

Revised to September, 2006

**BOARD OF DIRECTORS**

**ADMINISTRATIVE DIRECTIVES, MANUALS**

**AND INVESTMENT POLICY**



## ANNUAL MEETING

The Board of Directors of the Louisiana Dental Association shall schedule the dates of the Annual Meeting of the Association at the extent practical it shall regularly be scheduled in the month of March.

The honorarium paid to clinicians at the LDA Annual Meeting shall be left to the discretion of and review of the Board of Directors.

The Executive Office manages all funds for the LDA Annual Session.

Prior to selection of dates and clinicians for scientific programs, continuing education courses, seminars, etc., all component associations should obtain, through the Executive Office, a list of previously schedule clinicians and dates so as to avoid conflicting and repetitious programs that each component association be responsible for the reporting of its clinicians and dates to the Executive Office at the request of the Executive Office.

A registration fee for out of state dentists who are members of the American Dental Association, and who attend the annual meeting of the Louisiana Dental Association, shall be established by the Executive Director, subject to approval by the Board of Directors.

The following format is approved for the operation of the Louisiana Dental Association Annual Meeting:

Saturday:                      Session of House of Delegates

No official meetings are to be held during leadership session.

## LEADERSHIP CONFERENCE

The L.H. Bowden Conference is to be held in the morning the day of the January LDA Board meeting in the year 2005 and thereafter. (HOD, 2005) All members attending the Bowden Conference shall be eligible for reimbursement for mileage expenses, and all members who must drive 100 miles or further (one way) shall also be eligible for lodging expenses reimbursement, limited to one night at the lowest available contracted rate at the host hotel for the conference. (BOD, Jan. 2005)

The LDA logo and banner will be the only one used for identification and recognition of the Louisiana Dental Association. (BOD, October 1993)

## IMPORTANT EARLY PRIORITY TASKS

Firm and confirmed reservations for all meeting rooms at headquarter's hotel and/or civic center, plus commitments from local hotels for sufficient rooms estimated needed to accommodate anticipated total out-of-town registrants.

Commitments from civic center and/or hotel should be completed two (2) years in advance of meeting.

## GENERAL CHAIRMAN & CO-CHAIRMAN

Appoint all Local Arrangements Committee Chairmen and (Advisory Committee).

Direct all Local Arrangements--activities, commitments and agreements; Schedule general and special meetings as needed.

Establish a line of communication with the LDA President, Secretary-Treasurer and Executive Office so that these officers are constantly cognizant of the progress of Local Arrangements Committee.

Special Arrangements should be made on the last day of the meeting for an interview and photographs of the outgoing and incoming presidents of the Association should be given to the newspapers.

The Chairman shall keep a record of his activities and report to the Program Chairman at the conclusion of the meeting. While the meeting is progress, a bulletin board in the Pressroom is very effective for display news clippings.

## MEETINGS OF BOARD

The Board of Directors of the LDA shall have four (4) regular meetings of the Board during the year. One meeting shall be held immediately following the last session of the House of Delegates of the Annual Meeting of the LDA.

The Dean of the LSU School of Dentistry shall be invited to all Board Meetings and Annual Sessions. Others shall be invited at the direction of elected Officers.

No smoking is allowed during the meetings of the Board of Directors.

All resolutions submitted to the Board of Directors for consideration shall contain a fiscal impact statement. (HOD, 1995) All resolutions that are submitted to the Board of Directors to amend the ByLaws shall be placed in writing and presented to the Executive Director fifteen (15) days prior to the scheduled board meeting so as to allow for inclusion in the official Agenda/Board Packet which shall be mailed to each member of the Board at least seven (7) days prior to the meeting. (HOD, 1999)

Only topics or subjects germane to the business of the Louisiana Dental Association may be placed on the agenda for discussion at LDA board meetings. (BOD, January, 2002)

The LDA President may call meetings of the Executive Committee to discuss issues of urgent or unusual importance to the LDA. Recommendations for action resulting from such meetings must be referred to the LDA Board of Directors or House of Delegates, whichever is appropriate, before action is taken. A report of all meetings of the Executive Committee shall be presented to the Board whether or not recommendations for action are made. This should be included in the President's report at each regularly scheduled board meeting. (BOD, June 1994)

