

Confidential Financial Disclosure Guide: OGE Form 450

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Introduction

This guide was produced by the U.S. Office of Government Ethics (OGE) as a reference manual for use by reviewers of the OGE Form 450 (Executive Branch Confidential Financial Disclosure Report).

Objectives

In this guide, you will learn:

- the key elements of the executive branch confidential financial disclosure system;
- what a filer must disclose in the OGE Form 450; and
- how to analyze entries for technical sufficiency.

Contents

The guide contains four sections:

- Section 1 provides a brief overview of the disclosure system.
- Section 2 provides the reporting requirements for each Part of the OGE Form 450.
- Section 3 provides guidance for conducting reviews.
- Section 4 provides more detailed guidance for reviewing a number of commonly reported interests and affiliations.

Disclaimer

This guide is intended for use in reviewing executive branch confidential financial disclosure reports filed on or after January 1, 2019.

Do not rely on statements in this guide for investment advice. This guide is solely for general informational purposes. This guide supersedes earlier OGE training publications, but applicable statutes and regulations are the final authorities.

In addition, although the use of the sample language provided in this guide promotes a degree of consistency in reporting common items, OGE recognizes that there may be other ways of reporting particular interests.

Section 1: Confidential Financial Disclosure System

This section provides an overview of the confidential financial disclosure system, including information on why people file, who files, what forms are used, when forms are due, what an agency reviewer's role is, and how long reports are retained.

Purpose

The basic purpose of the confidential financial disclosure system is to assist employees and their agencies in avoiding conflicts between official duties and private financial interests or affiliations.

Authority

The Ethics in Government Act of 1978, as amended (the "Act"), requires high-level federal officials to make public disclosures of selected personal financial interests and affiliations. Section 107 of the Act and Section 201(d) of Executive Order 12674 (as modified by E.O. 12731) provide authority for OGE to establish a confidential financial disclosure system for those executive branch employees who, though not subject to the public financial disclosure system, have duties that involve a heightened risk of potential or actual conflicts of interest. The implementing regulations for the confidential financial disclosure system can be found at 5 C.F.R. part 2634, subpart I.

Officials Required to File

General Rule

5 C.F.R. § 2634.904(a)(1)

An employee is covered by the confidential financial disclosure system if the employee's position meets the following criteria:

1. The employee's position does not meet the pay or classification thresholds for public filing.

(Note: This formulation simplifies the rule. More precisely, the regulation includes each officer or employee in the executive branch whose position is classified at GS-15 or below of the General Schedule prescribed by 5 U.S.C. § 5332, or the rate of basic pay for which is fixed, other than under the General Schedule, at a rate which is less than 120% of the minimum rate of basic pay for GS-15 of the General Schedule; each officer or employee of the United States Postal Service or Postal Regulatory Commission whose basic rate of pay is less

than 120% of the minimum rate of basic pay for GS-15 of the General Schedule; each member of a uniformed service whose pay grade is less than 0-7 under 37 U.S.C. § 201; and each officer or employee in any other position determined by the designated agency ethics official to be of equal classification.)

and

2. The agency has determined that the duties and responsibilities of the employee's position require the employee to participate personally and substantially through decision or the exercise of significant judgment, and without substantial supervision and review, in taking a Government action regarding:
 - a. contracting or procurement;
 - b. administering or monitoring grants, subsidies, licenses, or other federally conferred financial or operational benefits;
 - c. regulating or auditing any non-federal entity; or
 - d. other activities in which the final decision or action will have a direct and substantial economic effect on the interests of any non-federal entity.

To simplify the application of these criteria, agencies may establish an appropriate threshold based on the position's monetary level of procurement authority, pay grade, or degree of supervision. Agencies should also apply the criteria in conjunction with their exclusion authority (see below) to ensure that individuals are not required to file if the possibility of conflict is remote.

Even if the employee's position does not involve such participation, an agency may require confidential filing if the agency determines that, based on the employee's duties and responsibilities, filing is required in order for the employee to avoid involvement in a real or apparent conflict of interest. Nevertheless, agencies should limit such designations to those pay grades where the duties and responsibilities clearly make filing necessary and relevant. For more help, see OGE DAEOgram DO-94-031 (September 14, 1994).

Special Government Employees

5 C.F.R. § 2634.904(a)(2)

Special Government employees (SGEs) must file confidential financial disclosure reports if they meet the criteria outlined above, serve on a Federal Advisory Committee, or otherwise have a substantial role in the formulation of agency policy. SGEs need not file if they are required to file public financial disclosure reports or if they are excluded from filing based on the agency's determination that the possibility of conflicts is remote.

Definition

18 U.S.C. § 202

A special Government employee (SGE) is defined by 18 U.S.C. § 202 to include an officer or employee who is retained, designated, appointed, or employed by the Government to perform temporary duties, with or without compensation, for not more than 130 days during any period of 365 consecutive days. The term also includes a Reserve officer of the Armed Forces or an officer of the National Guard while on active duty solely for training, or if serving involuntarily.

At the time of appointment, the appointing official determines whether the employee will be reasonably expected to work more than 130 days in the 365 days after the appointment date. If an agency designates an employee as an SGE, based on a good faith estimate, but the employee unexpectedly serves more than 130 days during the ensuing 365-day period, the individual still will be deemed an SGE for the remainder of that period. However, upon the commencement of the next 365-day period, the agency should reevaluate whether the employee is correctly designated as an SGE, (i.e., expected to serve no more than 130 days).

Supplemental Reporting Requirements

5 C.F.R. §§ 2634.103 and 2634.904(a)(3)

An individual who files a public financial disclosure report may also be required by agency supplemental regulations to file an additional confidential financial disclosure report containing supplemental information. Such regulations must receive prior written approval from OGE.

Exclusions

5 C.F.R. § 2634.904(b)

Agencies may exclude positions otherwise subject to the filing requirements if the agency head or designee determines that there is only a remote possibility that the incumbent will be involved in a real or apparent conflict of interest. Agencies should document such determinations in writing.

Review of Confidential Filer Status

5 C.F.R. § 2634.906

An employee may request a review of a determination that the employee's position meets the criteria requiring confidential financial disclosure. The review is conducted by the head of the agency or an officer designated by the agency head, and the decision reached by the agency head or designee is final.

Types of Reports and Filing Deadlines

New Entrant Reports (excluding special Government employees)

5 C.F.R. §§ 2634.903(b) and 2634.908(b)

Requirement to File

A confidential filer must submit a new entrant report within 30 days of assuming the duties of a covered position, unless an extension is granted. An agency may require that a prospective entrant to a covered position file a report before serving in the position if needed to ensure that there are no insurmountable ethics concerns.

Exceptions to the Filing Requirement

An employee need not file a new entrant report in the following cases:

- The employee assumed the duties of the position within 30 days of leaving a position that was subject to either public or confidential financial disclosure, provided that the filer satisfied the applicable filing requirements for the prior position. The agency at which the new position is located, however, should obtain a copy of the filer's most recent report and review that report for any potential conflicts. In addition, the employee must comply with any supplemental reporting requirements that apply to the new position.
- The employee filed a report while being considered for the position, though the agency may request an update if more than 6 months has passed.
- The designated agency ethics official (or designee) does not reasonably expect the employee to serve in the covered position for more than 60 days in the following 12-month period. If the employee actually serves more than 60 days, the employee must file a new entrant report within 15 calendar days after the 60th day. For full-time employees, count the number of consecutive calendar days that the employee served in the position, including weekends and holidays. For part-time employees, count only days that the employee actually worked.

Reporting Period

The reporting period for a new entrant report varies according to the Part being completed.

