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Local Finance Notice

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Local Government Ethics Law 2016 Financial Disclosure Statements Filing Information for Local Government Officers

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. The DLGS is in the process of adopting new Rules and Regulations defining managerial executive employees for FDS filing purposes. These new rules will not be adopted in time for the 2016 filing year. Entities have been directed to continue to determine managerial executive employees based on the prior guidance found in the Attorney General opinions.

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 2016-07](#) and other materials that are posted on the Division of Local Government Services' (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 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 or 2015, 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 2015 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. 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 and/or watch the webinar training video.
- STEP 3: Go to www.fds.nj.gov. To access the login page, click on the button titled, "File Financial Disclosure Statement."
- STEP 4: If you established an LGO profile in 2014 or 2015, 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, 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 you submit your FDS you will not be able to amend, change, or modify the FDS at any time.**
- STEP 13: 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 to view your submitted statement.

Filing Deadline

Financial disclosure statements must be filed annually on or before **April 30th** 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.

Compliance

The LFB may periodically conduct audits for compliance and initiate investigations. 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 or 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. 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:

For general FDS information:

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

Approved: Timothy J. Cunningham, Director