

1.0 COVERED EMPLOYEES/GROUPS/BOARD MEMBERS – Medical/Dental/Vision Plans

1.0.1 Employee Groups

The term "Employee Group" in these regulations is defined as follows:

- a. Any group defined under existing applicable collective bargaining laws.
- b. The Board, the Superintendent, Management Employees, Confidential Employees, Classified Employees, Certificated Employees, and Retirees are considered individual Employee Groups even in districts where there is no organized bargaining groups.
- c. Retired employees generally follow the group they would belong in if they were active employees. Districts may, however, treat all retirees from all groups as one group and offer a single benefit plan for all retirees (see "Retirees").

1.0.2 Full-Time Employees

Each participating district is responsible for the payment to the JPA of a full medical, dental, and vision premium of the plans offered to the individual's Employee Group (see "Employee Groups") for every full-time employee of the district that is in a paid status or for any employee where the bargaining agreement requires a full premium.

If more than one family member is a full-time employee of a participating district then a premium must be paid for each position and plan offered to the Employee Group.

1.0 COVERED EMPLOYEES/GROUPS/BOARD MEMBERS – Medical/Dental/Vision Plans (*continued*)

1.0.3 Less-Than-Full-Time Covered Employees

Less-than-full-time employees may elect not to participate in any/all benefits (medical, dental, and vision programs). Such election must be in writing.

New less-than-full-time employees have 30 days to enroll (from the date they become eligible).

Less-than-full-time employees who initially elect not to participate may enroll during a subsequent open enrollment period. However, once enrolled in the program, no employee can opt-out of a program and later re-enroll **during open enrollment** without meeting underwriting criteria (see "Break in Coverage"), unless conditions of employment change. Each participating district is responsible for payment of the premium of all employees electing to participate.

An "employment change" occurs when an employee's hours or work-year change sufficiently to affect the amount of premium self-paid by the employee or changes the employee from an ineligible to an eligible status.

1.0.4 Board Members

Coverage for board members is at the option of each district.

If provided by the district, new board members have 30 days from the date of taking office to elect coverage.

Board Members who initially elect not to participate may enroll during a subsequent open enrollment period; however, restrictions regarding "pre-existing conditions" will apply. Once enrolled in the program, no board member can opt-out of the program and later re-enroll without satisfying the conditions described in Section 1.8, "Break in Coverage."

(Additions are noted in bold,underlined print)

1.1 RETIREES

1.1.1 Retiree or retired employee is defined as a former classified or certificated employee of a member of the plan who is currently receiving retirement benefits or a disability allowance from either the State Teachers Retirement System or the Public Employees Retirement System as the result of service with a plan member district.

Continued coverage for retired employees is at the option of each district. Premiums may be paid by the retiree or the district. Retirees and covered spouses must secure Medicare Parts A & B. The JPA plan will pay benefits after subtracting benefits available from Medicare Parts A&B, whether or not a retired employee and/or spouse is actually enrolled in Medicare Parts A&B, unless they are not yet eligible. Retirees that discontinue coverage may not re-enroll in any plan. This includes during open enrollment.

1.2 COMPOSITE RATES

Composite rates are the norm for all programs offered by a JPA.

1.3 ELIGIBILITY

- 1.3.1 Districts may set eligibility standards for those who receive coverage. Those covered may include board members, employees, dependents, and retirees. The standards set by the districts must not conflict with the regulations established in this manual.
- 1.3.2 The person who is named as "the insured" must be an employee, board member, or a retired employee or board member.
- 1.3.3 An "employee" must meet the IRS definition of an employee and must be on the district payroll.
- 1.3.4 Individuals who are on a contract for services not paid through the normal district payroll are not eligible for coverage as an employee.
- 1.3.5 An updated copy of the district's eligibility language for each bargaining unit must be forwarded to the JPA Executive Director annually. Changes in eligibility must be approved in writing by the JPA prior to implementation.
- 1.3.6 Effective date of coverage for employees is determined by each school district (usual effective date is the first of the month following date of hire). Enrollment cards should be sent in as soon as they are completed to keep eligibility current.

1.4 NEGOTIATIONS

Districts contract with the JPA for specific plan benefits but districts negotiate with employee groups for benefit levels. Districts must ensure that the language in a bargaining contract does not grant benefits that are not provided or allowed under the District JPA agreement.

Examples of Things to Avoid:

- a. Benefits under JPA plans do not vest to employees or retirees. Plan provisions are guaranteed only for the plan year (July through June). JPA policy is to not make changes to existing plans that reduce benefits but the JPA legally reserves the right to do so on a year by year basis with the approval of the Joint Powers Board (on which every member district is represented).
- b. Administrators for the JPA plans may change from time to time. JPA plans are not tied to specific administrators. Specific references to providers (such as Blue Cross) should be avoided in bargaining contracts because they may create a situation where the district cannot honor contract provisions because of a JPA initiated change.