- Part I: Filers report assets as of the date of filing. Filers report sources of earned income, honoraria, and other non-investment income for the preceding 12 months.
- Part II: Filers report liabilities as of the date of filing.
- Part III: Filers report positions for the preceding 12 months.

- Part IV: Filers report agreements and arrangements as of the date of filing.

Newly Designated Positions

In most cases, an agency has already determined whether the duties and responsibilities of a position require confidential financial disclosure prior to an employee's entry into the position. Therefore, the employee files a new entrant report upon assuming the duties. In certain cases, however, an agency may make this determination for a position that an employee already occupies. The incumbent employee in this case would file a new entrant report within 30 days of the agency designating the position as requiring confidential financial disclosure. See OGE DAEOgram DA-10-20-92 (October 19, 1992).

Annual Reports (excluding special Government employees)

5 C.F.R. §§ 2634.903(a) and 2634.908(a)

Requirement to File

An employee who served in a covered position for more than 60 days during a calendar year must file an annual report by February 15 of the following year. If the 15th falls on a weekend or holiday, the due date is the next workday.

For full-time employees, count the number of consecutive calendar days that the employee served in the position, including weekends and holidays. For part-time employees, count only days that the employee actually worked.

Exceptions to the Filing Requirement

Agencies need not collect annual reports from an individual who is no longer in a covered position as of February 15. In addition, special Government employees do not file annual reports.

Reporting Period

An annual report covers the preceding calendar year. Therefore, a filer submitting a report by February 15, 2019, must ordinarily include information for the period January 1, 2018, through December 31, 2018. Filers may exclude information for a period covered by a prior confidential or public financial disclosure report.

Moving between Covered Positions

If a filer moves between covered positions at different agencies, the individual should file the next annual report with his or her new agency. The new agency should provide a copy of the report to the filer's former agency for review if any of the interests raise potential conflicts or if the former agency requests a copy. This review by the former agency is not a full review within the meaning of this guide and no intermediate or final certification is required.

Special Government Employees (SGEs)

The confidential financial disclosure requirements for special Government employees differ from the requirements applicable to other United States Government employees.

Requirement to File

5 C.F.R. §§ 2634.903(b) and 2634.904(a)(2)

An SGE must file a new entrant report within 30 days of starting a covered position as an SGE. In addition, an SGE must file a new entrant report each year upon the individual's "reappointment or redesignation" as an SGE for a new 365-day period.

Exceptions to the Filing Requirement

An SGE need not complete a report when starting a position as an SGE if either of the following conditions applies:

- The employee assumed the duties of the position within 30 days of leaving a position that was subject to public or confidential financial disclosure, provided that the filer satisfied the applicable filing requirements for that position. The agency at which the new position is located, however, should obtain a copy of the filer's most recent report and review for any potential conflicts.
- The employee filed a report while being considered for the position, though the agency may request an update if more than 6 months has passed.

The exception for employees who serve 60 days or less in a covered position does not apply to SGEs.

Due Date Considerations

Notwithstanding the 30-day timeframe, individuals being considered for positions requiring Presidential appointment and Senate confirmation (PAS) file their reports pursuant to the special deadlines and procedures that govern the PAS nominee process. In addition, SGEs appointed to a Federal Advisory Committee Act committee must file their reports before rendering any advice or in no event later than the first committee meeting. For all other SGEs, agencies may require the individuals to file their reports prior to serving if needed to ensure that there are no insurmountable ethics concerns.

With respect to reappointments and redesignations, an SGE with a multiyear term would ordinarily file an additional new entrant report each year on the anniversary of that employee's appointment date. However, OGE permits agencies to specify one date each year on which to collect follow-on new entrant reports from all SGEs (or discrete groups of SGEs, such as all members of a given advisory committee) who

serve for terms in excess of one year. See OGE DAEOgram DO-95-019 (April 11, 1995) and OGE DAEOgram DO-00-003 (February 15, 2000).

Reporting Period

The same reporting period rules apply to all new entrant reports, including those filed by SGEs.

Relationship to the Public Filing Requirements

An SGE must file a public financial disclosure report if the SGE serves in a position that meets the criteria for public filing set out at 5 C.F.R. § 2634.202 and serves in the position for more than 60 days. An SGE who is expected to serve no more than 60 days would file a confidential financial disclosure report; however, if the SGE actually exceeds the 60-day threshold, the SGE must file a public report within 15 calendar days following the 60th day of service.

In certain cases, agency ethics officials do not expect an employee to serve more than 60 days but know there is a real possibility that the employee could do so. In such cases, agency ethics officials may permit, but not require, an employee to file a modified OGE Form 278e in lieu of a confidential financial disclosure form. The modified OGE Form 278e would include only the information required by the confidential financial disclosure requirements. For example, in Parts 2, 5, and 6 of the OGE Form 278e, the filer would report the assets that meet a reporting threshold but would not complete the value and income fields. Similarly, the filer would complete only the Creditor Name and Type fields in Part 8. The modified OGE Form 278e would be treated as confidential and marked “not for public release” (or “confidential”), unless and until the employee works more than 60 days in that calendar year. If the employee does work more than 60 days, the employee must update the report within 15 days of the 60th day, including all of the information required for a public OGE Form 278e. See OGE DAEOgram DO-03-021 (October 23, 2003) for additional guidance.

Alternatively, an employee may voluntarily complete all of the information required for a public OGE Form 278e at the time the employee files confidentially. For example, unlike the procedure discussed above, the employee may complete the value and income fields for each entry in Parts 2, 5, and 6. The OGE Form 278e would be treated as confidential and marked “not for public release” (or “confidential”), unless and until the employee works more than 60 days in that calendar year. In the event that the employee does serve more than 60 days, the agency could use the existing confidential OGE Form 278e to satisfy the public reporting requirement, provided that the information is no more than 6 months old. The agency would simply remove the confidential designation from the report within 15 days after the 60th day worked.

“Acting” Capacity

5 C.F.R. § 2634.903

Employees are sometimes assigned to perform the duties of a position in an “acting” capacity. Such employees are subject to any financial disclosure requirements applicable to that position.

New Entrant

An employee who acts in a position meeting the criteria for confidential filing must file a new entrant report. A report, however, is not required if (1) the employee is already a confidential or public filer or (2) the employee is reasonably expected to serve no more than 60 days in the position. Employees excluded from filing based on their expected days of service must file a report if they actually exceed 60 days of service, and this report is due within 15 days of exceeding the 60-day threshold.

For example, an employee, who otherwise does not file a financial disclosure report, assumes the duties of a covered position on an acting basis on October 29, 2019. The employee is not reasonably expected to serve in the position for more than 60 days in the following 12-month period. No report is required. However, the employee later does serve more than 60 days. The employee, therefore, must file a new entrant report within 15 calendar days of exceeding 60 days.

Annual

An employee who acts in a position subject to confidential filing for more than 60 days during a calendar year must file an annual report. A report, however, is not required if (1) the employee is already a public filer or (2) the employee leaves the position prior to February 15 of the following year.

For example, an employee, who otherwise does not file a financial disclosure report, assumes the duties of a covered position on an acting basis on October 29, 2019. The employee is still performing the duties of the position on February 15, 2020. An annual report is required. If the employee’s acting service ends prior to February 15, 2020, no annual report is required.

Details between Federal Agencies

5 C.F.R. § 2634.605(b)(1)

An individual detailed to another agency may be subject to the confidential filing requirements based on the position at the individual’s home agency, the position at the agency to which the individual is detailed (detail agency), or both positions. If the position at the individual’s home agency is subject to confidential financial disclosure, the individual must continue to file the report with the home agency. The individual’s home agency would consult with the detail agency, as appropriate, to determine whether the report discloses any potential conflicts with the duties of the position to which the individual is detailed. If the individual is only subject to

confidential financial disclosure based on the position at the detail agency, the individual would file instead with the detail agency. See OGE DAEOgram DA-10-20-92 (October 19, 1992).