The President and Executive Director shall produce quarterly written reports to be distributed to the Board of Directors no later than one week prior to the scheduled board meeting. Such reports should include, but not be limited to, the activities taken by and on behalf of the association since the previous meeting of the Board of Directors. (BOD, October 1993)

A summary of actions taken shall be prepared by the Louisiana Dental Association staff and mailed to board members within ten (10) days following each meeting of the Board of Directors. (BOD, October 1993)

The LDA Journal and/or newsletter will be used to communicate the activities of the Executive Committee, Board of Directors, House of Delegates and committees and councils to the membership. (BOD, October 1993)

## BUDGET APPROPRIATIONS, FINANCES, AND FISCAL MATTERS

The calendar year of the Association shall be January 1 - Dec. 31. The budget year shall be from January 1 - Dec. 31. The LDA's budgetary needs shall be projected at least three years in advance, in concert with the Long Range Plan. (HOD, 1994)

The Budget Committee shall be composed of the President, President-Elect and Secretary-Treasurer. The Secretary-Treasurer shall serve as chairman of the committee. All members of the Board of Directors and all committee and council chairpersons who have a budget line item exceeding \$10,000 shall be invited to attend the meeting. The budget committee annually shall meet no later than the 2nd Saturday of December to prepare a recommended budget for the following calendar year.

It shall be the duty of the Budget Committee to prepare an annual budget showing estimated income and disbursements for the budget year. It shall be presented with other reports at the first (1<sup>st</sup>) Board meeting held in conjunction with the Bowden Conference. The Budget approved by the Board of Directors shall be transmitted to the House of Delegates for its action. (BOD, January 2001)

The annual budget as adopted by the House of Delegates shall be published and made available to any member of the Louisiana Dental Association upon request to the central office, at the earliest possible time after its adoption by the House of Delegates. All expenditures will be in line item form under committee and council headings with explanations by the chairmen where required. (HOD, 1994)

The Budget shall provide for an annual retainer fee for an attorney selected by the Board of Directors. A budget allocation of \$1,000 per month shall be projected for legal expenses. (BOD, January 1994)

The Budget shall provide for an honorarium to be paid to the following officers: President - \$2,500.00; President Elect - \$1,500.00 and Secretary-Treasurer - \$2,500.00 of the LDA.

A report of the audit for the prior calendar year shall be presented by the Secretary-Treasurer no later than the Fourth (4th) meeting of the Board. An unaudited budget comparison statement shall be presented by the Budget Committee at the second (2<sup>nd</sup>) meeting of the Board, held in conjunction with the Annual Session. (BOD, January 2001)

The Budget shall provide an allocation to be used for an annual meeting of the LDA Delegates and Alternate Delegates to the American Dental Association prior to the ADA's Annual Session.

Councils, Committees, and all others using funds of the Association shall annually prepare a budget for their program or activity and submit to the Budget Committee by November 15th prior to the Budget year. Appropriation requests shall be on forms prepared by the Executive Director.

The LDA shall provide travel accident insurance to cover anyone traveling on LDA business. The coverage amounts provided shall be as follows:

President, President-Elect, Secretary-Treasurer, and Executive Director: \$100,000 each per trip. All others \$50,000 per trip. The beneficiary arrangement as listed on LDA's travel-accident insurance shall state that the funds be paid to the estate of the insured deceased.

Proposed expenditures not specifically budgeted shall not be paid until approved by the Secretary-Treasurer and the Executive Director, and any unbudgeted expenditures so approved shall be reported to the LDA Board of Directors at the next Board meeting. (HOD, 1995)

If any budget appropriation is exceeded, the Secretary-Treasurer is instructed to withhold payment pending authorization by the Board of Directors.

On a monthly basis, all transactions on the LDA books which have been changed, altered, or deleted shall be reported to the LDA Secretary-Treasurer for approval. (BOD, September, 2003)

A reserve amount of no less than 50% of the current year's budget expenditures shall be maintained. Whenever reserves are below the 50% target level, the Budget Committee shall, at its next regularly scheduled meeting, develop a strategy to replenish the reserves up to this targeted amount and present this strategy to the Board of Directors at its January meeting. (HOD, 2003)

The signature of the Secretary-Treasurer, Executive Director, President-Elect and a fourth signature designated by the Board of Directors shall be the authorized signatures for the accounts of this Association. It is mandatory that co-signature requirement be maintained on all savings accounts. Any two authorized signatures may be used, one of which must be bonded. (BOD, March 2000)

No special accounts or depository shall exist other than those of the Component Association, the Relief Fund, and the Journal of the LDA, inasmuch as these have separate sources of revenue.

