



**LFN 2017-08**

**April 13, 2017**

# Local Finance Notice

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## Local Government Ethics Law

### 2017 Financial Disclosure Statements

#### Filing Information for Local Government Officers and Delayed Enforcement of Statutory Filing Deadline until May 30, 2017

#### Introduction

Pursuant to the Local Government Ethics Law, specifically, N.J.S.A. 40A:9-22.6, local government officers shall annually file a financial disclosure statement (FDS).

Your local government entity has determined that you are a local government officer (LGO) who is required to file. N.J.S.A. 40A: 9-22.3.g defines a local government officer as "any person, whether compensated or not, whether part-time or full-time: (1) elected to any office of a local government agency; (2) serving on a local government agency, which has the authority to enact ordinances, approve development applications or grant zoning variances; (3) who is a member of an independent municipal, county or regional authority; or (4) who is a managerial executive employee of a local government agency, as defined in rules and regulations adopted by the Director of the Division of Local Government Services in the Department of Community Affairs pursuant to the "Administrative Procedure Act," P.L. 1968, c. 410 (C.52:14B-1 et seq.), but shall not mean any employee of a school district or member of a school board. Section 3.g(4) of the LGEL concerning the definition of managerial executive was amended in August 2015. Please note that effective with the 2017 filing year, the Division of Local Government Services has adopted new Rules and Regulations determining positions specifically required to file under the managerial executive section of the LGEL. For a more comprehensive explanation of the managerial executive changes, please refer to [Local Finance Notice 2017-07](#).

Also, effective with the 2017 filing year, the Local Finance Board (Board) has amended the Financial Disclosure Statement (FDS) form in conformance with the Police Information Law. These changes are further discussed on Page 4 of this LFN. In another change to the FDS form, home addresses and telephone numbers included in Section 1 - Personal Information (optional) will not appear in public search results. A footnote has been added to the form reflecting this action.

The FDS is part of the legislative design for assuring that standards of ethical conduct and financial disclosure requirements for LGOs are clear, consistent, uniform in application, and enforceable on a statewide basis.

The Local Finance Board (Board) commends you for accepting the opportunity to serve the public. For most LGOs 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 each LGO that the citizens of New Jersey hold you to a high standard of ethical conduct. As such, both paid and volunteer LGOs are required to file a FDS.

This Local Finance Notice outlines 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 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 2017-07](#) and other materials that are posted on the Division of Local Government Services' (Division's) web site, [www.fds.nj.gov](http://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 current 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.

**If you filed an FDS in 2014, 2015, or 2016**, you should have an LGO profile/account created in a prior year. To file your FDS electronically, use the login ID (e-mail address) and Password from the prior year. You only need a new PIN# if you have any new or additional positions that were not on your 2016 FDS. If you have additional positions for which you have been assigned a new PIN#, you must also validate the new PIN# using the "Manage Positions" button after logging in.

**If you are a new filer**, you will first need to obtain the PIN# from your local government entity representative (e.g., municipal clerk or county clerk) and confirm with the representative how your name was listed on the roster (e.g. James Smith vs. Jim Smith). Your first and last name entered to validate the PIN# must match the name as it was entered on the roster by your local government entity representative.

If you are a new filer who is 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 a joint insurance fund), you will receive separate PIN#s from each entity. You will link each PIN# to a single LGO user account by using the Manage Positions feature after you validate the first PIN# issued and create your profile. More detailed instructions are provided below and at [www.fds.nj.gov](http://www.fds.nj.gov). Please note that 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 PIN#.

### **Step-By-Step Instructions**

- STEP 1: Carefully review this Local Finance Notice.
- STEP 2: Read the FDS instructions available at [www.fds.nj.gov](http://www.fds.nj.gov) and/or watch the webinar training video.
- STEP 3: Go to <https://www.njfds.net>. To access the login page, click on the button titled, "File Financial Disclosure Statement."
- STEP 4: If you established an LGO profile in 2014, 2015 or 2016, login using the login ID (your e-mail address) and password you created to establish that profile. Proceed to STEP 10.

- If you have forgotten your password, click on “Forgot Password” on the bottom of the login page. The password will be e-mailed to you.

- STEP 5: If you are a new filer, obtain your authorization name (the name the LGE Representative used for you on the roster) and PIN# from your local government entity representative.
- STEP 6: First time users must click the “New Registration (Local Government Officer)” link at the bottom of the login screen. Authorization names are not used as the login ID; you will establish your login ID and password in Step 8.
- STEP 7: Register and validate your PIN# (you must use the same name entered on the roster and provided by your local government entity representative).
- STEP 8: Complete the information in the box entitled, “Local Government Officer (LGO) Credentials” and create a login and password. Your login **must** be in the form of a valid email address.
- STEP 9: Login to the system as a registered LGO to begin your financial disclosure statement. Prior to starting your form, please refer to STEP 10.
- STEP 10: Validate any additional PIN#s received from different entities using the Manage Positions button **PRIOR** to starting your financial disclosure statement.
- STEP 11: Fill out the FDS making sure to accurately fill out the form. It is recommended that you read the instructions and/or Frequently Asked Questions, also on [www.fds.nj.gov](http://www.fds.nj.gov), if you have questions about definitions or the sections of the FDS such as what constitutes sources of income, etc.
- STEP 12: You can start your FDS and save the information to be submitted at a later time, or you can submit your FDS right away. **NOTE: Once the FDS is submitted, it can be amended; however, the original FDS and any amended FDSs will also be available publicly.**
- STEP 13: If you want, you may 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. Click on “Search Financial Disclosure Statements” button on [www.fds.nj.gov](http://www.fds.nj.gov) to view your submitted statement.
- STEP 14: If you receive any PINs after you have submitted your FDS, login and click the “Manage Positions” button to validate the additional PINs. After validating the PINs, **re-submit** the FDS. The previously filed FDS will also remain available through the public search tool.