Intergovernmental Personnel Act Detailees

In December 2001, the Intergovernmental Personnel Act (IPA) was amended to make individuals who are detailed to federal agencies under the IPA “employees” of the federal agency for purposes of the Ethics in Government Act. Accordingly, IPA detailees may be required to file a confidential financial disclosure report if their duties and responsibilities meet the criteria at 5 C.F.R. § 2634.904(a)(1). See OGE DAEOgram DO-02-029 (December 9, 2002) and OGE DAEOgram DO-06-031 (October 19, 2006).

Individuals Who Are Not Government Employees

The confidential financial disclosure requirements apply only to individuals who are current or prospective United States Government employees. Agencies may not use the OGE Form 450 (Executive Branch Confidential Financial Disclosure Report) to collect information from other individuals, such as contractors or members of advisory committees who are appointed to represent outside interests. See OGE DAEOgram DO-95-043 (December 13, 1995). Note that Intergovernmental Personnel Act detailees and advisory committee members appointed as special Government employees *are* United States Government employees for purposes of the confidential financial disclosure requirements.

Confidential Financial Disclosure Forms

OGE Form 450

5 C.F.R. § 2634.601(a)(3)

The OGE Form 450 (Executive Branch Confidential Financial Disclosure Report) is the standard form for making a confidential financial disclosure. A confidential filer must use the OGE Form 450, unless otherwise authorized to use an alternative form.

OGE Optional Form 450-A

Effective January 1, 2019, the OGE Optional Form 450-A is no longer approved for use. Agencies that wish to use a similar format as an alternative reporting procedure can submit a written request to OGE in accordance with 5 C.F.R. § 2634.905.

Supplemental and Alternative Forms

5 C.F.R. §§ 2634.103, 2634.601(c), and 2634.905

With the prior written approval of OGE, agencies may require employees to file additional confidential financial disclosure forms that supplement the standard public or confidential forms. Agencies, with the prior written approval of OGE, may also choose to use an alternative confidential financial disclosure form and procedure in lieu of the OGE Form 450.

Extensions

Agency Extensions

5 C.F.R. § 2634.903(d)(1)

Agencies may, for good cause shown, grant any employee or class of employees a filing extension or several extensions totaling no more than 90 days. Extensions do not change the reporting period. For example, if a filer was originally required to file a new entrant report on October 15, 2019, but received a 90-day extension, the end of the reporting period for the purpose of valuing assets is still October 15, 2019, and the reporting period for non-investment income is still October 15, 2018, through October 15, 2019.

OGE recommends that extension requests and approvals be documented in writing. In addition, the existence of an extension should be noted on a report once filed.

Service in a Combat Zone or Service during a Period of National Emergency

5 C.F.R. § 2634.903(d)(2)

An individual is automatically eligible for an extension if the individual has served in a combat zone or was required to perform services away from the individual's permanent duty station following a declaration by the President of a national emergency.

This extension runs until 90 days after the later of the following two dates:

- the last day of the individual's service in the combat zone or away from the individual's permanent duty station; or
- the last day of the individual's hospitalization as a result of an injury received or a disease contracted while serving during the national emergency.

The terms of this extension differ from those of a similar combat zone extension available to public filers.

Filing Penalties

5 C.F.R. §§ 2634.701 and 2634.909

An agency may take any appropriate action, including adverse action, against employees who have not filed or who have filed a false, incomplete, or late report, in accordance with applicable personnel laws and regulations. An individual who knowingly and willfully falsifies a report may also be subject to criminal prosecution.

Agency Procedures

Section 402(d) of the Ethics in Government Act, as amended, requires that each agency establish written procedures for handling financial disclosure reports filed with the agency. See OGE DAEOgram DA-09-03-92 (September 3, 1992).

Records Management

Access and Use

5 C.F.R. § 2634.604

Reports filed pursuant to the executive branch confidential financial disclosure regulation are protected under the Privacy Act. Confidential reports may be used only for the purposes stated in the Privacy Act Statement, which is included on the first page of the form.

Retention Schedule

5 C.F.R. § 2634.604

The following discussion summarizes the applicable requirements for confidential financial disclosure reports. See the OGE/GOVT-2 (Privacy Act) system of records for additional information. See also General Records Schedule 2.8 (Federal Records Act).

Reports Filed by Employees Who Served in the Position

Agencies must retain confidential financial disclosure reports (OGE Form 450 and agency alternative forms) for a period of 6 years from the date of receipt. Agencies must destroy the report after 6 years, unless the report is needed for an ongoing investigation or to understand an agency alternative form that makes reference to the information contained in that report.

Reports Filed by PAS Nominees Who Are Not Confirmed

Individuals file financial disclosure reports when nominated to positions requiring Presidential appointment and Senate confirmation (PAS). If the individual is

subsequently confirmed by the Senate, the agency must retain the report for 6 years from the date of receipt, unless the report is needed for an ongoing investigation or to understand an agency alternative form that is still within its 6-year retention period. If the individual is not confirmed, however, the agency retains the report for only 1 year after the nominee ceases to be under consideration for the position, unless the report is needed for an ongoing investigation.

Reports Filed by Other Prospective Employees Who Do Not Serve in the Position

If a prospective employee, other than a PAS nominee, provides a confidential financial disclosure report and subsequently does not assume the duties of the position, the agency would treat the report as a draft rather than as a final, filed report. Drafts may be destroyed when no longer needed by the agency.

Section 2: OGE Form 450 – Report Contents

This section explains what information a filer must provide in the cover page and each substantive Part of the OGE Form 450.

Summary of Contents

The OGE Form 450 consists of one page of instructions, a cover page, five substantive Parts, and a final page of examples. However, filers need only submit those pages with reportable information, unless otherwise required by their agency. For example, a filer with no reportable interests would submit only the cover page.

Each of the five substantive Parts addresses a different category of interest that the filer must disclose. The type of report (i.e., new entrant or annual) determines the reporting period as well as the applicability of the gift and travel reimbursement reporting requirements.

Reporting Periods and Individuals Covered

PART	REPORTING PERIOD		INDIVIDUALS COVERED
	New Entrant	Annual	
PART I Assets and Income	Assets: Date of Filing Investment Income: N/A Non-Investment Income: 12 Months Preceding the Date of Filing	Preceding Calendar Year*	Filer, Spouse, and Dependent Children
PART II Liabilities	Date of Filing	Preceding Calendar Year*	Filer, Spouse, and Dependent Children
PART III Outside Positions	12 Months Preceding the Date of Filing	Preceding Calendar Year*	Filer Only
PART IV Agreements or Arrangements	Date of Filing	Preceding Calendar Year*	Filer Only
PART V Gifts and Travel Reimbursements	N/A	Preceding Calendar Year*	Filer, Spouse, and Dependent Children

* Filers may exclude information for a period covered by a prior confidential or public financial disclosure report.

Spouses and Dependent Children

Scope of Reporting Requirements

General Rule

5 C.F.R. §§ 2634.907(a) and (h)

Filers need to report the interests of spouses and dependent children in several Parts of the OGE Form 450, but the reporting thresholds and requirements may differ, depending on the type of interest. The requirements are explained in the instructions for each type of reportable interest.

Definitions

Spouse

For purposes of financial disclosure and other federal ethics rules, “spouse” means an individual to whom the filer has been legally married, regardless of the filer’s state of residence. The term “spouse” does not include an individual with whom the filer is in a civil union, domestic partnership, or other relationship other than marriage. See OGE Legal Advisory LA-13-10 (August 19, 2013).