All telephone calls made outside the Executive Office shall be reimbursed by the Executive Office upon the submitting of a voucher with the designation as to which committee they should be charged and credit cards will be used only by the Secretary-Treasurer and Executive Director.

The Executive Committee shall oversee the operation of the LDA building and make an annual report to the Board of Directors.

Travel expenses shall not be paid by the Secretary-Treasurer unless so specified in the budget or approved by the Board of Directors. Reimbursement shall be paid only when the following forms of transportation are used:

1. Automobile travel
2. Commercial Airlines
3. Rail
4. Commercial Bus
5. Commercial licensed air charter service

Only those modes of travel which are set out in items 1-5 are authorized when any person is traveling on the business on the LDA and travel by any other means is in contravention of the LDA policy.

Executive office travel shall be reimbursed on the basis of actual expenses incurred for meals, hotel, rail or air (tourist class where practical) transportation. Private automobile travel, where necessary, shall be reimbursed at a rate equal to the mileage deduction allowed for business use of an automobile by the Internal Revenue Service.

All requests for travel reimbursement shall be prepared on forms made available through the Executive Office and be submitted within 60 days of the completion of travel or by January 31 of the following year, whichever comes first, in order to be considered for partial reimbursement. The Secretary-Treasurer shall decline payment for travel reimbursement unless request is submitted on the approved form.

Reimbursement forms submitted after 60 days, must be submitted to the Board for approval at the next regularly scheduled Board meeting. If a request for reimbursement is submitted after January 31 in a budget year other than the year in which the expenses were incurred, reimbursement may not be made if it will result in a budget appropriation being exceeded. (BOD, September 2000)

#### Out of State Travel:

- A. Reimbursement for out of state travel shall be paid by the central office upon review by the Secretary/Treasurer and Executive Director only for cost of coach class air travel, hotel room rate charges and taxes, plus \$75.00 per day to defray all other costs. (Reimbursement for hotel room rate charges and taxes shall be limited to the lowest available contracted room rate for that meeting.) When a meeting begins before 3:00 p.m., reimbursement for lodging will include the day prior to the start of the meeting. Reimbursement for lodging will include the day the meeting concludes only with prior approval by the Secretary-Treasurer. Per diem will be paid for the same number of days as for lodging, plus one additional day. In advance only, the Secretary-Treasurer may approve, at his or her discretion, reimbursement for an additional day or days if:
1. such circumstances as the distance traveled, time zones crossed, lack of major airports servicing the destination, etc. can be documented to result in unusually long travel times, or
  2. a substantial possibility exists that a meeting anticipated or scheduled to conclude prior to noon may continue significantly past that hour and departing prior to the meeting's conclusion could have potentially adverse effects on the interests of the LDA. (BOD, January 2001)
  3. Any additional expense resulting from the purchase of airline tickets less than twenty-one days in advance shall be absorbed by the traveler for regularly scheduled meetings. (BOD, January 1994)

Per diem paid in excess of the IRS maximum allowable for the destination to which the recipient traveled will generally be considered taxable income to the recipient (except to the degree that such reimbursement is offset by actual expenses incurred in excess of the IRS maximum per diem for that destination). The LDA will track excess per diem reimbursements and issue recipients a form 1099 (if applicable) or a report of same at the end of each year. It shall be the responsibility of the individual being reimbursed for claiming any amount attributable as income and/or for substantiating actual incurred expenses. (BOD, September 2006)

- B. Eligibility for Delegate and Alternate Delegate reimbursement shall be contingent upon attendance at all meetings of the House of Delegates of the American Dental Association. It shall be the Policy of the Louisiana Dental Association that when anyone is paid a per diem and/or travel or housing allowance from any other source for participation in an

ADA meeting, the applicable portion of payment from the Louisiana Dental Association will be deleted.