1.5 MOVEMENT BETWEEN PLANS

Movement between JPA Plans is allowed and must be notified in writing by the District's Superintendent or Joint Powers Board Member. Where movement must be by Employee Group (see Section 1 definition) the request must allow for 30 days notice with an effective date on the first of the month following the 30 day period.

Where a district allows employee choice of endorsed plans, the employee must remain in the chosen plan until the next open enrollment period or until the entire group changes plan.

1.6 WITHDRAWAL

1.6.1 Upon involuntary termination of any member from Health & Welfare Programs:

1.6.1.1 Within ninety (90) days after the close of the fiscal year at the end of which the withdrawal or termination takes effect, the Board shall determine, using generally accepted accounting and actuarial principles:

- a. The amount of reserves needed to pay remaining unpaid claims, program expenses, contracted services, and operations cost incurred on behalf of all members while the withdrawing or terminating member's coverage was still in effect.
- b. The amount of contributions already paid for the closed fiscal year by all members, including the withdrawing or terminating member.
- c. The ratio which the withdrawing or terminating member's contribution bears the total contributions of all members for the closed fiscal year. This ratio shall be used to determine the member's proportional share of payments and disbursements hereunder.

1.6.1.2 If the contributions exceed the estimated needed reserves for all members, the Authority will pay the proportional share of excess to the withdrawing or terminating member according to the following schedule:

- a. Fifty (50%) percent of the estimated excess by no later than January 1 next following the close of the fiscal year after withdrawing or terminating.

1.6 WITHDRAWAL (*continued*)

- b. The balance of the excess by no later than January 1 of the second fiscal year after the close of the fiscal year after withdrawing or terminating. This balance may reflect adjustments by the Board based upon recalculation of the necessary reserves, taking into account claims paid since the calculations referred to above were made, using generally accepted accounting and actuarial principles.

1.6.1.3 If the estimated needed reserves exceed the contributions for all members, the withdrawing or terminating member shall pay its proportional share of the deficit to the Authority according to the following schedule:

- a. Fifty (50%) percent by no later than January 1 next following the close of the fiscal year after withdrawing or terminating.
- b. The balance of the excess by no later than January 1 of the second fiscal year after the close of the fiscal year after withdrawing or terminating. This balance may reflect adjustments by the Board based upon recalculation of the necessary reserves, taking into account claims paid since the calculations referred to above were made, using generally accepted accounting and actuarial principles.

1.6.1.4 The withdrawing or terminating member shall be responsible for any claims incurred after the effective date of termination or withdrawal, notwithstanding any other provision of these Bylaws.

1.6 WITHDRAWAL (*Continued*)

1.6.2 Upon Voluntary Withdrawal of any member from Health & Welfare Programs:

Participation in the Authority's benefit plan shall be for a twelve (12) month period from the effective date of membership for each benefit plan in which each member is enrolled. A complete voluntary withdrawal of all bargaining units and employees is subject to the terms and conditions of Article XII of the Bylaws.

Withdrawal of a bargaining unit or non-represented group of employees requires written notification to the JPA by April 1 prior to the end of the agreement period, July 1 to June 30.

1.7 BREAK IN COVERAGE

A break in coverage occurs whenever an employee elects to drop coverage for any length of time for any reason. (This may occur, for example, when a less than full-time employee discontinues coverage).

After a break in coverage, an employee may re-enroll in district offered plans only by presenting a Health Statement acceptable to the plan for the employee and all dependents as described in the plan documents. The employee cannot re-enroll during an open enrollment period without a Health Statement; pre-existing conditions limitations will apply.

There are two exceptions:

- 1) An employee (and the qualified dependents of an employee) who is a member of any military reserve unit or national guard unit that is activated (and who is granted a leave of absence from his/her district) may resume coverage under all STSIG plans without presenting a Health Statement *providing that*:
 - a) the employee and dependent(s) are covered by the Government during the leave, and
 - b) the employee returns to work for his/her district within thirty days after release from active duty. (Note that STSIG Plans do not cover "injury or illness resulting from war or any act of war, armed invasion or aggression.")

AND

- 2) An employee (and the qualified dependents of an employee) on an approved leave of absence from a district may be reinstated immediately after the leave without a Health Statement.

1.8 OPEN ENROLLMENT

Open Enrollment will be held May 1 through June 15 each year. At this time, contributory employees and their dependents and subscribers' dependents not previously enrolled may join the plan. Enrollment at any other time for these participants will be subject to evidence of insurability (submit health form for approval). Eligibility will be determined by the Shasta-Trinity Schools Insurance Group, subject to eligibility requirements of the plan.

