


Investments

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|  | 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 deposits in the State Treasury |
| | Effective Date | October 17, 1997 |
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LDH is committed to fostering, cultivating and preserving a culture of equity, diversity and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our Department’s reputation and achievement as well.

If there is a discrepancy between an LDH Policy and a Program Office or facility policy, the LDH policy shall govern/override/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 Agencies of LDH.

III. 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 Agency of LDH, the request shall be directed to the Office of Management and Finance/Division of Fiscal Management, who will seek and receive approval from the Division of Administration Cash Management Review Board. It shall be required that deposits made 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.

IV. VIOLATIONS

Violations of this policy may result in corrective action or disciplinary action. Corrective action includes Improvement Letters (Civil Service Rule 12.9), verbal counseling, documented counseling, and/or reprimand. Letters issued for corrective action are at the sole discretion of the Appointing Authority. Disciplinary actions are Suspension without Pay, Reduction in Pay, Involuntary Demotion and Dismissal (Civil Service Rule 12.3). Any disciplinary action taken is at the sole discretion of the Appointing Authority.

V. REVISION HISTORY

| Date | Revision |
|------------------|-----------------|
| October 17, 1997 | Policy created |
| March 1, 2023 | Policy reviewed |
| October 9, 2024 | Policy updated |