

FAQs for Personal Financial Disclosure Statements

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The Ethics and Campaign Disclosure Board hereby publishes this list of frequently asked questions and answers about personal financial disclosure statements in an effort to provide clear and uniform guidance to individuals required to file such statements with the Board. The Board encourages individuals to err on the side of transparency and disclosure when completing these statements. Please contact the Board's staff at (515) 281-4028 or ethicsboard@iowa.gov if you have further questions.

Part 1: Answers to Administrative Questions

1. *Who has to file personal financial disclosure statements (PFD) with the Ethics Board?*

Answer: Iowa Code section 68B.35 requires the following individuals to file PFD statements with the Ethics Board:

- a. Any statewide elected official.
- b. Any candidate for statewide office.
- c. The executive or administrative head or heads of any agency of the executive branch.
- d. The deputy executive or administrative head or heads of an executive branch agency
- e. The head of a major subunit of a department or independent executive branch agency whose position involves a substantial exercise of administrative discretion or the expenditure of public funds as defined under rules adopted by the board, pursuant to chapter 17A, in consultation with the department or agency.
- f. Members of the following boards and commissions:
 - the banking board,
 - the ethics and campaign disclosure board,
 - the credit union review board,
 - the economic development board,
 - the employment appeal board,
 - the environmental protection commission,
 - the health facilities council,
 - the Iowa finance authority,
 - the Iowa public employees' retirement system investment board,

- the board of the Iowa lottery authority,
- the natural resource commission,
- the board of parole,
- the petroleum underground storage tank fund board,
- the public employment relations board,
- the state racing and gaming commission,
- the state board of regents,
- the tax review board,
- the transportation commission,
- the office of consumer advocate,
- the utilities board,
- the Iowa telecommunications and technology commission, and
- any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission.ⁱ

2. When are the statements due to the Ethics Board?

Answer: PFD statements are due by 11:59 pm on April 30th of each year following a year during which the person holds a designated position, without regard to the length of time the position was occupied by the person. A person who held a designated position who leaves that position or state employment shall have a continuing obligation to file the statement for any year or portion of a year in which the position was held prior to termination.ⁱⁱ If the due date falls on a weekend or holiday, the filing deadline shall be extended to the first working day following the deadline.ⁱⁱⁱ

3. What is the period of time covered in the PFD?

Answer: Information shall cover the calendar year immediately preceding the year due. However, a statement filed by a person who has left a designated position during the course of a year need only contain information covering the portion of that year that has elapsed prior to the person's leaving the position.^{iv}

4. How does someone file a PFD statement with the Ethics Board?

Answer: An individual must file a PFD statement using the Board's web reporting system, which can be found here:

<https://webapp.iecdb.iowa.gov/PFD/Disclosure.aspx#WelcomeSection>

Once the statement is submitted, a member of the Board's staff will review it before posting it on the Board's website.

5. *Where can the public find PFDs filed with the Ethics Board?*

Answer: Iowa Code section 68B.35A requires the Board to post PFDs on its website, which can be found here:

<https://ethics.iowa.gov/reports/ethics-reports/personal-financial-disclosure-statements>

6. *What if an individual serves in more than one position that requires a PFD?*

Answer: A person who is required to file a personal financial disclosure statement for more than one position shall be required to file only one PFD for the reporting year.^v A member of the general assembly who files a form with the secretary of the senate or the chief clerk of the house shall not be required to file the form with the board for any designated position held in the executive branch.^{vi}

7. *What if an individual's PFD is filed late?*

Answer: An individual who fails to timely file a PFD shall be subject to an automatic civil penalty according to the following schedule:

<u>Days Delinquent</u>	<u>Penalty Amount</u>
1 to 14	\$25
15 to 30	\$50
31 and over	\$100 ^{vii}

If an individual believes that mitigating circumstances prevented the timely filing of the PFD, the individual may make a written request to the board for waiver of the penalty by filing a Petition for Waiver of Civil Penalty form. The request for waiver must be received by the board within 30 days of notification to the individual of the civil penalty assessment. Waivers may be granted only under exceptional or very unusual circumstances.^{viii}

8. *What happens if an individual files a false PFD?*

Answer: It shall be considered a violation of Iowa Code section 68B.35 for an individual to file a disclosure statement containing false or fraudulent

information. Complaints concerning the filing of a false or fraudulent disclosure statement shall be handled by the procedures in Iowa Code section 68B.32B. If it is determined after a contested case proceeding that a false or fraudulent disclosure statement was filed, the board may impose any of the penalties under Iowa Code section 68B.32D.^{ix}

Part 2: Answers to Questions about the PFD's Contents

1. What financial information has to be disclosed on a PFD?

Answer: Iowa Code section 68B.35 requires the following information to be disclosed in the PFD:

a. A list of each business, occupation, or profession in which the person is engaged and the nature of that business, occupation, or profession, unless already apparent.

b. A list of any other sources of income (not already disclosed) if the source produces more than \$1,000 annually in gross income. Such sources of income listed pursuant to this paragraph shall be listed under any of the following categories:

- Securities
- Instruments of financial institutions
- Trusts
- Real estate
- Retirement systems
- Other income

2. Does an individual have to disclose the amount of income?

Answer: No. An individual is only required to disclose sources of income and not the amount of income earned.

