

LFN 2014-7

May 2, 2014

Local Finance Notice

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Local Government Ethics Law 2014 Financial Disclosure Statements Filing Information for Local Government Officers

Introduction

Your local government entity has determined that you are a "local government officer" for purposes of the statutory requirement to annually file a financial disclosure statement in accordance with the Local Government Ethics Law. The financial disclosure statement is part of the legislative design for assuring that standards of ethical conduct and financial disclosure requirements for local government officers are clear, consistent, uniform in application, and enforceable on a statewide basis.

The Local Finance Board commends you for accepting the opportunity to serve the public. For most local government officers your public service will be a gratifying personal experience, and you will no doubt be exposed to various types of public policy and fiscal challenges facing your community. However, public office and employment are a public trust. The annual filing requirement serves as an important reminder to local government officers that the citizens of New Jersey hold you to a high standard of ethical conduct.

This Local Finance Notice outlines new filing procedures that are designed to facilitate efficiency and enhance transparency by using available technology to capture and report the financial disclosure statements we collect. This notice was written for local government officers with the goal of being concise yet informative, and contains specific step-by-step instructions for successfully filing the financial disclosure statement using the new online process.

A separate Local Finance Notice has been issued to municipal clerks, county clerks, and other local government entity representatives who have administrative responsibilities under the Local Government Ethics Law pertaining to financial disclosure statements. If you desire a more comprehensive explanation of the financial disclosure statement filing requirements you should read Local Finance Notice No. 2014-6 and other materials that are posted on the Division's web site. www.fds.nj.gov

Online Filing Procedure

Beginning with the 2013 filing year, online filing of FDS forms became mandatory for all local government officers (LGOs). Paper FDS forms will not be accepted by the LFB. The new filing process uses a web based system and is similar to online banking or purchasing goods from a company that has an online ordering system.

In order to file your FDS electronically, you will first need to obtain your validation name and PIN# from your local government entity representative (e.g., municipal clerk or county clerk). If you are identified as an LGO by multiple local government entities (e.g., you serve as a business administrator for a municipality and also serve as a commissioner for the entity's joint insurance fund), you will receive separate validation names and PIN#s from each entity. You will link both PIN#s to a single LGO user account by using the Manage Positions feature once you validate the PIN#s. More detailed instructions are provided at www.fds.nj.gov.

On the other hand, if you hold multiple positions within the same local government entity (e.g., municipal governing body member also serving on the local planning board), you will only be assigned one validation name and PIN#.

Step-By-Step Instructions

- STEP 1: Carefully review this Local Finance Notice.
- STEP 2: Read the instructions available at www.fds.nj.gov and/or watch the webinar training video.
- STEP 3: Obtain your validation names and PIN#s from your local government entity representative.
- STEP 4: Click the tab for the login page available at www.fds.nj.gov.
- STEP 5: First time users must click the “New Registration (Local Government Officer)” link at the bottom of the login screen. Validation names cannot be used as the login ID.
- STEP 6: Register and validate your PIN# (the first and last name entered for validation must match the name entered on the roster and provided by your local government representative).
- STEP 7: Create a username (must be a valid e-mail address) and password.
- STEP 8: Login to the system as a registered LGO and complete your financial disclosure statement.
- STEP 9: You can start your FDS and save the information to be submitted at a later time, or you can file your FDS right away. **NOTE: Once you submit your FDS you will not be able to amend, change, or modify the FDS at any time.**
- STEP 10: Print a copy of your FDS for your own records. It is unnecessary for you to file a paper copy of your FDS with the Local Finance Board or your local government entity. Once you submit your FDS online it is immediately available through the public search feature.

Filing Deadline

Ordinarily, financial disclosure statements must be filed on or before April 30th each year. In light of the new online filing process, LGOs have additional time to complete and electronically file their statements without penalty. Therefore, FDS forms filed on or before **June 13, 2014**, will be considered timely filed for purposes of 2014 compliance. The additional time also will provide DLGS staff the opportunity to resolve any technical problems that may arise. Thank you for your patience.

Compliance

Upon receipt of a complaint against an LGO alleging non-filing of an FDS or insufficient disclosure on a filed FDS, LFB staff will initiate an investigation. The LFB may also periodically conduct audits for compliance and initiate investigations on its own. In such cases, the LGO will be given an opportunity to file the FDS and to provide an explanation. The LFB will then review the explanation and determine whether the LGO has established good cause for the lack of a timely and complete filing. In cases where the LGO does not establish good cause, the LFB will assess against the LGO an appropriate fine that is not less than \$100 nor more than \$500 pursuant to N.J.S.A. 40A:9-22.10.

Ignorance of the requirement to file the FDS is not considered “good cause.” It is expected that LGOs will take time to understand their responsibilities under the Local Government Ethics Law and will consider the annual filing requirement an important duty to be fulfilled as part of their public service.

We know that the new process discussed herein will require the use of enhanced technology, and we appreciate your help in making this less expensive, more effective disclosure process a reality. It is our hope that in the end, taxpayer resources will be saved, the past bureaucracy associated with paper filings will be eliminated, and the public will be better served with enhanced transparency.

Help

Numerous help resources have been created to assist you through this process, including a step-by-step help guide, recorded webinar presentations, and a specially prepared LGO video tutorial. However, if you need assistance after consulting those resources please contact Local Finance Board staff using the following contact information:

For general FDS information:

LFB staff: 609.292.4537 LFB e-mail: lfb_fds@dca.state.nj.us

Approved: Thomas H. Neff, Director

Note: This Local Finance Notice was revised May 8, 2014, to correct the filing deadline from “June 13, 2013,” to “June 13, 2014.”