

Form 700 and Recent Updates to FPPC Regulations

July 27, 2016
10:00 am – 11:30 am



Speakers

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Moderator

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**Thank you to ILG Partner Meyers Nave
for making this webinar possible!**

How to ask a question during the webinar

- Please type your questions into the question box at any time during the webinar.
- We will read your questions during the question period at the end of the webinar.



About The Institute for Local Government

ILG is the non-profit research and education affiliate of



CSDA

**California Special
Districts Association**

Districts Stronger Together



www.ca-ilg.org

ILG

ILG Mission

- Promoting good government at the local level
- Practical, impartial and easy-to-use materials





Form 700 and Recent Updates to FPPC Regulations

Denise Bazzano, Senior Associate
Leticia Ramirez, Associate

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A Professional Law Corporation



July 27, 2016

Agenda

- Form 700
- Who has to file?
- When to file?
- What to file?
- FPPC Updates



Who Has to File

- Statutory Filers
 - Officials and candidates specified in Government Code § 87200
- “Designated Employees” aka “Code Filers”
 - Agency designates positions that must file and disclosure categories



When to File

- Annually
 - Either March 1 or April 1
- Amendment
- Leaving or Assuming Office
 - Within 30 days
- Candidates





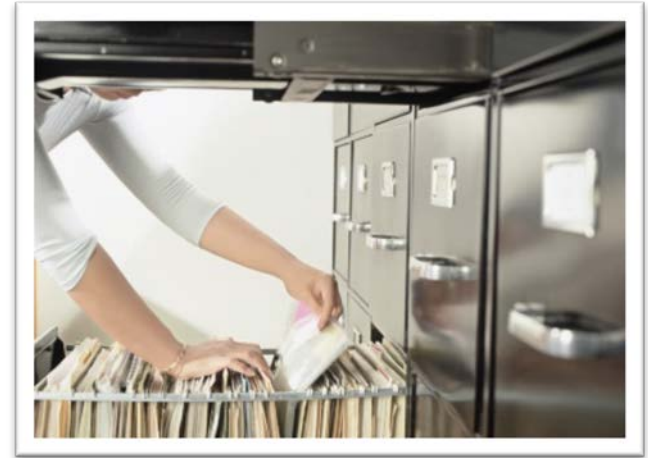
Hypothetical

Kim O'Kay was the Mayor of Reality City. She is done with politics and the City in general when she finishes her term in January. She does not think she needs to file any statements upon termination of her term because she does not have any plans to run for office in the future.

Is Kim correct?

What to File

- Disclosure category
- Office or agency
- Jurisdiction of office
- Type of statement
- Schedules
- Mailing address
- Original signature
- Penalty of perjury





Hypothetical

Tom Jones is a City Council member for the Town of Funk. He recently won a seat on the Blues County Board of Supervisors, the county in which Soul is located. Tom Jones will complete his term of office on June 6, 2016 but won't be sworn in until November 6, 2016. Does Tom Jones have to file an assuming office statement upon being sworn in?

Schedules

	Common Reportable Interests	Non-Reportable Interests
Schedule A-1	Stocks, including those held in an IRA or a 401K	Insurance policies, government bonds, diversified mutual funds and certain other funds and investments held in certain retirement accounts
Schedule A-2	Business entities such as sole proprietorships, partnerships, LLCs, corporations, and trust	Savings and checking accounts and annuities
Schedule B	Rental property in the jurisdiction	Residence used exclusively as a personal residence such as a home or vacation cabin
Schedule C	Non-governmental salaries of public official and spouse/registered domestic partner	Governmental salary
Schedule D	Gifts from businesses (such as tickets to sporting or entertainment events)	Gifts from family members
Schedule E	Travel payments from third parties	Travel paid by your government agency

Schedule A-1: Stocks, Bonds & Other Interests

**SCHEDULE A-1
Investments**

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Stocks, Bonds, and Other Interests
(Ownership Interest is Less Than 10%)
Do not attach brokerage or financial statements.

<p>NAME OF BUSINESS ENTITY</p> <p>GENERAL DESCRIPTION OF THIS BUSINESS</p> <p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<p>NAME OF BUSINESS ENTITY</p> <p>GENERAL DESCRIPTION OF THIS BUSINESS</p> <p>FAIR MARKET VALUE</p> <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000
<p>NATURE OF INVESTMENT</p> <input type="checkbox"/> Stock <input type="checkbox"/> Other (Describe) <input type="checkbox"/> Partnership <input type="radio"/> Income Received of \$0 - \$499 <input type="radio"/> Income Received of \$500 or More (Report on Schedule C)	<p>NATURE OF INVESTMENT</p> <input type="checkbox"/> Stock <input type="checkbox"/> Other (Describe) <input type="checkbox"/> Partnership <input type="radio"/> Income Received of \$0 - \$499 <input type="radio"/> Income Received of \$500 or More (Report on Schedule C)
<p>IF APPLICABLE, LIST DATE:</p> <p>____/____/15 ____/____/15</p> <p>ACQUIRED DISPOSED</p>	<p>IF APPLICABLE, LIST DATE:</p> <p>____/____/15 ____/____/15</p> <p>ACQUIRED DISPOSED</p>
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Comments: _____

Clear Page Print Form

FPPC Form 700 (2015/2016) Sch. A-1
FPPC Advice Email: advice@fppc.ca.gov
FPPC Toll-Free Helpline: 866/275-3772 www.fppc.ca.gov

NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

 \$2,000 - \$10,000 \$10,001 - \$100,000
 \$100,001 - \$1,000,000 Over \$1,000,000