Dependent Child v. Minor Child

The basic criminal conflict of interest statute (18 U.S.C. § 208) uses the term “minor child,” but the financial disclosure requirements (and the Standards of Conduct provisions on impartiality) refer more broadly to “dependent children.”

For purposes of financial disclosure, “dependent child” means an individual who is:

1. a son, daughter, stepson, or stepdaughter of the filer; and
2. unmarried, under age 21, and living in the filer’s household or considered a dependent by tax code standards.

“Minor child” is a class of children defined by state law, usually as under age 18.

Tests for Separateness

5 C.F.R. § 2634.907(h)(6)

A filer need not report assets, investment income, or liabilities of a spouse or dependent child if the interests strictly meet all the tests for separateness in the regulation. These tests, however, are very rarely met. For example, an asset that is reported on a joint tax return or held in a trust for a child’s education is a benefit to the filer. Thus, the asset should be reported. A practical effect of these

tests is that filers who complete joint tax returns, cohabitate, share expenses, or have not been disinherited by their spouses must report the spouse's interests.

Changes in Status during a Reporting Period

Marriage during a Reporting Period

When a filer gets married during the reporting period, the filer reports:

- In Part I: A spouse's assets and sources of income that met an applicable reporting threshold after the date of the marriage.
- In Part II: A spouse's liabilities that met the applicable reporting threshold after the date of the marriage.
- In Part V (annual filers only): A spouse's gifts and travel reimbursements that were received after the date of the marriage.

Divorce or Separation

5 C.F.R. § 2634.907(h)(5)

A filer who is divorced or permanently separated need not report a spouse's interests for the period before or after the divorce or permanent separation. However, note that even in situations where there is no reporting requirement, 18 U.S.C. § 208 will still apply to particular matters in which an employee knows his or her separated spouse has a financial interest.

No Longer a Dependent

The filer need not report the sole interests of any child who was not a dependent as of the date of filing. The filer, however, must still report any interests that are (or were) also those of the filer or the filer's spouse (e.g., a child's loan for which the filer co-signed).

Distinguishing a Filer's Entries from the Entries of a Spouse or Dependent Child

Entries for the assets, income, and liabilities of spouses and dependent children may be marked "S" or "DC" (or "J" for joint) if the filer wishes to distinguish them from the filer's own assets, income, and liabilities. These designations are not required but are often helpful.

Use of Brokerage Statements and Attachments

5 C.F.R. § 2634.907(j)(2)

Agencies may permit a filer to attach brokerage statements, bank statements, personal spreadsheets, and other financial materials in lieu of entering the information directly in the OGE Form 450. However, an agency may permit such materials only if they readily present, in a clear and concise fashion, all of the information that the filer would have been required to enter in the OGE Form 450.

Because brokerage statements and other financial reports exist in many formats, OGE cannot provide guidelines that will cover every situation. Nonetheless, an attachment that substitutes for entries in Part I of the OGE Form 450 must (1) clearly identify the assets by name; (2) provide a sufficient description of an asset when required for that asset type; and (3) clearly indicate which assets are still held.

Filers are responsible for ensuring that they observe the limitations on using attachments in lieu of data entries in the OGE Form 450 and that they redact sensitive information not required by the confidential financial disclosure regulation, such as account numbers and home addresses. Agencies, however, should provide guidance to filers regarding the rules applicable to the use of attachments, and agency reviewers need to evaluate the appropriateness of any attachments as part of the review process. If an attachment proves insufficient, a reviewer should request follow-up information or require that the filer provide a revised attachment or enter the information in the OGE Form 450.

Special rules apply for individuals who file nominee reports in connection with a position that requires Presidential appointment and Senate confirmation (PAS). PAS nominee filers may not attach brokerage statements in lieu of completing the OGE Form 450. In certain circumstances, OGE may permit a nominee filer to provide clarifying notes in an attachment to the OGE Form 450.

Cover Page

Purpose

The cover page serves four basic functions. First, it provides relevant background information about the filer. Second, it indicates whether the report was filed in a timely manner. Third, it includes reporting statements that permit the filer to exclude any unneeded subsequent pages. Fourth, it collects the signatures of the filer and the reviewer(s).

Field Instructions

Date Received by Agency 1		Page Number 2	
CONFIDENTIAL FINANCIAL DISCLOSURE REPORT Executive Branch			
Employee's Name (Print last, first, middle initial) 3		E-mail Address 4	
Position/Title 5		Grade 6	
Agency 7		Branch/Unit and Address 8	
Work Phone 9	Reporting Status New Entrant <input type="checkbox"/> Annual <input type="checkbox"/> 10		If New Entrant, Date of Appointment to Position (mm/dd/yy) 11
Check box if Special Government Employee (SGE) <input type="checkbox"/> 12	An SGE is an executive branch officer or employee who is retained, designated, appointed, or employed to perform temporary duties either on a full-time or intermittent basis, with or without compensation, for a period not to exceed 130 days during any consecutive 365-day period.		
If an SGE, Mailing Address (Number, Street, City, State, ZIP Code) 13			

(1) Date Received by Agency: The agency, not the filer, completes this required field.

(2) Page Number: A page number should be included on each page of the report. This information will help ensure that the pages remain in sequence.

(3) Employee's Name: The filer's name is a required field.

(4) E-mail Address: Agencies should have an e-mail address at which they can reach the filer. If the information is otherwise readily available, follow-up is not required.

(5) Position/Title: The report must specify the position for which the individual is filing. If the filer has not provided this information, the reviewer should make the appropriate annotation.

(6) Grade: The filer should enter his or her current grade level in the position. If the filer has not yet entered the position, the filer should enter the anticipated grade. If the position will not have an assigned grade level, the filer may leave this field blank; however, the reviewer should confirm that the individual is required to file.

(7) Agency: The report must specify the agency in which the position is located. If the filer has a different home agency, the filer should include that information as well.

(8) Branch/Unit and Address: The report should specify the organizational component within the agency where the position resides and should include an office address. If the office address is otherwise readily available, follow-up is not required.

(9) Work Phone: Agencies should have a work telephone number at which they can reach the filer if questions arise about the report. If the information is otherwise readily available, follow-up is not required.

(10) Reporting Status: The type of report must be indicated. If the filer has not marked the appropriate box, the reviewer should verify that the filer understood which Parts were required and the applicable reporting periods.

(11) If New Entrant, Date of Appointment to Position: A new entrant filer must indicate when he or she entered on duty in the current position so that the reviewer can determine whether the report was filed on time. An annual filer may leave this box blank. If the filer did not provide this information, the reviewer should annotate the report.

(12) Check box if Special Government Employee: The report must specify whether the filer is a special Government employee (SGE). Reviewers should correct this field if the filer improperly checked (or failed to check) the box.

(13) If an SGE, Mailing Address: Agencies should have a mailing address at which to contact an SGE filer. If the information is otherwise readily available, follow-up is not required.

Step 1: Read the instructions for Parts I through V on the following pages.

Step 2: For each statement below, check Yes or No to describe your situation.

I. I have reportable assets or sources of income for myself, my spouse, or my dependent children.	14	Yes <input type="checkbox"/>	No <input type="checkbox"/>
II. I have reportable liabilities (debts) for myself, my spouse, or my dependent children.		Yes <input type="checkbox"/>	No <input type="checkbox"/>
III. I have reportable outside positions for myself.		Yes <input type="checkbox"/>	No <input type="checkbox"/>
IV. I have reportable agreements or arrangements for myself.		Yes <input type="checkbox"/>	No <input type="checkbox"/>
NOTE: Statement V is for annual filers only. It does not apply to new entrants and SGEs. V. I have reportable gifts or travel reimbursements for myself, my spouse, or my dependent children.		Yes <input type="checkbox"/>	No <input type="checkbox"/>

Step 3: If you selected Yes for any statement, you must describe the reportable interests that you have in the corresponding Part (I, II, III, IV, or V) of the form.