Members of a group enrolled in the Twenty-First Century Plans may only change their individual plan choice during the open enrollment period.

1.9 TERMINATION OF EMPLOYMENT

When an employee terminates employment with the district for any reason, the district must, by law, notify the employee of COBRA benefits and conversion rights. Failure to do so may result in severe Federal and State financial and criminal penalties.

1.10 SECTION 125 PLAN

Districts may offer a variety of "cafeteria plans" or Section 125 plans to employees. Full-time employees *may not*, however, be given the option of opting out of medical, dental, or vision plans in exchange for other benefits.

Section 125 plans may be used to provide a selection of other non-STSIG benefits or to provide an option to allow employees to pay for premiums or other benefits on a pre-tax basis. IRS regulations must be adhered to when offering this type of plan.

1.11 ADOPTION AND IMPLEMENTATION OF NEW BENEFIT PLAN(S)

The Board may consider a new benefit plan for adoption as an option for members. Before action is taken to endorse a new benefit plan, the carrier must submit a benefit certificate detailing the coverages, application of deductibles/copays, and exclusions.

Any member considering changing to a new plan must schedule a meeting of bargaining unit representatives and a carrier representative. The Executive Director and/or Consultant shall also attend the meeting. A copy of the benefit certificate will be made available to the member and bargaining unit before the meeting.

The carrier shall be the sole source of answers to questions raised on a particular plan.

1.12 MEMBER CONTRIBUTION RATES - Workers' Compensation Program

Determination of Rates

After review of an actuarial report, and Board will select the contribution rates appropriate for each program. The amounts determined by the actuary will be used to determine the rate per \$100 of salaries.

Self-Insured Program

Calculated Rates:

The actuarial's estimated required funding at the 70-percent confidence will be used to initially determine base rate, risk management rate, and investment return rate.

Formula:

$$\frac{\text{Estimated Required Funding @ 70\% Confidence}}{\text{Fiscal Year Salaries x Ex-Mod/100}} = \$X.XX \text{ Rate}$$

Fully-Insured Program

Mid-Year Applications

Any district/agency seeking to join the JPA program after the beginning of the fiscal year will be charged a pro-rata rate.

1.13 DISPUTED CLAIMS: APPEALS PROCESS

All JPA medical plans will include language that provides a right of appeal on disputed claims. The initial appeal will be made to the claims administrator. The final appeal process is Binding Arbitration.

1.14 CASE MANAGEMENT

If the reinsurer decides not to involve case management, and the claim has already exceeded \$100,000, Shasta-Trinity Schools Insurance Group will deny case management.

If the reinsurer decides not to involve case management, and the claim has not exceeded \$100,000, Shasta-Trinity Schools Insurance Group will approve or disapprove case management based on the recommendation of Western States Administrators.

II. WORKERS' COMPENSATION ADMINISTRATION

2.0 COVERED EMPLOYEES/INDIVIDUALS/VOLUNTEERS

- 2.0.1 All members' employees injured in the performance of their designated duties, when injuries arise out of facts occurring during membership in the JPA.
- 2.0.2 Individuals working at a member's facility but paid by another agency are not covered. (examples: Green Thumb, Jail Trustees, Work Alternative Program and people serving out penalties or fines by court order)
- 2.0.3 ROP students are covered in a ROP class or at a job site.
- 2.0.4 Volunteers are **not** covered. ~~when a member passes a resolution specifically designating the type of volunteer to be covered. The resolution should be forwarded to Shasta Trinity Schools Insurance Group's administrative office.~~
- 2.0.5 Student teachers are to be covered by the state college contracting with the member.
- 2.0.6 When a member agency accepts non-paid personnel assigned by agreement with another agency to work at the member's sites, the placing agency will be responsible for coverage.

Additions denoted by bold underline. ~~Deletions~~ denoted by "strikethrough."

2.1 FIRST AID CLAIMS AND INJURIES INVOLVING COMMUNICABLE DISEASES

a. When to file an injury form:

Where there is documented contact with individuals who have AIDS, Hepatitis or other communicable diseases.

b. When not to file an injury claim:

An injury claim (Form DWC1) should not be filed unless there is an exchange of bodily fluids and only for exposures involving human contact resulting an exchange through body orifices.

The exchange of bodily fluids includes the following or similar incidents:

Blood to blood, open wound to open wound, spitting or sneezing in another person's open wound/broken skin;

bodily fluid from one person's body penetrating another person's body;

bodily fluid coming in contact with another person; however, it is not an exchange of bodily fluids unless it penetrates the other person's body.

2.3 WORKERS' COMPENSATION CLAIMS REPORTING

2.3.1 Report of Occupational Injury or Illness

A State of California Employer's Report of Occupational Injury or Illness form should be completed in triplicate.