In State Travel:

- A. For Officers, Committee Chairman or Committeemen:  
Reimbursement shall be paid by the central office upon review by the Secretary/Treasurer and Executive Director for hotel (when necessary), subject to a maximum of \$125.00, and round tip, coach air fare, or automobile travel, at a rate equal to the mileage deduction allowed for business use of any automobile by the Internal Revenue Service.
- B. No reimbursement to members of the Board of Directors will be paid for attendance at the Board of Directors meeting in conjunction with the Annual Session.

Whenever the American Dental Association Annual Session is held in the state of Louisiana, the policy for travel reimbursement for out-of-state travel shall apply. (BOD, January 1994) Only delegates and alternate delegates to the American Dental Association duly elected at an annual meeting of the Louisiana Dental Association shall receive partial reimbursement for attendance at the annual American Dental Association sessions. Monies budgeted for any elected delegate or alternate delegate who is unable to attend the ADA Annual Meeting shall remain in the general fund of this Association.

Special funds should be established as follows:

- 1. Office building renovation and maintenance
- 2. Equipment acquisition

The funds will accrue as outlined above on a year-to-year basis with expenditures being subject to the approval of the Board of Directors.

All requests involving approval of LDA contractual agreements by the Board of Directors shall be in the hands of directors at least thirty (30) days in advance of the date of authorizing action.

Any item purchased that has a useful economic life beyond one year will be expensed if the dollar amount is below \$500 and will be capitalized as a fixed asset if the dollar amount is \$500 or greater.

All dollar amounts in the Treasurer's Report for the LDA Board of Directors shall be actual amounts at all times. Balances in restricted accounts be actual amounts at all times, and such accounts may only be expensed for those types of spending for which they are restricted. All bank account reports be reconciled with the LDA financial reports on a monthly basis, and a reconciled report shall be sent to the Secretary-Treasurer and Executive Director for review.

All income (e.g., dues) that is earmarked for a particular fiscal year shall only be utilized for expenses incurred in that fiscal year for which that income is earmarked. Any income remaining (i.e., surplus) at the close of the fiscal year accounting record shall be placed into the LDA's general reserve accounts unless otherwise authorized by the Board of Directors. (BOD, June '02)

## EXECUTIVE OFFICE DIRECTION AND PROCEDURES

The records and accounts of the Secretary-Treasurer will be maintained and kept by the Executive Director; the Secretary- Treasurer will authorize disbursements through the Executive Office in accordance with the policies set forth under Budget and Expense.

The Secretary-Treasurer of this Association and the Executive Director are hereby authorized to invest, by joint mutual consent only, funds of the Association, as they see fit in accordance with Chapter III, Section 60, Paragraph B, of the Bylaws.

The minutes of the meetings of the Board of Directors shall be transcribed and condensed rather than verbatim form.

The qualifications of new applicants for student membership shall be verified by staff so that such applicants may be eligible for student member benefits on a provisional basis pending final approval of their applications by the board of directors at its regularly scheduled meetings. (BOD, Jan. 2005)

All dues shall be collected through the District Association Treasurer with follow-up letters to delinquents being sent out by the Executive Office at the request of the District Association Director.

The Executive Office shall publish a newsletter to be sent to all members of the Association, the number and frequency of which shall supplement, but not detract, from the Journal of the LDA.

The Executive Office shall be authorized to place with a commercial letter mailing firm the mechanical function of collating, stapling, folding, inserting, bundling, typing and mailing of full members mailings originate from the Executive Office.

The Executive Office shall prepare and distribute annually a current listing of the new officers of each District to members of the Board, District Officials, State Council and Committee Chairmen.

The Executive Director shall assist Committee Chairmen, but will not actually compose and write the various committee reports to be presented the Board of Directors or House of Delegates of the LDA.

The Louisiana Dental Association will consider a Service member, after January 1, to be in "Service Member" category, without dues obligation for the remainder of that year, irrespective of the date of service member's release from active duty and return to private practice in the State.

No envelopes, folders, brochures, etc, will be sent to the Office to be addressed. Any person, group or organization wishing and authorized to receive a mailing list the Association will be sent addressed, gummed labels, and charged for the service.

Minutes of all meetings, of the Board of Directors and House of Delegates, shall be published within six (6) weeks after the date of such meeting. Time extensions may be authorized by the President on recommendation of the Secretary-Treasurer; and, it is further provided that the Secretary-Treasurer is authorized to stipulate priorities for business affairs of the Executive Office to effect fulfillment of this requirement.