NATURE OF INVESTMENT

 Stock Other (Describe)
 Partnership Income Received of \$0 - \$499
 Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

____/____/15 ____/____/15

ACQUIRED DISPOSED

Schedule A-2:

Investments, Income & Assets of Business Entities/Trusts

- What it Covers: **Investments, Income and Assets of Business Entities/Trusts**
- Covers investments in for-profit business or entities or trust in which “**you**” have a 10% greater interest, totaling \$2,000 or more, located in and doing or planning to do business in your jurisdiction in the reporting period
- “**You**” includes spouse, RDP and dependent children
- Examples include business entities, sole proprietorships, assets held in trusts
- Does not include savings and checking accounts
- Tips/Tricks: A-2 is a multipart form. Part 1 discloses the business; Part 2 discloses the gross income from the business; Part 3 discloses names of each source of income to the business (i.e clients/customers); Part 4 discloses any investments or interests in real property held or leased by the business

Schedule B: Interests in Real Property

Report Interests in Real Property:

- Located in the jurisdiction
 - i.e., any part of the property located in or within 2 miles of the district's geographical area
 - Check conflict of interest code – may specify another jurisdiction such as entire county
- In which the filer or his/her immediate family has a direct, indirect, or beneficial interest worth \$2,000 or more in fair market value at anytime during the reporting period

Schedule B: Interests in Real Property (cont.)

Include:

- An *ownership* interest in real property located in the jurisdiction
- A residence for which a business deduction is claimed if the portion claimed as a tax deduction is valued at \$2,000 or more
- A spouse or RDP's separate property interests
- Trust deeds, easement or options to acquire an interest
- Leasehold interests valued at \$2,000 or more
- Interests held by a business entity in which the filer has a 10% or greater share

Do Not Include:

- A personal residence occupied by the filer or by a member of the filer's family
- A secondary residence used exclusively for personal purposes, such as a vacation home



Hypothetical

Mia Leftfoot is a Clerk. She owns her own home and runs a web based shoe business from her home. She claims the home as a business deduction on her taxes.

Is the home reportable under Schedule B?

Schedule C: Income, Loans, & Business Positions

- Report income from sources located in, doing business in, or planning to do business in the district
- Include income received by spouse or registered domestic partner
- Income received from government agencies not reportable
- Loans from commercial lending institutions and most family members not reportable
- Business position requirement not tied to receipt of income



Hypothetical

Fred Astaire is dancing away from his wife and has filed for divorce. They have completely separated and they no longer share their incomes. Does he still have to list his wife's income in Schedule C of Form 700?

Schedule E: Income – Gifts: Travel Payments, Advances, & Reimbursements

- Gifts of travel reportable at \$50 threshold – Gift limit unless an exception to the limit applies (e.g., limited travel provided in connection with a speech, service on a board of directors or travel provided by a governmental entity, public charity, or educational institution)
- Income reportable at \$500 threshold – No limits on income
- Travel payments received from a government agency to which you provided services are not reportable
- Describe services provided for any travel reported as income



Hypothetical

Bradley Pitiful, a Commissioner, has a diverse portfolio that is managed by an investment firm. The firm makes all the investment decisions and Bradley is not consulted on what stocks should be purchased or sold.

Are the stocks subject to disclosure?

FPPC UPDATES



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Form 700

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Questions About Gifts & Travel?

For guidelines about reporting Gifts, Honoraria, Travel, or Loans click the button below

[Gifts & Travel Fact Sheet for State Officials](#)[Gifts & Travel Fact Sheet for Local Officials](#)

Statements of Economic Interests - Form 700

Every elected official and public employee who makes or influences governmental decisions is required to submit a Statement of Economic Interest, also known as the Form 700. The Form 700 provides transparency and ensures accountability in two ways:

1. It provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the public and not enhancing their personal finances.
2. It serves as a reminder to the public official of potential **conflicts of interest** so the official can abstain from making or participating in governmental decisions that are deemed conflicts of interest.

Filing a Form 700

The FPPC is available to answer any questions you may have on Form 700 reporting or filing. However, in order to better assist you, you should obtain your "disclosure category." A disclosure category is a description of the types of financial interests you must disclose on your Form 700 based on your job classification or position. Each agency defines its own disclosure categories for each position based on the type and scope of

View Form 700 Filed by Public Officials

Click the button below to search through Form 700s that have been filed by public officials.

[Search Form 700s](#)

Are You A Filing Officer?

If you have questions about the rules for filing officers, click the button below.

[Filing Officer Guidance](#)

FPPC UPDATES

Form 700

- Gifts of Travel- effective January 1, 2016, if an individual receives a travel payment that is a reportable gift, he or she must disclose the travel destination.
 - Applies to travel taken on or after January 1, 2016.

FPPC Resources

Phone: 1-866-ASK-FPPC (1-866-275-3772)

Email: advice@fppc.ca.gov

App:



Discussion



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ILG's Ethics and Transparency Resources

AB 1234 Training

Understanding Public Service Ethics Laws

The Brown Act and Open Meetings

Good Governance Checklist



Visit www.ca-ilg.org
to find out more!

Join us for the rest the ethics webinar series!

- **August 31st** - Promoting Personal and Organizational Ethics
- **September 22nd** – Abstentions and Disqualifications
Conflicts of Interest and When to Step Aside
- **September 29th** – The Brown Act

Find out more here:

www.ca-ilg.org/post/upcoming-ilg-webinars

Thank You!

And thank you to ILG Partner Meyers Nave.

The webinar recording and PowerPoint slides will be available on ILG's website shortly.

If you have additional questions please contact
Melissa at mkuehne@ca-ilg.org