Step 4: Sign and date the form.

Step 5: Submit the completed form to your ethics office.

I certify that the statements I have made on this form and all attached statements are true, complete, and correct to the best of my knowledge.

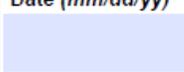
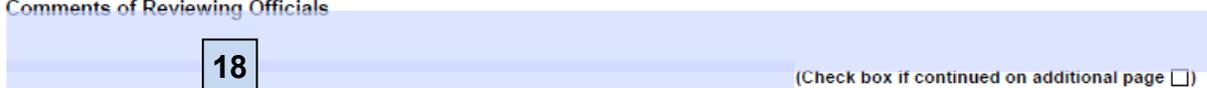
Signature of Employee	15	Date (mm/dd/yy)

(14) Reporting Statements: The filer must answer “Yes” or “No” to each of the reporting statements that apply. A new entrant filer completes the statements for

Parts I through IV. An annual filer completes all five statements. If the filer answers “No” to all of the statements, the filer need not include the remaining blank pages of the report.

(15) Signature of Employee: The filer must sign and date the report certifying that the statements made are true, complete, and correct to the best of the filer’s knowledge.

FOR REVIEWERS' USE ONLY:

On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations, except as noted in the “comments” box below.	
Signature and Title of Supervisor/Other Intermediate Reviewer (if required by the agency)	Date (mm/dd/yy)
	
E-mail Address	Phone Number
	
Signature and Title of Agency’s Final Reviewing Official	Date (mm/dd/yy)
	
Comments of Reviewing Officials	
	
(Check box if continued on additional page <input type="checkbox"/>)	

(16) Signature and Title of Supervisor/Other Intermediate Reviewer: These blocks are provided for agencies that require an intermediate review of the report prior to examination by the agency’s final reviewing official.

(17) Signature and Title of Agency’s Final Reviewing Official: The agency’s final reviewing official must sign and date the report to certify that it meets the requirements set forth in paragraph (b)(2) of 5 C.F.R. § 2634.605. See Section 3 of this guide for additional information.

(18) Comments of Reviewing Officials: Reviewers should use this block to record any exceptions to the certification statement that they made by signing in block 16 or 17. They may also use this block to record supplementary information obtained from the filer. Additionally, reviewers should note in this block any extensions of the due date granted by the agency.

Part I: Assets and Income

What to Report

5 C.F.R. §§ 2634.907(b), (c), (h)(1), and (h)(2) and 2634.908

A new entrant filer must report the following:

- any asset of the filer, the filer’s spouse, or the filer’s dependent children that had a value greater than \$1,000 as of the date of filing;

- any source from which the filer received more than \$1,000 in earned income, honoraria, and other non-investment income during the preceding 12 months; and
- any source from which the filer’s spouse received more than \$1,000 in earned income and honoraria during the preceding 12 months.

An annual filer must report the following:

- any asset of the filer, the filer’s spouse, or the filer’s dependent children that had a value greater than \$1,000 at the end of the preceding calendar year;
- any asset from which the filer, the filer’s spouse, or the filer’s dependent children received more than \$1,000 in income during the preceding calendar year;
- any source from which the filer received more than \$1,000 in earned income, honoraria, or other non-investment income during the preceding calendar year; and
- any source from which the filer’s spouse received more than \$1,000 in earned income and honoraria during the preceding calendar year.

Note: Sources of earned income for dependent children need not be reported because it has been determined that the utility of such information in assessing potential conflicts does not outweigh the reporting burden. Nonetheless, filers should be aware that such sources may pose potential conflict or appearance concerns if the filer can participate in United States Government actions affecting or involving those sources.

How to Report

In general, a filer must provide a description that is sufficient for the reviewer to identify the asset or source of income for purposes of the conflict of interest analysis. The amount of detail required will vary by the type of asset or income.

- Stock and other equity in a business: Filers must provide the full name of any reportable businesses and securities. For a privately held business, filers should describe the line of business as well, unless the filer has already provided this information in another entry or the reviewer can readily identify the business (e.g., the business has a web site that provides this information). Ticker symbols for publicly traded companies are helpful but not required.
- Other assets with specific names (e.g., bonds and mutual funds): Filers must provide the full name of the asset (e.g., “Fidelity Select Pharmaceuticals” not just “Fidelity”) and, unless clear from the name, describe the type of asset.

- Assets without specific names: Filers must describe the type of asset, including the city and state (or county and state) for real estate.
- Sources of earned or other non-investment income: Filers must provide the name of any reportable source of earned or other non-investment income and indicate the type of income. For income related to employment, filers may ordinarily just note that the source is an employer; however, the reviewer may need to gather additional information as to the specific types of income if relevant for the conflict of interest analysis. For a privately held business, filers should describe the line of business as well, unless the filer has already provided this information in another entry or the reviewer can readily identify the business (e.g., the business has a web site that provides this information).

Filers should mark the “No Longer Held” box for (1) assets that were no longer held at the end of the reporting period and (2) sources of earned income that were no longer providing income at the end of the reporting period.

Optional Designation of Ownership

A filer may choose to distinguish among entries belonging to different family members. For example, the filer may note next to entries (S) for “spouse,” (DC) for “dependent child,” or (J) for “jointly held.” These designations are not required but are often helpful.

Reporting Standards for PAS Nominees

Filers who are completing reports as nominees to positions requiring Presidential appointment and Senate confirmation (PAS) face a heightened level of scrutiny. As part of the review process, such filers may be asked to provide more detailed descriptions of assets and sources of income than would other filers.

Exceptions from the Reporting Requirements

5 C.F.R. § 2634.907(c)(3)

Filers do not report the following:

- salaries or retirement benefits from United States Government employment (including Thrift Savings Plan accounts);
- income from Social Security, veterans’ benefits, and other similar United States Government benefits;
- certificates of deposit (CDs), savings accounts, and checking accounts with banks, credit unions, and similar depository institutions;
- money market mutual funds and money market accounts;

- diversified mutual funds or unit investment trusts, including exchange-traded funds that qualify for the exemption at 5 C.F.R. § 2640.201(a);
- diversified funds in an employee benefit plan that qualify for the exemption at 5 C.F.R. § 2640.201(c)(1)(ii) or 5 C.F.R. § 2640.201(c)(1)(iii);
- term life insurance;
- a personal residence, unless rented out during the reporting period;
- United States Government obligations, including U.S. Treasury bonds, bills, notes, and savings bonds;
- Government securities issued by United States Government agencies; and
- a personal liability owed to the filer, spouse, or dependent child by a spouse, parent, sibling, or child.

In addition, a filer need not report the assets of a former spouse or a spouse from whom the filer is permanently separated; the assets of a spouse living separate and apart from the filer with the intention of terminating the marriage or providing for permanent separation; the assets of a spouse or dependent child that meet the tests of separateness; and income arising from the dissolution of the filer’s marriage or permanent separation, such as child support or alimony. See the discussion under “Spouses and Dependent Children” for more information.

Definition of “personal residence”: A “personal residence” is defined at 5 C.F.R. § 2634.105(l) to mean any property used exclusively as a private dwelling by the filer or the filer’s spouse, which is not rented out during any portion of the reporting period. Filers may have more than one property that qualifies as a personal residence (e.g., a vacation home).