Each member of the Board of Directors shall be furnished with a loose-leaf binder containing a current copy of the LDA Handbook and Board Policy Manual. Any changes or updates to these documents shall be delivered to each board member no later than thirty (30) days following their approval by the House of Delegates. (BOD, October 1993)

Alternate Directors shall receive the same official correspondence which the Directors receive when the LDA Central Office is notified that the Director will not be in attendance.

The Secretary-Treasurer and the Executive Director shall furnish a fidelity bond or equivalent security in the face amount of at least \$30,000 and the premium cost of such bond shall be borne by the Association. (amended in accordance with HOD, Mar. 2005)

The LDA Corporate MBNA card invoice should be faxed to the Secretary-Treasurer each month for approval of charges and the check cut and mailed from headquarters to MBNA so as to prevent late charges to accrue. (BOD, September 2000)

Tape recordings of Board of Directors meetings shall be kept until the minutes are approved.

The Executive Office shall review all actions of the Board of Directors and the House of Delegates and update the LDA Handbook accordingly.

The Executive Director shall establish written criteria for reviewing and dating all policy documents. (HOD, 1994)

In the event of the Executive Director's extended absence, defined as fifteen (15) days or the mutual agreement between the Executive Director and the Executive Committee, whichever comes earlier, a person shall be designated by a majority vote of the Executive Committee to oversee and direct the day-to-day operation of the central office of the LDA. (BOD, September 1995)

The Executive Office and any component submitting their dues statements shall prepare and disseminate these statements within five (5) weeks of the conclusion of the ADA Annual Session. Any component mailing dues statements is required to forward to the LDA all ADA and LDA funds (including but not limited to all dues, assessments, and PAC contributions) by March 1st of the dues year. The components mailing dues statements will not be reimbursed the costs of mailing these statements. Failure to forward these funds as required shall cause the forfeiture of any component to be vested with the privilege of collecting monies on behalf of the LDA.

All dues received by the LDA central office as a result of any billing process shall be distributed to the ADA and the state components by December 31 of the year collected. All dues collected after that date shall be distributed to the ADA, as well as the state components on a monthly basis. (HOD, 1996)

Correspondence produced outside the LDA central office that utilizes LDA letterhead, that bears the signature of a staff member or any member of the LDA leadership (e.g., officer, director, ADA delegate or alternate delegate, committee chair, etc.), and/or that is presented in any way as coming from the LDA shall only be disseminated upon personal review by, and with the direct prior approval of, the Executive Director. (BOD, March 2003)

LOUISIANA DENTAL ASSOCIATION  
CENTRAL OFFICE RECORDS GUIDELINES

<u>TYPE OF DOCUMENT</u>	<u>PERIOD OF RETENTION IN YEARS</u>
Records of Disciplinary Proceedings	4 years following the date of final disposition of cases
Contracts (other than those on a continuing basis)	11 years from the date of performance
Correspondence	One year
Council and Committee Minutes	Two years
Peer Review and Patient Relations Records	Two years - Individual files on dentists should be discarded if no activity is shown within preceding 2 years
Financial Audit Statements and Records	Permanent
Tax Returns	Permanent
Canceled Checks	Five years
Paid Vouchers	Five years
Bank Statements	Five years
Official transactions such as House of Delegates transactions and minutes	Permanent
Board of Directors transactions and minutes	Permanent
House of Delegates and Board of Directors agenda and support materials	Three years
Final and Formal documents amending Articles	Permanent
Various Studies and Surveys	A case-by-case review by Executive Committee

<u>TYPE OF DOCUMENT</u>	<u>PERIOD OF RETENTION IN YEARS</u>
American Dental Association- Twelfth District Caucus Materials	Permanent
<u>Bylaws</u> – LDA - (One copy of each operative set, past and present)	Permanent
<u>Code of Ethics</u> – LDA - (one copy of each operative set, past and present)	Permanent
<u>Articles of Incorporation</u> - LDA - (One copy of each operative set, past and present)	Permanent
American Dental Association Bylaws, <u>Principles of Ethics</u> - (One copy of each operative set, past and present)	Permanent
Journals and Official Publications of LDA, at least one copy of each	Permanent
Journal Advertising Contracts	Four years from date of publication
Membership Applications	Ten years after death of member
Personnel Records of Applications and Terminations	Ten years after last employment
Other Personnel Reports, such as garnishments, attendance records	No more than 3 years after termination
Other Records	Individual consideration by Executive Committee
Individual Employee Earnings Records	Three years
Payroll Tax Reports	Four years
General Ledger	Permanent
Insurance Records	Permanent
Photographic Records	Permanent (Historical)

## COMPONENT ASSOCIATIONS

Any conferences requested by Component Associations with the LDA attorney shall be channeled through the LDA Executive Office. All expenses incurred shall be paid by the Component Association requiring the legal guidance.