The original and one copy should be mailed to UniCare, P.O. Box 8027, Walnut Creek, CA 94596, or faxed to 510/927-6296. One copy should be retained for file.

2.3.2 Settlement Authority - Self-Insured Claims

The Third Party Administrator will be authorized to negotiate any Workers' Compensation settlement for self-insured claims up to and including \$15,000, providing they have prior concurrence from the district.

All settlements between \$15,000 to \$50,000 will require concurrence from the Executive Director/Consultant with ratification by the Executive Committee at a regular meeting.

Any settlement over \$50,000 will require concurrence by the district and a majority vote of the Executive Committee at a regularly scheduled meeting. A special meeting may be called in the event the settlement cannot wait for the next regular meeting *or a concurrence of the officers plus one Executive Committee member may be reached by way of a confidential facsimile detailing the settlement.*

2.4 WITHDRAWAL

Upon involuntary termination of any member from Workers' Compensation Program:

- 2.4.1 Within ninety (90) days after the close of the fiscal year at the end of which the withdrawal or termination takes effect, the Board shall determine, using generally accepted accounting and actuarial principles:
- a. The amount of reserves needed to pay the estimated ultimate claims losses, program expenses, contracted services, and operations cost incurred on behalf of all members while the withdrawing or terminating member's coverage was still in effect.
 - b. The amount of contributions already paid for the closed fiscal year by all members, including the withdrawing or terminating member.
 - c. The ratio which the withdrawing or terminating member's contribution bears to the total contributions of all members for each fiscal year. This ratio shall be used to determine the member's proportional share of payments and disbursements hereunder.
- 2.4.2 If the contributions exceed the estimated needed reserves for all members, the Authority will pay the proportional share of excess to the withdrawing or terminating member according to the following schedule:
- a. Fifty (50%) percent of the estimated excess by no later than November 1 next following the close of the fifth fiscal year after withdrawing or terminating.
 - b. The balance of the excess by no later than November 1 of the seventh fiscal year after the close of the fiscal year after withdrawing or terminating. This balance may reflect adjustments by the Board based upon recalculation of the necessary reserves, taking into account claims paid since the calculations referred to above were made, using generally accepted accounting and actuarial principles.

2.4 WITHDRAWAL (*continued*)

- 2.4.3 If the estimated needed reserves exceed the contributions for all members, the withdrawing or terminating member shall pay its proportional share of the deficit to the Authority according to the following schedule.
- a. Fifty (50%) percent of the estimated excess by no later than November 1 next following the close of the fifth fiscal year after withdrawing or terminating.
 - b. The balance of the excess by no later than November 1 of the seventh fiscal year after the close of the fiscal year after withdrawing or terminating. This balance may reflect adjustments by the Board based upon recalculation of the necessary reserves, taking into account claims paid since the calculations referred to above were made, using generally accepted accounting and actuarial principles.
- 2.4.4 The withdrawing or terminating member shall be responsible for any claims incurred after the effective date of termination or withdrawal, notwithstanding any other provision of these Bylaws.

3.0 LEGAL ACTIONS AGAINST SHASTA-TRINITY SCHOOLS INSURANCE GROUP

The President of STSIG is designated as the officer of record for service of all legal action against STSIG. STSIG has been designated as the agent for service.

The Board has designated counsel for the handling of claims matters. The Executive Committee has the responsibility of assigning other matters to appropriate counsel.

3.1 PURCHASING

The Executive Committee shall be charged with the development and execution of sound procedures to implement this policy. Procedures are as follows:

1. All expenditures will be approved by at least two officers of the Executive Committee.
2. The Executive Committee will assure that purchases contemplated are within the approved budget and that they provide the maximum value for the JPA within the framework of law, policy, and sound business practice.
3. Contracted services approved by the Board within the authorized budget will be approved for payment by one of the officers of the Executive Board.

3.2 GIFTS AND DONATIONS

The Board may accept on behalf of and in the name of STSIG such gifts, donations, bequests, and devices (subsequently termed gifts) as are made of STSIG. Such gifts shall be subject to the following conditions:

1. The Board shall accept only those gifts that are of value to STSIG and/or have a legitimate use by STSIG.
2. The Board shall reserve the right to determine the conditions of acceptance, the nature of use, and the final disposition of any gift.
3. All gifts accepted by STSIG shall become STSIG property and will be deemed acceptable when full title and ownership are turned over to STSIG.
4. All gifts of money, including bequests or endowments, become the property of STSIG. Use of these funds is subject to recommendation of the Executive Committee and approval of the Board.
5. Transportation, installation, maintenance, insurance, and other cost factors shall be investigated before a gift is recommended for acceptance.