Definitions of Asset and the Types of Income

Asset

“Asset” refers to an interest in property held in a trade or business or held for investment or the production of income. Examples of reportable property interests (or “assets”) include, but are not limited to, stocks, bonds, investment funds, and other securities; real estate; retirement interests (e.g., defined benefit or defined contribution plan); fixed or variable annuities; whole, universal, and variable life insurance; beneficial interests in trusts and estates; collectible items for resale or investment; commercial crops; accounts or other funds receivable; and capital accounts or other asset ownership in a business.

Investment Income

“Investment income” refers to interest, rents, royalties, dividends, realized capital gains, and other income derived from an asset. Examples of investment income include, but are not limited to, income derived from: stocks, bonds, investment funds, and other securities; real estate; retirement investment accounts; annuities; the investment portion of life insurance contracts; interests in trusts and estates; collectible items; commercial crops; accounts or other funds receivable; and businesses.

Earned Income

“Earned income” includes fees, salaries, commissions, honoraria, and any other compensation received for personal services but excludes salary from United States Government employment and other federal benefits, including retirement and veterans’ benefits. If personal services provided by the filer or the filer’s spouse or dependent children are a material factor in the production of income from an asset or business, the income is considered “earned income” for purposes of financial disclosure rather than “investment income.” A dependent child’s earned income is not reportable.

Other Non-Investment Income

A remainder category exists for income that is neither investment income nor earned income. Examples include prizes, scholarships, awards, and gambling winnings. Filers report only their own sources of other non-investment income. Other non-investment income received by a spouse or dependent child is not reportable.

Valuing Assets

5 C.F.R. § 2634.301(e)

Valuation Methods

Filers typically should value a publicly traded security based on its exchange value. In other cases, filers should use some recognized indication of value for the type of asset, such as:

- a recent purchase price;
- a recent appraisal;
- the market value of the property as assessed for tax purposes;
- the book value of non-publicly traded stock;

- the face value of bonds or comparable securities;
- the net worth of a business partnership; or
- the equity value of an individually owned business.

A good faith estimate of the fair market value may be made in any case in which the exact value cannot be obtained without undue hardship or expense.

Aggregation

When determining whether an asset meets the reporting threshold, a filer must aggregate the value of the filer's own holdings with that of the filer's spouse and dependent children. Even if the filer chooses to report his or her interest in the asset on a separate line from the interest of a spouse or dependent child, this choice does not affect the reporting threshold.

Receipt of Income

General Rule

A filer has received income when the filer has the right to exercise control over the income, regardless of whether the filer has taken actual possession.

Generally, this means income would be "received" for purposes of financial disclosure when received for purposes of federal income tax. Note, however, that income would be reportable on a financial disclosure report even if exempt from federal income tax (e.g., interest on municipal bonds). In other words, a filer's financial disclosure report generally will correspond to the filer's taxable income in terms of when it is counted but not necessarily what is counted.

Example 1: A filer has received dividends on a stock held even if the dividends are reinvested.

Example 2: A filer has received a payment for services that has been delivered in the form of a check even though the filer has not cashed the check. Similarly, a filer who defers collecting a check would still have received the payment for purposes of financial disclosure. Filers cannot avoid reporting income by deferring possession of income made available to them.

Aggregation – Filers, Spouses, and Dependent Children

When determining whether income from an asset meets the reporting threshold, a filer must aggregate income received by the filer, the filer's spouse, and the filer's dependent children.

Aggregation – Different Types of Income and Losses from a Particular Source

When determining whether income from an asset meets the reporting threshold, filers must generally use gross income, and filers must aggregate all types of income received. Capital losses may be subtracted from any gains and other investment income when calculating the gross amount of investment income received.

Example 1: A filer received \$750 in dividends and \$750 in capital gains from an asset. The total income of \$1,500 meets the income reporting threshold. If the asset instead produced \$750 in dividends but was sold at a loss of \$500, the total income of \$250 falls below the income reporting threshold.

Example 2: A filer owns a rental property from which the filer received \$9,000 in rent during the reporting period. The filer may not subtract the expenses of maintaining the property when determining whether the amount of income received exceeded \$1,000.

Income from Partnership, LLCs, and S-Corporations

Filers may use net distributive share, rather than gross income, when determining the total amount of income received from any partnerships, limited liability companies, or S-corporations in which the filer has an interest. However, the filer's net distributive share has been received for purposes of financial disclosure, regardless of whether the filer has taken a distribution.

Example: A filer operates a business that is structured as a limited liability company. The filer must report income from the business even if all of its profit during the reporting period was reinvested into the business.

Special Treatment of Tax-Deferred Plans and Accounts

OGE does not treat tax-deferred income accruing within a retirement plan or account as having been received because of the limitations on withdrawal and other regulatory requirements governing such plans and accounts. The filer, however, would report distributions as having been received. When determining whether a distribution meets the reporting threshold, the filer may subtract any portion that constitutes an investment into the plan or account of previously received income. In most cases, though, filers will find it easiest to use the total amount of a distribution during the reporting period.

Example: A filer would not report dividends on a stock as having been received if the stock is held within an individual retirement account. The filer, however, would report distributions from the retirement account as having been received.

Treatment of Underlying Assets

General Rule

5 C.F.R. § 2634.907(c), Note to paragraphs (c)(1) and (c)(2)

Filers frequently report interests in brokerage accounts, managed accounts, retirement plan accounts, mutual funds, trusts, and other entities through which the filer has an interest in other assets. These other assets are the “underlying assets” or “underlying holdings” of the account, fund, trust, or other entity. For example, a filer may have a brokerage account. Through this account, the filer might hold interests in various stocks. These stocks are the underlying assets of the brokerage account. Similarly, a filer may invest in a mutual fund, which, in turn, invests in stocks and bonds. These stocks and bonds are the underlying assets of the mutual fund.

As a general rule, filers must report each underlying asset for which the filer’s interest (aggregated with that of the filer’s spouse and dependent children) individually meets the reporting requirements.

Example: A filer has a brokerage account with three underlying assets: (1) shares of ABC Corporation stock valued at \$2,000; (2) a bond issued by XYZ, Inc., valued at \$500; and (3) U.S. Treasury bonds valued at \$5,000. None of the assets produced more than \$1,000 in income. The filer must report the ABC Corporation stock because the value of the stock exceeds the \$1,000 reporting threshold for value. The filer does not have to report the bond issued by XYZ, Inc., because the bond meets neither the \$1,000 reporting threshold for value nor the \$1,000 reporting threshold for income. The U.S. Treasury bonds exceed the value threshold; however, U.S. Treasury securities are excepted from reporting per 5 C.F.R. § 2634.907(c)(3).

General Rule Applied to Proportionate Interests

For purposes of valuing an underlying asset in a trust, fund, or other pooled investment vehicle, filers may use the value of the proportionate interest that the filer, the filer’s spouse, and the filer’s dependent children have in the underlying asset. For purposes of measuring income from an underlying asset, filers may use the amount of income received from that underlying asset attributable to the filer, the filer’s spouse, and the filer’s dependent children. A filer would need to use the total value and income of the underlying assets if the filer is unable to determine whether the proportionate interest in value and income meets a reporting threshold.

Example: A filer, who is completing an annual report, has a 25% interest in a family investment fund. The fund had an overall value of \$77,000 at the end of the calendar year and held the following underlying assets: (1) shares of ABC Corporation stock that had a value of \$75,000 and produced \$3,000 in dividends and (2) bonds issued by XYZ, Inc., that had a value of \$2,000 and produced

\$5,000 in interest and capital gains. The filer must report the family investment fund because the filer's interest in the overall fund exceeded the reporting thresholds. With respect to the underlying assets of the fund, the filer would report the ABC Corporation stock because the filer's proportionate interest in the ABC Corporation stock had a value that exceeded \$1,000 ($\$75,000 \times 25\% > \$1,000$). In addition, the filer would report the XYZ, Inc., bonds because the filer's proportionate interest in the income from the XYZ, Inc., bonds exceeded \$1,000 ($\$5,000 \times 25\% > \$1,000$).

