from the WCB.
 - The WCB collects the funding amount from employers in the industry represented by the safety association.
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REFERENCE:

Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, Section 63.1.

POLICY:

Safety Association Designation

1. Employers in any industry to which the *Workers Compensation Act* applies may request that the WCB designate an entity as a safety association for their industry and provide funding to that association.
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2. Employers who make a request must meet the following criteria to the satisfaction of the WCB:
 - At least 50% plus one of the employers in the industry support the funding of the safety association through an additional levy on employers in the industry.
 - The primary purpose of the safety association is the promotion of education and training in accident prevention in the industry in which the employers are engaged.
 - The safety association sufficiently represents the interests of employers, employer associations, and workers in that industry.
 - The entity to be designated has been or will be incorporated.
3. Where the WCB is satisfied that the requirements of section 2 have been met and the majority of employers referred to in that section represent at least 70% of the total payroll subject to assessment in the industry, the WCB may designate an entity as a safety association and may provide funding to the safety association.

Application For Funding

4. When applying for funding, the safety association shall provide, to the satisfaction of the WCB:
 - A business plan for the education and training programs to be offered by the association.
 - Other information required by the WCB.
5. An application for funding must be:
 - Approved by the board of directors of the safety association before submission to the WCB.
 - Submitted to the WCB no later than June 1st of the year preceding the year for which funding is required.
6. The board of directors of a safety association that applies for funding shall be constituted so that it includes:
 - Employers, representatives of employer associations, and representatives of either workers or unions in the industry in which the safety association is to conduct its activities and programs.
 - A non-voting representative appointed by the WCB.

Business Plan

7. A business plan must contain sufficient information for the WCB to determine the following:
 - The primary objective and purpose of the safety association is to promote education and training in accident prevention in the industry in which the members are engaged.
 - The safety association has well-supported and credible objectives, plans, and budgets sufficient to provide effective education and training in accident prevention.

8. A business plan shall contain the following:
 - An overview of the objectives for the coming year.
 - A summary of the programs to support the stated objectives.
 - The measures that will be used to demonstrate the achievement of the stated objectives.
 - A breakdown of costs and revenues for the coming year, including:
 - Salaries and benefits.
 - Consulting costs.
 - Travel expenses.
 - Cost of facilities, supplies, and materials.
 - Specific program-related expenditures.
 - Capital expenditures and amortization.
 - Revenue from courses, publications, special services, and other sources.
 - Where applicable, commitments beyond the current or coming year.
 - Any other relevant information.
 - Any anticipated changes to the administrative or structural organization of the safety association, or to its bylaws.

Funding Levy

9. The funding provided by the WCB to a safety association is charged against the industry represented by the safety association and levied as part of the assessment against that industry.

10. Where a safety association represents more than one industry, the WCB may apportion the charge among the industries in the manner it considers appropriate.

11. Administrative expenses incurred by the WCB in collecting and distributing the levy may be deducted from the money collected.

Funding Approval

12. The WCB may approve funding to the safety association where it determines the business plan/application sufficiently establishes:
 - The education and training programs that are planned will reduce accidents specific to the industry.
 - The budget is suitable and appropriate for the programs to be delivered.
 - The geographic needs of and other needs specific to the industry have been considered in the plan.
 - The safety association is properly equipped to manage and deliver the proposed plan.
 13. When the business plan is approved, the safety association and the WCB will enter into an agreement which will detail the terms of the funding, course content, and the reporting requirements. The contract also provides protection for the WCB from any liability for the activities of the association.
 14. Funding provided to the safety association shall be used for the purpose of assisting in the payment of expenses of the safety association related to the promotion of education and training in accident prevention in the industry.
 15. The WCB may make the funding subject to any terms and conditions it considers appropriate including terms and conditions respecting the use of funds, reporting, and the return of unused or misused funds.
 16. After the first business plan of a safety association is accepted and approved by the WCB, each subsequent business plan submitted by the association shall include a report of the results to date of each program or activity committed to in the previous business plan.
 17. The report of the year's results to date shall:
 - Provide information on how courses and programs originated and their target outcomes.
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- Quantify progress towards objectives and project results to the year's end, having regard to:
 - Courses developed and delivered.
 - Number of students attending.
 - Percentage increase or decrease from the previous year.
 - Other major programs or publications developed.
 - Conferences coordinated.
 - Programs conducted with other safety and injury associations.
 - Injury reduction initiatives.
- Provide unaudited financial results to date, having regard to:
 - Budgeted expenditures and actual expenditures.
 - Major variances from the budgeted expenditures, with explanations for the variance, and any year end variance forecasted.
 - Additional revenues received by the association with any restrictions noted.
- An explanation of any variances from the business plan.
- State any significant changes in the administrative or structural organization of the safety association, or to its bylaws.

Reporting Requirements

18. A safety association that receives funding shall provide the following to the WCB:
 - A half-yearly financial report showing
 - Budgeted expenses and actual expenses.
 - An explanation of any major variance of actual expenses from budgeted expenses.
 - Any additional revenues received with restrictions or co-funding requirements.
 - An independently audited financial statement of the safety association for the previous year's operations.
19. The financial report required under section 15 shall be provided within sixty days after the end of each half year.
20. The financial statement required under section 15 shall be provided no later than the thirtieth day of June following the year to which the statement relates.
21. A safety association that receives funding from the WCB shall report the results of its activities to its members at an annual meeting.

Funding Renewal

22. The WCB monitors the effectiveness of the education and training plan through the business plan and report of the year's results submitted by the safety association.
23. The WCB may renew the funding for a safety association when it determines the education and training is effective. Where the WCB is not satisfied with the results, funding may not be renewed for the following year.

Monitoring And Audit

24. The WCB shall monitor the operation of a safety association that receives funding from the WCB and may conduct audits as it considers necessary.
25. The WCB may direct a safety association that receives funding from the WCB to take such actions as the WCB considers appropriate and the safety association shall comply with the direction.

Non-compliance

26. Where a safety association does not operate in accordance with this policy or an agreement entered into with the WCB or does not comply with the terms and conditions set by the WCB, the WCB may:
 - Suspend or reduce its funding while the non-compliance continues.
 - Cease to provide funding.
 - Take such other steps as it considers necessary.

HISTORY:

November 18, 2023 – Non-substantive changes for readability and clarity.

Board of Directors Approval Date: December 17, 2015