3.3 CONFLICT OF INTEREST CODE

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Adm. Code Section 18730, which contains the terms of a standard Conflict of Interest Code, which can be incorporated by reference and which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. Therefore, the terms of 2 Cal. Adm. Code Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission, along with the attached Appendix in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of the Shasta-Trinity Schools Insurance Group.

Pursuant to Section 4(A) of the standard Code, designated employees shall file statements of economic interests with the agency. Upon receipt of the statements of the members of the Board and the designated parties, the agency shall make and retain a copy and forward the original of these statements to the Fair Political Practices Commission.

SHASTA-TRINITY SCHOOLS INSURANCE GROUP (STSIG)
APPENDIX

<u>Designated Positions</u>	<u>Disclosure Category</u>
Members of the Board	All
Executive Director	All
Alternates	All
Administrator	All
Consultants*	All
General Counsel	All
Insurance Broker	All
Claims Manager	All
Risk Manager	All

3.3 CONFLICT OF INTEREST CODE (*continued*)

Disclosure Categories

1. Investments and business positions in business entities, and sources of income, of the type of contract with the agency to supply materials, commodities, supplies, books, machinery, vehicles or equipment utilized by the agency.
2. Investments and business positions in business entities, and sources of income, which are contractors, or subcontractors, engaged in the performance of work on services of the type utilized by the agency, including but not limited to, insurance companies, carriers, holding companies, underwriters, agents or accounting firms.
3. Investments and business positions in business entities, and sources of income, which have filed claims, or have claims pending against the agency.
4. Investments and business positions in business entities, and sources of income, from banks or savings and loans.
5. Investments and business positions in, and income from, entities in which the Authority is empowered to invest its funds.
6. Interests in commercial real property (or interests in real property used for commercial leasing purposes).

* With respect to Consultants, the Chairperson of the Board, in the absence of an Administrator, however, may determine in writing that a particular consultant, although a "designated person", is hired to perform a range of duties that are limited in scope and thus is not required to comply with the disclosure requirements described in this Section. Such determination shall include a description of the consultant's duties, and based upon that description, a statement of the extent of disclosure requirements. A copy of this determination shall be retained by the Shasta-Trinity Schools Insurance Group Joint Powers Authority. Nothing herein excuses any such consultant from any other provisions of the Conflict of Interest Code.

3.3 CONFLICT OF INTEREST CODE *(continued)*

Designations

The positions of Board Member, Administrator and Consultants have been designated as those positions subject to the provisions of the Conflict of Interest Code in that those positions are the only positions having any substantial responsibility relative to the Shasta-Trinity Schools Insurance Group (hereinafter referred to as STSIG) decision making process or policy. The term consultant includes the co-insurance brokers, the general counsel, and the risk manager and the claims administrator even though said positions are separately specified as well.

Disclosure Responsibilities

The categories relative to the types of interests that must be disclosed are based upon the types of financial interests relevant to the STSIG business which is confined to providing various types of insurance coverage to local public entities.

3.4 BOARD AGENDA ITEMS

Placement of Items on Agenda

A Board member may request the President place an item on the Board agenda. The request shall be submitted to the President, in writing, fourteen (14) days prior to the meeting. Supporting material must accompany the request.

3.5 RETENTION OF RECORDS

Policy Statement

Shasta-Trinity Schools Insurance Group has an obligation to create and maintain records and information in accordance with accepted records management practices and standards. It shall be StSIG's policy to maintain records in accordance with the following schedule.

Records Retention Schedule

<u>Title</u>	<u>Retention Period*</u>	<u>Class</u>
Administration		
Actuarial reports	Permanent	1
Annual reports	Permanent	1
Certificates of coverage	Permanent	1
Financial audit reports	Permanent	1
General correspondence	3 yrs after audit	3
Policy and procedures	Permanent	1
Master documents	Permanent	1
JPA Agreement & amendments		
Bylaws and amendments		
Boards/Committees	Permanent	1
Agendas		
Meeting notices		
Minutes of Board meetings		
Minutes of committee meetings		
Resolutions		
Claims		
Audit reports	Permanent	1
Files	3 yrs after audit	3
Monthly reports	3 yrs after audit	3
Carrier claims report	1 yr after audit	—
Computer records		
Hardware listing	Permanent	1
Software listing	Permanent	1
Software manuals	Permanent	1

3.5 RETENTION OF RECORDS (Continued)

Records Retention Schedule (Continued)