3. Is an individual required to list assets or debts?

Answer: No. An individual is only required to list sources of income generating more than \$1,000. An individual does not have to disclose any non-income producing asset or any asset that generates less than \$1,000 in income. Likewise an individual is not required to list any debts.

4. *What if an individual earns income from several sources in a single category that collectively amounts to more than \$1,000. Does the individual need to list each source?*

Answer: No. For example, an individual would not need to disclose securities that collectively produced more than \$1,000 if none of them individually produced more than \$1,000.

5. *Is an individual required to list the name of each business in which the person is engaged?*

Answer: Yes. For example, an attorney should disclose the name of her law firm as well as her profession.

6. *Is an individual required to list the name of each stock, bond or mutual fund that produced more than \$1,000 in income?*

Answer: An individual is required to list the name of the entity in which the individual held stocks, bonds, mutual funds or other types of securities that generated over \$1,000 in gross income for the covered year. If the individual held these securities through a brokerage firm, it is generally sufficient to simply name the brokerage firm and describe the brokerage account. For example, “Edward Jones/various publicly traded securities” or “Charles Schwab/stocks, bonds, EFTs, and mutual funds” is generally acceptable.

In the interest of transparency, an individual should provide more detail if a particular security created or will likely create a conflict of interest for the individual. For example, a member of the economic development authority or a member of the Iowa public employee’s retirement system investment board may need to provide more detail of income generating securities in a brokerage account than a member of the board of parole, given their boards differing responsibilities.

7. *What information is required to be disclosed if an individual receives more than \$1,000 from a trust?*

Answer: The individual is required to disclose the name of the trust, the trustor and the type of trust.

8. *What information is required to be disclosed if an individual has income-producing real estate?*

Answer: An individual is required to disclose the type of real estate (e.g. agricultural) and the type of income generated (e.g. rent, sale, or mortgage). An individual is not required to list the location or address of the real estate. However, if the real estate is part of the individual's business or occupation, it shall be disclosed under that category. See answer to question 10.

9. *Is an individual required to disclose a retirement system that is not currently generating income for the individual?*

Answer: No. An individual is only required to disclose retirement systems which produced income during the covered year. For example, an individual who is a member of IPERS but not currently receiving any income from IPERS would not be required to list IPERS as an income source on her PFD.

10. *How should an individual disclose a source of income that arguably falls into more than one category?*

Answer: The individual should disclose the source of income in a manner that provides the most transparency. For example, if an individual owns the ABC Co. real estate company which provides apartments for rent, the individual should disclose the name of the business (ABC Co.), the nature of the business and his position in the company rather than simply listing the type of business more generically under the real estate category.

11. *Does an individual have to disclose his or her spouse's income?*

Answer: Income earned solely by the spouse of a person subject to reporting is not income to that person and need not be reported as an income source.^x

12. *Does an individual have to disclose joint income?*

Answer: Income sources include those sources which are held jointly with one or more persons and which in total generate more than \$1000 of income. "Jointly" means that the ownership of the income source is undivided among the owners and that all owners have one and the same interest in an undivided possession, each with full rights of use and enjoyment of the total income. Sources of income that are co-owned but with ownership interests that are legally divisible, without full rights of use or enjoyment of the total income, need not be reported unless the person's portion of the income from that source exceeds \$1000.^{xi}

ⁱ Iowa Code § 68B.35(2).

ⁱⁱ Iowa Admin. Code r. 351—7.1(1).

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- iii Iowa Amin. Code r. 351—7.1(4).
 - iv Iowa Admin. Code r. 351—7.1(5).
 - v Iowa Amin. Code r. 351—7.1(3).
 - vi Iowa Amin. Code r. 351—7.1(3).
 - vii Iowa Amin. Code r. 351—7.5(1).
 - viii Iowa Amin. Code r. 351—7.6).
 - ix Iowa Amin. Code r. 351—7.5(3).
 - x Iowa Amin. Code r. 351—7.2(3).
 - xi Iowa Admin. Code r. 351—7.2(1).