Reduced Disclosure Requirements for Certain Trusts and Funds

5 C.F.R. § 2634.907(i)

A filer need not follow the process outlined above for (1) investment funds that meet the criteria for "excepted investment funds"; (2) trusts that meet the criteria for "excepted trusts"; or (3) trusts certified by OGE as part of the qualified trust program. Excepted trusts and qualified trusts are relatively rare (see the regulation for additional information), but excepted investment funds are fairly common.

An excepted investment fund (EIF) is an investment **fund** that is:

1. independently managed; **and**
 2. widely held; **and**
 3. either publicly traded or available **or** widely diversified.
- "**independently managed**": An investment fund is independently managed if the filer lacks the ability to exercise control over the financial interests held by the fund.
 - "**widely held**": An investment fund is widely held if the fund has at least 100 natural persons as direct or indirect investors. For example, if a pension plan invests in the ABC Fund, one would count each plan participant toward the 100-person threshold when determining whether the ABC Fund is widely held.
 - "**publicly traded or available**": An investment fund is publicly traded if it is listed on a national exchange (NYSE or NASDAQ) or a regional exchange in the United States. An investment fund is publicly available if it is, or was, open to anyone who wants to become an investor. A fund is not disqualified solely because it has net worth or income requirements or if an investor must be an "accredited investor."
 - "**widely diversified**": An investment fund is widely diversified if it does not have a stated policy of concentrating its investments in any industry, business,

or single country other than the United States or bonds of a single state within the United States.

Caution: Qualifying as an excepted investment fund reduces a filer's disclosure obligations; however, the underlying assets of an excepted investment fund are still relevant for purposes of the conflict of interest analysis. For example, a sector mutual fund would ordinarily qualify as an excepted investment fund, so a filer would not need to report the underlying assets of the fund in Part I. The filer, however, is still prohibited by 18 U.S.C. § 208 from participating in particular matters affecting those underlying assets absent an exemption or waiver. Therefore, if the fund's sector of concentration is related to the filer's official duties, the reviewer will need to gather additional information to determine whether an exemption applies or whether another remedy such as recusal or divestiture is required.

Lack of Access to Fund Information

In general, an agency may certify a report if the agency is satisfied that the filer has made a good faith effort to obtain the required information and that the potential for conflicts has been addressed. As evidence of the good faith effort, agencies may require the filer to provide a letter from the fund stating that the fund will not disclose the underlying assets.

Confidentiality Agreement

In general, an agency may certify a report if the agency is satisfied that the filer is unable to disclose the information due to a preexisting confidentiality agreement and that the potential for conflicts has been addressed.

Part II: Liabilities

What to Report

5 C.F.R. §§ 2634.907(d) and (h)(3)

A new entrant filer must report liabilities owed to any one creditor by the filer, the filer's spouse, or the filer's dependent children that (in aggregate) exceeded \$10,000 as of the date of filing.

An annual filer must report liabilities owed to any one creditor by the filer, the filer's spouse, or the filer's dependent children that (in aggregate) exceeded \$10,000 at any point during the preceding calendar year.

How to Report

Filers must provide the following information:

- the creditor's name;
- the creditor's location (city and state), unless the creditor is otherwise readily identifiable; and
- the type of liability, such as personal loan or margin account.

A filer may choose to distinguish among entries belonging to different family members. For example, the filer may note (S) for "spouse," (DC) for "dependent child," or (J) for "jointly held." These designations are not required.

Exceptions from the Reporting Requirements

5 C.F.R. § 2634.907(d)

Filers do not report the following:

- loans from a financial institution or other business entity on terms that are generally available to the public;
- mortgages secured by a personal residence of the filer or the filer's spouse;
- loans secured by a personal motor vehicle, household furniture, or appliances, unless the loan exceeded the purchase price of the item it secures;
- revolving charge accounts;
- student loans; and
- personal liabilities owed to a spouse or to the parent, sibling, or child of the filer, spouse, or dependent child.

In addition, a filer need not report liabilities of a former spouse or a spouse from whom the filer is permanently separated; liabilities of a spouse living separate and apart from the filer with the intention of terminating the marriage or providing for permanent separation; liabilities of a spouse or dependent child that meet the tests of separateness; and obligations arising from the dissolution of the filer's marriage or permanent separation, such as child support or alimony. See the discussion under "Spouses and Dependent Children" for more information.

Guarantors and Co-Signers

Filers do not have a reportable liability for loans on which they are only guarantors. However, if by co-signing a loan the filer has created a current legal obligation to repay regardless of whether the person with whom the filer co-signed defaults, then the filer has a reportable liability. In describing a liability as a co-signer, the filer should identify the party for whom the filer co-signed.

Bills and Tax Deficiencies

Payments owed for goods and services are reportable if payment is overdue and the overdue payment exceeded \$10,000 during the reporting period. Also reportable are overdue tax liabilities and tax liens. Note that a bill paid on installments would be treated as an ordinary loan/liability, regardless of whether any particular installment payment was overdue.

Part III: Outside Positions

What to Report

5 C.F.R. § 2634.907(e)(1)

A new entrant filer must report positions held with organizations other than the United States Government at any time during the preceding 12 months.

An annual filer must report positions held with organizations other than the United States Government at any time during the preceding calendar year.

Reportable positions include those of an officer, director, general partner, limited partner with an active role, proprietor, representative, executor, trustee, employee, or consultant of any for-profit or non-profit organization. This would include a member with an active role in a limited liability company and any managing member.

How to Report

Filers must provide the following information:

- the name of the organization;
- the location of the organization (city and state), unless the organization is otherwise readily identifiable;
- a general description of the organization's purpose or function; and
- the title of the filer's position or a description of the type of position held.

The filer should also mark the “No Longer Held” box if the filer no longer held the position at the end of the reporting period.

Exceptions from the Reporting Requirements

5 C.F.R. § 2634.907(e)(2)

Filers do not report the following:

- positions held by the filer’s spouse or dependent children;
- positions held with the United States Government or as part of the filer’s official duties as a representative of the United States Government;
- positions held with a religious, social, fraternal, or political entity;
- positions solely of an honorary nature;
- mere membership in an organization; and
- passive investment interests as a limited partner or non-managing member of a limited liability company (i.e., the filer is just an investor and provides no services).

In addition, filers do not need to report service as a member of an advisory board or committee if the following criteria are met: (1) the filer’s service is unpaid; (2) the board or committee is that of a non-profit or governmental organization; (3) the filer does not have fiduciary duties of the sort exercised by officers, directors, or trustees; and (4) the filer’s role does not involve sufficient supervision by the organization to create a common-law employee-employer relationship.

Part IV: Agreements or Arrangements

What to Report

5 C.F.R. § 2634.907(f)

New entrant filers must report their participation in an agreement or arrangement for any of the following:

- future employment;
- leaves of absence;
- continuing payments from a current or former employer, such as severance; and

- continuing participation in an employee welfare or benefit plan maintained by a current or former employer.

Annual filers must report any agreement or arrangement described above in which they participated during the preceding calendar year.

How to Report

Filers must provide the following information:

- the name of the other party or parties;
- the party's location (city and state), unless the party is otherwise readily identifiable; and
- the terms of the agreement or arrangement.