<u>Title</u>	<u>Retention Period*</u>	<u>Class</u>
Contracts		
Agreements & contracts	Permanent	3
Elections	Permanent	1
General		
Financial		
Accounts Payable	3 yrs after audit	3
Check register	3 yrs after audit	3
G/L summary report	3 yrs after audit	3
Invoices	3 yrs after audit	3
Invoices-fixed assets	Permanent	1
Purchase order copies	3 yrs after audit	3
Accounts Receivable	3 yrs after audit	3
Invoices	3 yrs after audit	3
Invoice listing	3 yrs after audit	3
Banking	3 yrs after audit	3
Bank statements	3 yrs after audit	3
Canceled & voided checks	3 yrs after audit	3
Deposit slips	3 yrs after audit	3
Signature authorizations	3 yrs after audit	3
Financial Reporting		
Journal entries	Permanent	1
Bank reconciliations	3 yrs after audit	3
Budget	3 yrs after audit	3
Chart of accounts	3 yrs after audit	3
General ledger	Permanent	1
Qtrly financial stmts	3 yrs after audit	3
Payroll records	Permanent	1
Payroll tax reports	Permanent	1
Property & equip. sched.	Permanent	1

3.5 RETENTION OF RECORDS (Continued)

Records Retention Schedule (Continued)

<u>Title</u>	<u>Retention Period*</u>	<u>Class</u>
Insurance Endorsements Insurance policies	Permanent	1
Government Reports Secretary of State filing State Controller reports Statement of Econ. Interest	Permanent Permanent 3 yrs after audit	1 1 3
Legal Correspondence Opinions	Permanent	1
Membership Correspondence Member records	Permanent	1
Personnel Applications Contracts Disability claims Payroll Pension records Salary and wage rate changes Time cards Unemployment claims Withholding exemption certificates Workers' compensation reports W-2 forms	Permanent	
Property Records Account ledger Appraisals Damage reports Deeds Maintenance & repair Plans & specifications Purchases Sales Taxes	Permanent	1

3.5 RETENTION OF RECORDS (Continued)

The Retention of Records schedule is based on Title 5 of the California Code of Regulations which contains the state regulations pertaining to education and the IRS suggested schedule for retention of business records.

The Executive Director shall prepare and maintain a Records Retention Manual for use in classifying records and scheduling their retention.

*Pursuant to Government Code Section 60201, unless otherwise provided by state statute, all records not specifically mentioned in this policy shall be retained for a period of not less than one year after the completion of the audit.

3.6 BROKER OF RECORD

Selection

The Executive Committee shall screen, select, appoint, and evaluate the Broker as often as shall be required to insure professional performance.

Services

- (1) The Broker shall provide complete brokerage services to each member agency participating in any Employee Benefit Program.
- (2) The Broker shall monitor and report on the performance of each carrier and contractor servicing the Shasta-Trinity Schools Insurance Group Employee Benefit Programs.
- (3) The Broker shall provide assistance in developing new programs or in alternative funding arrangements.
- (4) The Broker shall assist in the development of Cost Containment programs for the Shasta-Trinity Schools Insurance Group.

4.0 BUDGET POLICY

General

The budget shall be designed to meet the annual objectives of the STSIG Board of Directors. The budget, therefore, must be carefully organized and planned to insure adequate understanding of the financial needs of STSIG. The final budget will be adopted by the Board no later than the last meeting of the year.

Adjustments to the Budget

Adjustments to the budget which are under \$5,000 shall be approved by the Executive Committee. Adjustments over \$5,000 shall be approved by the Board. Included with the adjustment will be a description of the reason for the adjustment, and the resulting balance in the account adjusted. Actions approved by the Board resulting in increases or decreases to revenue or expenses will be automatically adjusted in the budget the following month.

4.1 INVESTMENT POLICY

The Board's purpose in setting financial and investment policies for the Fund is to enable it to meet current requirements for the payment of operating expenses, defense, and settlement of claims in a timely fashion and to invest all excess funds in a manner that offers such appreciation opportunities as are consistent with conservation of principal, and consistent with applicable law. To effectuate this purpose, the Board adopts the following policies:

1. Short Term Cash Policy

The Board's Short Term Cash Policy is to have sufficient investments in liquid accounts to meet the anticipated cash flow needs of the Fund for at least six months.

2. Long Term Investment Policy

The Board's Long Term Investment Policy is to invest excess funds in a manner that will tend to preserve capital and will provide a reasonable rate of return under prevailing market conditions. It is understood that terms of 1-5 years may be utilized to achieve goals in this area.

3. Board Oversight Policy

It is the policy of the Board to review Fund cash flow projections at least annually;

- (a) to determine the necessary funds to be transferred to the short term cash accounts of the Fund;
- (b) to review its long term investments, and
- (c) to plan for such future assessments as may be necessary to insure that the Fund will have sufficient resources to meet its obligations.

4. The Executive Board shall develop procedures for the implementation of this policy.

4.2 AUDITS/ACTUARIAL

Annual Audit

The Board of Directors shall provide for an annual financial audit of the STSIG by an independent certified public accountant.

The Board will be responsible for selection of the independent auditor. A one year contract shall be issued with provision for a second and third year renewal. The Board shall be responsible for recommending the terms of the contract with the auditor.