### **Filing Deadline**

Financial disclosure statements must be filed annually on or before **April 30<sup>th</sup>** each year. In addition, once the annual filing deadline has passed, per N.J.S.A. 40A:9-22.6(b) new local government officers shall file a financial disclosure statement within 30 days of taking office.

**While the LFB has no statutory authority to extend the filing deadline, due to the delay in opening the 2017 FDS system for filers, the LFB is expected to delay enforcement of the statutory deadline until May 30, 2017.**

### **Information for Law Enforcement Officers**

The Legislature recently passed a series of Police Information Laws, N.J.S.A. 2C:20-31.1 (posting of information on the Internet); N.J.S.A. 47:1-17 (publishing certain information by government entity) and, N.J.S.A. 56:8-166.1 (person, business, association prohibited from publishing certain information on the Internet), that pertain specifically to the disclosure of certain law enforcement officers' home addresses and home telephone numbers on the Internet. To comply with the legislation, the LFB is making a change to the FDS form and the availability of the information supplied on the form.

Since 2014, the FDS has been filed online at [fds.nj.gov](http://fds.nj.gov). The public can search both rosters of governmental entities and submitted FDS' on the website. Currently, all information entered on the FDS by the LGO when they are filling out the form shows up on the public search portion.

Per N.J.S.A. 40A:9-22.6 (a)(5) the LGO is required to list the address and brief description of all real property in the State in which the local government officer or a member of his immediate family held an interest during the preceding calendar year. The FDS form has been amended to allow the below statement to appear on the form under Section II, E where LGOs list this information:

**Are you a law enforcement officer or retired law enforcement officer or is a member of your household a law enforcement officer pursuant to N.J.S.A. 47:1-17 ?**

Yes, I qualify as a law enforcement officer for purposes of N.J.S.A. 47:1-17

No, I do not qualify as a law enforcement officer for purposes of N.J.S.A. 47:1-17

**Pursuant to N.J.S.A. 47:1-17, the home addresses and unpublished telephone numbers of law enforcement officers are protected. If you or a member of your household, are a law enforcement officer/ retired law enforcement officer, you must answer YES to identify your home address exempt from online disclosure. Please note that you must still provide the real property information under Section II.E. If you do not select YES check box, you have waived protection under N.J.S.A. 47:1-17 and the provided property information will be available on the Internet as part of your Financial Disclosure statement.**

If you select the checkbox that indicates that you do qualify as a law enforcement officer for purposes of N.J.S.A. 47:1-17 and mark a property as a home address, your home address will not show up on the FDS through the public search. Instead, the language "exempt from disclosure" will be reflected on that property's line. Other properties that you may have that are not home addresses will still show up on the FDS form. The home address information will continue to be collected by the LFB.

### **Multiple Positions**

With the electronic system, LGOs submit one form regardless of the number of positions they might hold. However, the LGO needs to link all of the positions together and make sure that all positions are listed on the FDS under Section I. Personal Information.

If you are registering for the first time, validate all PINs before you submit the FDS. If you have already submitted your FDS and receive another PIN, login and click the "Manage Positions" button to validate any additional PIN#. After adding any PINs, re-submit the FDS.

### **JIF Members**

Joint Insurance Funds are deemed separate local government entities for purposes of the Local Government Ethics Law and, therefore, members of Joint Insurance Funds (JIFs) are usually listed on two rosters-the municipality's roster and the JIF's roster. Those LGOs who are on JIFs should link the PIN supplied by the JIF to their profile. LGOs should make sure that their FDS reflects the positions under

Section I. Personal Information as listed on the JIF's roster, as well as their titles on the municipality's roster.

### Compliance

The LFB may periodically conduct audits for compliance with the filing requirements and initiate investigations. Notices of Violations are issued by the LFB. LGOs can be assessed an appropriate fine that is not less than \$100 nor more than \$500 pursuant to N.J.S.A. 40A:9-22.10. In addition, for elected officials, the failure to file a FDS can subject the municipality to a loss of State Aid as it is a question on the "Best Practices" Questionnaire.

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. The LFB reminds LGOs that the Division does not send out reminder e-mails to LGOs directly. In addition, any such e-mails are sent as a courtesy and are not a statutory requirement.

The LFB further reminds LGOs that compliance is not just submitting an FDS, but filing a complete FDS. The LFB can, and does, find violations against LGOs whose FDS's are incomplete. For example, in recent years, violations have been found against local officials who failed to disclose their pensions as one of their sources of income and who failed to disclose rental properties as sources of income, as well as, real estate in which an interest was held.

We know that the 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:

LFB e-mail: [lfb\\_fds@dca.nj.gov](mailto:lfb_fds@dca.nj.gov) LFB staff: 609.292.4537

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Approved: Timothy J. Cunningham, Director