Each Component Association Treasurer shall have a local accountant prepare a financial statement (not an audit) on the financial forms supplied by the Executive Office, and this completed financial statement shall be submitted to the Executive Office annually on or before February first of each year.

Districts are requested to submit dates of meetings, installations, post-graduate seminars, etc., to LDA when planned to clear conflicting dates, the same with LSU Continuing Education Program.

The Component Association Secretary shall maintain and keep current actions of the Board of Directors and the House of Delegates of the Louisiana Dental Association as part of the permanent district records.

The Component Associations shall be requested to submit component committee assignments to the Executive Office.

Prior to selection of dates and clinicians for scientific programs, continuing education courses, seminars, etc., all component associations should obtain, through the Executive Office, a list of previously scheduled clinicians and dates so as to avoid conflicting and repetitious programs and that each component association be responsible for the reporting of its clinicians and dates to the Executive Office at the request of the Executive Office.

Component Associations wishing to inaugurate pre-payment plan program shall submit details of such plan including copies of all formal agreements applicable to the plan to the Executive Office for referral to the officers of the Louisiana Dental Association and legal counsel for review and approval.

## JOURNAL OF LDA

The Editor and Business Manager of the Journal of the Louisiana Dental Association shall receive an annual honorarium. This honorarium is determined by the Editorial Board and paid from the Journal budget.

The Editor has the privilege and authority to use commercial photographers at his considered discretion. To supplement the commercial source of pictures for the Journal, member support should be urged and solicited from each district in the state.

The American Student Dental Association shall be placed on the mailing list for the L.D.A. Journal and the LDA Newsletter.

The LDA shall send ten (10) copies of the LDA Journal to the L.S.U. School of Dentistry Library for availability to the students.

## ALLIANCE TO THE LOUISIANA DENTAL ASSOCIATION

The Alliance to the Louisiana Dental Association shall take over the collection of scrap amalgam, retaining 50% for the Auxiliary and turning over 50% to the Dental Relief Fund of the Louisiana Dental Association.

**LOUISIANA DENTAL ASSOCIATION  
INVESTMENT POLICY STATEMENT  
January 1, 1999**

**Introduction**

This statement of Investment Policy has been adopted by the LDA Board of Directors to provide guidelines for the investment of funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds will be divided into three (3) separate investment pools. The process for determining the dollar amount in each pool is set forth in the “Procedures” section of this document. The three investment pools shall be called the “**Operating Fund**” (1 year or less), the “**Short-Term Reserves**” (3 years or less), and the “**Long-Term Reserves**” (5 years or less).

**Procedures**

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of the LDA and accurately reflects the current financial condition:
  - A.) This investment policy shall be reviewed annually by the Budget Committee for any necessary revisions.
  - B.) Recommendations for any revisions or modifications will be made by the Budget Committee to the Board of Directors for approval.
2. The following procedures will be used to determine the dollar amounts to be placed in the Short-Term Investments and the Long-Term Investments. Dollars not specifically designated for the Short-Term or Long-Term Investments will be restricted to investments designated in the “Investment Guidelines” for the Operating Fund.
  - A.) The Budget Committee will recommend the dollar amounts to be placed in the Short-Term and Long-Term Investments.
  - B.) The Board of Directors will have final approval of the dollar amounts allocated to each category of investments.
3. The services of an investment professional may be sought to manage portions of the funds. The following procedure shall be followed to engage a new or replace a current investment professional:
  - A.) The Budget Committee will recommend the hiring or replacing of an investment adviser to the LDA Board of Directors.

## **LOUISIANA DENTAL ASSOCIATION OPERATING FUND**

### **Purpose**

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of the LDA.

### **Investment Objectives**

The investment objectives of the Operating Fund are:

- 1.) Preservation of capital;
- 2.) Liquidity; and,
- 3.) To optimize the investment return within the constraints of the Operating Fund policy.