The auditor will provide a draft audit report to the Board within 90 days of the close of the fiscal year. The final report shall be presented to the Board of Directors at the first Board meeting after September.

On approval of the audited annual financial report, a summary of the information in the report will be submitted to the membership as soon as possible.

Claims Audit

The Board of Directors may provide for an independent claims audit at least every two years. The Claims Auditor will be independent of the JPA and the third party administrator. The audit will determine whether or not claims payments were accurate and appropriate. The Board shall negotiate and recommend the contract with the Claims Auditor for approval to the Board.

Actuarial Study

The Board of Directors shall provide for an actuarial study at least once every three years by an actuary enrolled under Subtitle C of Title III of the Federal Employee Retirement Income Security Act of 1974.

The draft actuarial study shall be available to the Board 60 days prior to the next scheduled board meeting. The final report shall be presented at a regularly scheduled meeting of the Board.

The Board will be responsible for selection of the actuarialist. The Board shall be responsible for recommending the terms of the contract renewal.

4.3 CALCULATION OF EQUITY BY FISCAL YEAR

Within sixty (60) days after the close of the fiscal year, the Board of Directors shall determine, using generally accepted accounting and actuarial principles:

- a. The total equity of the JPA.
- b. The amount of contributions paid for the closed fiscal year by all members.
- c. The ratio each member's contribution bears to the total contributions of all members. This ratio shall be used to determine the member's proportional share of equity.

The equity for the most recent fiscal year will be netted against the equity determined for all prior fiscal years.

5.0 INJURY AND ILLNESS PREVENTION PROGRAM - STSIG OFFICE

RESPONSIBILITY FOR IMPLEMENTING THE PROGRAM

1. The Board of Directors delegates the authority and responsibility for implementation of the injury and illness prevention program to the Executive Consultant of STSIG.
2. The Executive Consultant will monitor the effectiveness of the program and report to the Executive Committee as appropriate.

PROGRAM COMMUNICATION

1. Injury and illness prevention has a high priority in the operation of the STSIG program.
2. Employees are expected to carry out their work tasks in a safe manner and to avoid risks which may compromise their safety or their well-being in the accomplishment of their work.
3. Hazards identified in the office should be reported to the Executive Consultant. Corrective action should be taken as appropriate to mitigate the hazard as soon as possible. Follow-up action will be instituted, including contact with the building manager if indicated, to effect a permanent solution. Discussion of safety issues will be encouraged at weekly staff meetings.

EQUIPMENT

1. Employees are to carefully review the safety information contained in the manuals supplied on all equipment they operate. They are to review this information before first operation of any new equipment.
2. Malfunctioning equipment will be disconnected from power source, and appropriate service representatives contacted.

5.0 INJURY AND ILLNESS PREVENTION PROGRAM *(continued)*

3. In the case of an equipment fire, an attempt to obtain control will be made by using the Ansul Sentry extinguisher attached to the wall at the rear exit. If this is not successful, call 911 at once.

EMERGENCIES

1. A first aid kit is maintained in the back cabinet in the conference room.
2. All emergency situations are handled by calling 911.

FIRE AND EARTHQUAKE

1. Report fires by calling 911.
2. In the event an evacuation is necessary, the STSIG office may be exited at the front entrance or the conference room. The front entrance is preferred as it has a direct entrance to the outside.
3. In the event of an earthquake, seek shelter under desks or tables until the shocks dissipate. In a severe earthquake, if the office building remains intact, it would be best not to attempt to evacuate until there is more information on the extent of damage exterior to the building.

RECORDS

1. The office secretary will maintain files on all equipment manuals.
2. A record will be kept of all safety problems and corrective action. These records will be maintained for three years.

5.0 INJURY AND ILLNESS PREVENTION PROGRAM *(continued)*

3. The Executive Consultant or other designated employee, will complete a safety inspection check list on the office conditions on a quarterly schedule. These records will be maintained for three years.

TRAINING

1. New and existing employees will receive periodic training on safety issues relating to their positions.
2. New employee orientation records and records of safety training will also be maintained for three years.

5.3 VACATION AND LEAVE TIME

a. HOLIDAYS

1. Employees will be entitled to twelve paid holidays per year. Those recognized holidays are as follows:

Fourth of July
Labor Day
Columbus Day (may be substituted for the day after Thanksgiving)
Veteran's Day
Thanksgiving Day
Christmas Day
New Years Day
Martin Luther King Day
Lincoln's Birthday
President's Day
Good Friday
Memorial Day

b. SICK LEAVE

1. Employees shall accrue paid sick leave at the rate of 1 day per **working** month.

c. VACATION

1. Employees shall accrue paid vacation time based on years of employment as follows:

1 to 3 years = 2 weeks vacation

4-10 years = 3 weeks vacation

Over 10 years = 4 weeks vacation

d. BEREAVEMENT LEAVE

1. Employees shall be entitled to a maximum of 3 days leave of absence without loss of salary, for the death of any member of his/her immediate family. If travel out of state or more than 200 miles one way is required, an employee shall be entitled to a maximum of two (2) additional days paid Bereavement Leave.

