

PLAN JPA

Risk Management Grant Fund Policy

Purpose:

The Risk Management Grant Fund Program provides financial resources for PLAN JPA members to fund expenditures that support their safety and risk management programs.

1. Use of Risk Management Grant Funds:

Guidelines for Use:

Risk Management Grant Funds may be used as follows:

1. Controlling or minimizing risks that could result in injury, illness, and/or claims filed against the Member that would be covered under PLAN's Liability Program.
2. Development, implementation, and maintenance of safety and risk management programs.
3. Emergency and disaster preparedness.
4. Purchase of equipment, items or improvements that enhance safety of employees or the public.
5. Attend outside training or conferences; or provide in-house training relating to safety and risk management programs.
6. Special expenditures permitted by the PLAN JPA Risk Management Committee.

Program funds will not be used to fund:

1. Deferred maintenance.
2. "Wear and tear" repair or replacement.
3. Operating supplies, materials, or equipment that are normally addressed in another department's budget.
4. Employee wages.
5. Monetary fines resulting from regulatory citations.

PLAN JPA's Risk Control Manager will approve requests for Risk Management Grant Funds disbursements if the expenditures comply with the above guidelines. Examples of valid expenditures can be found at the end of this document in **Appendix A**.

Reimbursements and Advances:

PLAN JPA will reimburse members who have provided evidence of payments by them for safety and risk management program expenditures up to the lesser of (a) the amount of the expenditure and (b) their remaining Risk Management Grant Fund balance.

If a member obtains a quote for safety and risk management expenditures that will occur in the future, the member may receive an advance of funds from the Risk Management Grant Fund up to the lesser of (a) the amount of the quoted expenditure and (b) their remaining Risk Management Grant Fund balance. However, future disbursements from the Risk Management Grant Fund may not occur until evidence of payment for the quoted service is provided to PLAN JPA or the unused funds are returned to PLAN JPA.

Cut-off for Requests:

Any requests for reimbursement or advances must occur before June 15, so that the Annual Allocation to the Risk Management Grant Fund can occur as part of the approval of PLAN's annual budget.

2. Annual Allocation to Risk Management Grant Fund:

Annual Allocation:

The total amount allocated to the Risk Management Grant Fund will range from \$200,000 to \$500,000 annually as part of the budgeting process ("Annual Allocation").

- A minimum of \$200,000 is allocated each year ("Minimum Allocation").
- Up to \$300,000 of additional funds are allocated each year based on the prior year's change in net position ("Variable Allocation").
 - o The Variable Allocation is equal to fifty cents (\$0.50) for every dollar (\$1) of the excess of the prior year's change in net position over \$400,000.
 - o The Variable Allocation is capped at a maximum of \$300,000 (which occurs when the prior year's change in net position equals or exceeds \$1M).

The maximum amount of the Annual Allocation to the Risk Management Grant Fund is \$500,000 (i.e., the Minimum Allocation plus the maximum Variable Allocation).

3. Members' Balances:

Annual Member Allocation:

Each year, an annual allocation is made to members' Risk Management Grant Funding account balances (subject to the Cap on Unused Funds, described below).

50% of allocated amounts will be based on that member's proportion of current year contributions to the Liability Program, as described in Formula A below, and 50% will be

based on that member's proportion of the total Ex-Mod Factor for the Liability Program, as described in Formula B below.

Formula A: Contribution-based Allocation

$$\text{Allocation} = 50\% * (\text{Annual Member Allocation}) * \frac{\text{Member's Contribution to Liability Program}}{\text{Sum of All Members' Contributions to Liability Program}}$$

Formula B: Ex Mod-based Allocation

$$\text{Allocation} = 50\% * (\text{Annual Member Allocation}) * \frac{\text{Member's Ex – Mod Factor}}{\text{Sum of All Members' Ex – Mod Factors}}$$

The allocation to each member each year is the “Annual Member Allocation.”

4. Cap on Unused Funds:

What the Cap is:

Allocations of Risk Management Grant Funds will be subject to a maximum amount (“Cap on Unused Funds” or “Cap”).

If amounts that either have been previously allocated to a member or those that are allocated in a given year cause that member to exceed their Cap, member balances will not be reduced, but no additional allocations above the capped amount will be made to the member for that year.

Calculation of Cap:

For each member, the Cap on Unused Funds is equal to the greater of (i) the two prior years of Annual Member Allocation plus the current year Annual Member Allocation (for a total of 3 years of allocations) and (ii) \$20,000.

Redistribution of Capped Funds:

Annual Member Allocations that exceed each member's Cap on Unused Funds will be redistributed among the members that have not reached their Cap on Unused Funds.

If a redistributed amount causes another member to reach their Cap on Unused Funds, then the excess amount for that member or members that have reached the Cap on Unused Funds will be similarly distributed among the members who have not reached their Cap on Unused Funds.

If all members have reached their Cap on Unused Funds, then the undistributed amount will not be available for use as Risk Management Grant Funds.

Appendix A: Examples

The below list is illustrative only. The Grant Program is flexible and can be tailored to your Risk Management needs. All projects or activities that fall within the Purpose and Guidelines of the Risk Management Grant Funds Policy will be considered for eligibility.

Facilities & Infrastructure Safety:

- Sidewalk Repairs & Maintenance Program Assistance (e.g. Hazard Abatement; 50-50 Program)
- Playground Inspections & Repairs
- ADA Transition Plan Assessment
- ADA Compliancy Equipment (e.g. Automatic Door Openers, Pool Lifts)
- Anti-Trip Cord Covers
- Sewer Hazard Mitigation (e.g. Sewer line Slip Liners, Pressure Detectors)
- Gas Detectors & Monitors
- Anti-Entrapment Pool Drain Covers

Environmental & Landscape Risk Mitigation:

- Arborist Services (e.g. Tree Pruning & Maintenance Program Assistance)
- Fire Hazard Mitigation Weed Control

Emergency Preparedness & Security:

- Emergency Services and Disaster Recovery Equipment
- AEDs & AED Program Assistance
- Panic Buttons
- Security Cameras & Gates

Technology & Systems:

- GIS Systems for Sidewalk & Tree Inventories

Training & Professional Development:

- Defensive Driving Training
- Emergency Vehicle Operator Training
- Risk Management Training & Conferences