### **Investment Guidelines**

#### **ALLOWABLE INVESTMENTS**

The Secretary-Treasurer / Executive Director shall be authorized to invest the LDA Operating Fund as follows:

- 1.) Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations;
- 2.) Interest bearing checking accounts in federally insured banks and savings and loans not to exceed federally insured amounts;
- 3.) Federally-Insured Certificates of Deposit not to exceed \$100,000 per institution.

#### **MATURITY**

The maturities on investments for the Operating Fund shall be limited to one year or less.

#### **REPORTING**

The Secretary-Treasurer shall prepare the following reports for presentation on a quarterly basis to the Budget Committee:

- 1.) Schedule of investments;
- 2.) Interest income year-to-date.

## **LOUISIANA DENTAL ASSOCIATION SHORT-TERM RESERVES**

### **Purpose**

The purpose of the Short-Term Reserves is to meet the expenses occurring as the result of unanticipated activities, to improve the return on funds held for expenditure over the next one to five years, and to manage investment risk.

### **Investment Objectives**

The investment objectives of the Short-Term Reserves are:

- 1.) Preservation of capital;
- 2.) Liquidity; and,
- 3.) To optimize the investment return within the constraints of the Short-Term Reserves policy.

### **Investment Guidelines**

#### **ALLOWABLE INVESTMENTS**

The Secretary-Treasurer / Executive Director shall be authorized to invest the LDA Short-Term Reserves as follows:

- 1.) Federally-Insured Certificates of Deposit not to exceed \$100,000 per institution;
- 2.) Direct Obligations of the U.S. Government, its Agencies and instrumentalities;
- 3.) Money Market Funds that invest in government-backed securities; and,
- 4.) Corporate Notes with a minimum of AA rating of investment grade by one or more rating services.

#### **MATURITY**

The Short-Term Reserves shall have an average maturity of three years or less.

#### **DIVERSIFICATION**

No more than 5% of the Short-Term Reserves may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreement collateralized by obligations of the U.S. Government, its agencies and instrumentalities; mutual funds and federally insured certificates of deposit.

#### **REPORTING**

The Secretary-Treasurer shall prepare the following reports for presentation on a quarterly basis to the Budget Committee:

- 1.) Schedule of investments;
- 2.) Interest income year-to-date.

## **LOUISIANA DENTAL ASSOCIATION LONG-TERM RESERVES**

### **Purpose**

The purpose of the LDA Long-Term Reserves is to enhance the purchasing power of funds held for future expenditure, to maintain the financial stability of the association, and to provide income to be used during future budget cycles.

### **Investment Objectives**

The Investment Objectives of the Long-Term Reserves are:

- 1.) Preservation of Capital;
- 2.) To optimize the investment return.

### **Investment Guidelines**

Utilizing the services of an investment consultant, preferably with association investment experience, the Secretary-Treasurer / Executive Director would request a written proposal detailing the approach recommended to implement an LDA long-range (5 years) investment program with consideration given to the following:

- 1.) No more than 10% of the Long-Term Reserves may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities; mutual funds and federally insured certificates of deposit.
- 2.) The account's total expected return will exceed the increase in the Consumer Price Index by 4% annually. On a quarter to quarter basis, the actual returns will fluctuate and can be expected to exceed the target about half the time.
- 3.) The account's total expected return will exceed the increase in the Treasury Bill Index by a minimum of 4% annually. On a quarter to quarter basis, the actual returns will fluctuate and can be expected to

exceed the target about half the time.

- 4.) The portfolio should be invested to minimize the probability of low negative total returns, defined as a one-year return worse than negative 7%. It is anticipated that a loss greater than this will occur no more than one out of twenty years.

## **REPORTING**

The Long-Term Investment will be evaluated quarterly on a total return basis. Returns will be compared to:

- 1.) Consumer Price Index plus 4%;
- 2.) Three-month Treasury Bill Index plus 4%;
- 3.) An index comprised of 50% of the S&P 500 and 50% of the Lehman Intermediate Gov/Corp index or others specified by the LDA board.

Comparisons will show results for the latest quarter, year-to-date and since inception. The report will be prepared by the Investment Consultant and will be presented to the Secretary-Treasurer for dissemination to the LDA board.