Investments

	Louisiana Department of Health (LDH)	
	Policy Number	11.1
	Content	Establishes guidelines for investment of funds under the control of the Louisiana Department of Health and not on deposit in the State Treasury
	Effective Date	October 17, 1997
	Inquiries to	Division of Fiscal Management P.O. Box 3797 Baton Rouge, LA 70821-3797 (225) 342-9568 FAX (225) 342-8665

If there is a discrepancy between an LDH Policy and a Program Office or facility policy, the LDH policy shall govern/overrule/supersede the conflicting section within the Program Office or facility policy.

I. STATEMENT OF POLICY

It is the policy of the Louisiana Department of Health (LDH) to fully adhere to LA R.S. 49:327(B)(5), and (C)(1)(c) relative to the investments made by governmental entities of funds under its control and not on deposit in the State Treasury.

II. APPLICABILITY

This policy applies to all Offices of LDH.

III. IMPLEMENTATION

This policy and subsequent revisions shall become effective upon approval and signature of the Secretary and Undersecretary.

IV. POLICY PROVISIONS

It is the policy of LDH to place appropriate emphasis on the goals of safety of principal first, liquidity second, and yield third.

Before any bank account may be opened for any Office of LDH, the request shall be directed to the Office of Management and Finance, Division of Fiscal Management who will seek and receive prior approval from the Cash Management Review Board. It shall be required that deposits in approved bank accounts be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank, and the pledged securities shall be equal to or greater than the average daily balance of the previous month.

When bank account balances exceed the amount covered by federal deposit insurance, the balance shall be collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Under no circumstances, unless specifically stated in enabling legislation, shall any funds be deposited in derivatives. For the purpose of this policy, "derivative" shall mean any financial instrument created from or whose value depends on the value of one or more underlying assets or indexes of asset value.

V. DISCIPLINARY ACTIONS

Any employee who violates this policy may be subject to disciplinary action up to and including dismissal from employment.

VI. REVISION HISTORY

Date	Revision
October 17, 1997	Policy created
	Policy revised
	Policy revised