5.3 VACATION AND LEAVE TIME (*continued*)

e. JURY DUTY

1. An employee is entitled to a leave for the period he/she is required to appear for jury duty. An employee shall receive his/her regular pay, less any amount received for jury fees, exclusive of allowed mileage, parking, or meal expenses reimbursement.
2. No salary deductions shall be made for absences if an employee is under a subpoena in a court case in which he is neither an interested party nor a voluntary witness.

f. INDUSTRIAL ILLNESS AND INJURY LEAVE

1. Employees shall be eligible for leave of absence because of industrial accident or illness which the industrial accident insurance claims administrator considers a valid claim. Allowable leaves shall be for not more than sixty (60) service days in any one (1) fiscal year for the same accident and shall commence the first (1) day of absence.
2. Leave of absence under this provision shall not be accumulated from year to year. When the Industrial Accident or Illness Leave overlaps into the next fiscal year, the employee shall be entitled to only the amount of unused leave due him/her for the same illness or injury
3. Employees shall be paid such portion of the salary due them for any month in which absence occurs which, when added to the temporary disability indemnity under the California Labor Code, will result in payment to them of not more than their full salaries.
4. Leave of absence applied for under this provision shall be reduced by one (1) day for each day of the authorized absence, regardless of a temporary disability indemnity award to the employee.
5. Industrial Illness and Accident Leave is to be used in lieu of Sick Leave. When entitlement to Industrial Illness and Accident Leave exceeds 120 days, entitlement to Sick Leave shall then be used. If an employee is receiving a temporary disability indemnity, the employee shall be entitled to utilize only so much of his/her accumulated Sick Leave and Vacation Leave which, when added to his/her temporary disability indemnity, will result in a payment of not more than the full salary. During any paid leave of absence, the employee

5.3 VACATION AND LEAVE TIME (*continued*)

shall endorse to the JPA the temporary disability indemnity checks received on account of industrial accident or illness. The JPA in turn shall issue the appropriate salary warrants for payment of salary and shall deduct normal retirement and other authorized deductions.

6. Unless travel outside of California is authorized by the Governing Board, employees receiving benefits under this provision shall remain in the State of California.
7. The JPA may require a written statement from a physician verifying an employee's ability to return to work. Upon such verification, an employee shall be entitled to return to his/her position or an equivalent position.

6.1 BOARD OFFICERS AND EXECUTIVE COMMITTEE

BOARD OFFICERS

Pursuant to the Bylaws, there shall be the following board officers each serving a two-year term, elected in alternating years. Their duties and responsibilities are as stated in the Agreement and Bylaws.

1. President
2. Vice President
3. Treasurer
4. Secretary (Executive Consultant as Ex-officio Officer)

The officers of the Board of Directors shall be part of the Executive Committee of the Shasta-Trinity Schools Insurance Group.

EXECUTIVE COMMITTEE

There shall be an Executive Committee of eight (8) members comprised of the following:

- 2 members - county offices of education
- 1 member - community college
- 1 member - high school district
- 1 member - unified school district
- 1 member - district under 300 ADA
- 1 member - district between 301 and 900 ADA
- 1 member - district above 900 ADA

The Executive Committee will be a working committee of the Board of Directors and shall make recommendations to the Board regarding the operations of the Shasta-Trinity Schools Insurance Group. A majority of the Executive Committee may, on behalf of the Board of Directors, approve the settlement of claims. Subsequent to such approval, each case will be reviewed by the full board at the next regular meeting.

6.2 ELECTIONS/NOMINATION OF BOARD OFFICERS AND EXECUTIVE COMMITTEE PROCEDURE

General

Elections shall be held every two (2) years for officers and the Executive Committee.

Nominations

1. Prior to March 1 of the election year, the JPA's administration will send nomination forms to all members.
2. Incumbents, with their concurrence, are automatically included as a candidate. Other candidates shall be selected based upon the number of nominations received.
3. Nominations must be received by April 1 of the election year.

Election

The Board shall then hold the election at the last meeting of the fiscal year.

Special Elections

A special election will be held when there is a resignation of an officer occurring between general elections. A nomination form will be sent out soliciting names for the vacant position. A mail ballot will be sent to the Board allowing two weeks for response. The ballot will allow for write-in candidates. It takes an affirmative vote of a majority per Bylaws Article V.A., receiving a minimum of eleven affirmative votes, to succeed as officer.