The description of the terms must include, at minimum, the general type of agreement or arrangement in which the filer participates (e.g., defined benefit plan or anticipated severance) and its status. For more complicated agreements or arrangements, the reviewer may require additional information for the conflict of interest analysis, such as the nature and timing of any pending payments. Descriptions of future employment arrangements must also include the month and year in which the arrangement was made.

Exceptions from the Reporting Requirements

5 C.F.R. § 2634.907(f)

Filers do not report the following:

- agreements and arrangements for spouses or dependent children;
- agreements and arrangements with the United States Government, including participation in the Federal Employees Retirement System or the Civil Service Retirement System; and
- continuing participation in a defined contribution plan (e.g., 401(k) plan) to which a former employer is no longer making contributions.

Part V: Gifts and Travel Reimbursements (*Annual Filers Only*)

What to Report

5 C.F.R. §§ 2634.907(g) and (h)(4)

Annual filers must report gifts and travel reimbursements received by the filer, filer's spouse, and dependent children from a single source aggregating more than \$390 during the preceding calendar year.

Filers count only items worth more than \$156 when determining whether gifts or travel reimbursements from a single source totaled more than \$390.

How to Report

The filer must provide the name of the donor. In addition, for gifts, the filer must provide a description of the gift, and, for travel-related gifts or travel reimbursements, the filer must provide an itinerary, the purpose, date(s), and the kinds of expenses. Filers need not report the basis for the gift or travel reimbursement (e.g., "birthday gift from friend" or "approved as widely attended gathering") in the OGE Form 450; nonetheless, the reviewer may need to ask about the basis in order to determine whether the filer could accept the gift or reimbursement.

Exceptions from the Reporting Requirements

5 C.F.R. §§ 2634.907(g)(5) and h(4)

Filers do not report the following:

- anything given to a spouse or dependent child totally independent of their relationship to the filer (e.g., spouse's business-related travel reimbursements);
- anything for which the filer (or the filer's spouse or dependent child) paid fair market value;
- anything accepted by the United States Government under a statute or contract (e.g., travel payments accepted under 31 U.S.C. § 1353);
- anything received when the filer was not a United States Government employee;
- anything received from a "relative," which is defined at 5 C.F.R. § 2634.105(o);
- bequests and other forms of inheritance;

- suitable mementos of a function honoring the filer (e.g., retirement party);
- gifts in the nature of communications to the filer’s office, such as subscriptions to newspapers and periodicals;
- non-business gifts of personal hospitality (food, lodging, and entertainment, but not transportation) at the donor’s personal residence or family property;
- food, lodging, transportation, entertainment, or reimbursements provided by a foreign government within a foreign country or by the United States Government, the District of Columbia, or a state or local government;
- food and beverages that are not consumed in connection with a gift of overnight lodging;
- travel reimbursements that must be reported under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342); and
- travel reimbursements received for political trips that must be reported under § 304 of the Federal Election Campaign Act of 1971.

Changes to the Reporting Thresholds

The reporting thresholds for gifts and travel reimbursements are tied to the definition of “minimal value” for purposes of gifts under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342(a)(5)). The General Services Administration redefines “minimal value” under the Foreign Gifts and Decorations Act every three years. After the General Services Administration makes this change, OGE amends 5 C.F.R. part 2634 to update the reporting thresholds for gifts and travel reimbursements.

Aggregation Example

A filer received the following gifts from the same source during the reporting period: a painting (\$290), a pen set (\$185), and a letter opener (\$25).

Step 1: Eliminate those gifts with a value of \$156 or less.

- Painting (\$290)
- Pen set (\$185)
- ~~Letter opener (\$25)~~

Step 2: Add the values of the remaining gifts.

- Painting (\$290)
- Pen set (\$185)

$$\$290 + \$185 = \$475$$

Step 3: Compare the total value from Step 2 to the \$390 threshold. If the value is more than \$390, report the gifts worth more than \$156. The filer reports the painting and the pen set but not the letter opener.

Note: For reports filed prior to January 1, 2019, gifts and travel reimbursements were counted toward separate thresholds. Gifts and travel reimbursements now count toward a single \$390 threshold.

Valuing a Gift or Travel Reimbursement

5 C.F.R. § 2634.907(g)(3)

General Approach

Filers must value gifts and travel reimbursements according to their fair market value. For most travel reimbursements, the fair market value will be the amount actually received. The fair market value of a gift ordinarily will be the retail cost for the filer to purchase the item. If the filer cannot find the market value of the same item, the filer may estimate its value by referencing the retail cost of similar items of like quality. The filer may make a good faith estimate if items of like quality are not readily available in the market.

Valuing a Ticket to an Event

The market value of a ticket entitling the holder to attend an event that includes food, refreshments, entertainment, or other benefits is the face value of the ticket, which may exceed the actual cost of the food and other benefits. Pursuant to the regulatory revisions effective January 1, 2019, filers may not subtract the cost of food and beverages from the face value of a ticket when determining the value.

Valuing Free Attendance at an Event in a Skybox or Private Suite

To value free attendance at an event in a skybox or private suite, filers would take the value of the most expensive publicly available ticket to the event and add in the market value of food, beverages, entertainment, and other tangible benefits provided to the filer in excess of what would have been provided through the publicly available ticket.

Valuing Attendance at a No-Fee Event

If no fee was charged to any attendee, a filer would value a gift of free attendance by using the market value of food, beverages, entertainment, and other tangible benefits offered to attendees. The market value of these items is based on the cost the filer would have incurred to obtain similar items at a comparable location or event.

Multiple Donors

A gift from a group of individuals is considered a gift from a single source for purposes of the \$390 and \$156 thresholds. Filers, therefore, cannot apportion the value of the gift among several donors.

Section 3: Review Procedures

This section provides an overview of the review process. The information presented here will help you use the more detailed guidance offered in Section 4.

Basic Steps

Reviewers advance the objectives of the confidential financial disclosure system by taking the following steps:

- **Technical Review:** Make sure the report is completed correctly.
 - Ensure that each applicable Part has been completed or that the filer selected “No” for the corresponding reporting statement on the cover page.
 - Determine whether the entries provide sufficient information to complete the conflict of interest analysis.
 - Resolve any instances of inadequate disclosure or over-reporting, as needed.
- **Conflict of Interest Analysis:** On the basis of the information reported and any needed follow-up inquiries, assess whether the filer could engage in (or may have engaged in) behavior that violates or appears to violate applicable laws and regulations.
- **Remedies:** Resolve any potential or actual substantive issues.
 - Provide guidance on the application of the ethics statutes and regulations to the filer’s disclosed interests and official duties, as appropriate.
 - Identify specific actions that the filer must or should take to resolve any conflicts concerns, and document such actions, as appropriate.
 - Refer apparent violations for further action, as necessary (e.g., Office of Inspector General or the Department of Justice).

Certification Requirements

What Certification Means

5 C.F.R. § 2634.605(b)

The review process ends with certification of the report by a reviewing official. In order to certify a report, a reviewer must determine, to the reviewer’s satisfaction, that:

1. each required Part of the report is complete; and

2. no interest or position disclosed in the form violates or appears to violate:
 - a. any applicable provision of chapter 11 of title 18, United States Code;
 - b. Executive Order 12674, as modified by Executive Order 12731, and the implementing regulations (i.e., Standards of Conduct);
 - c. any other applicable Executive Order in force at the time of the review (e.g., Ethics Pledge); or
 - d. any other agency-specific statute or regulation which governs the filer.

When determining whether a required item is complete to his or her satisfaction, a reviewer should consider that, with respect to confidential financial disclosure reports, disclosure is important, not as an end in itself, but rather as a means to gather information relevant for a conflict of interest analysis. A reviewer, therefore, may certify a report as being sufficiently complete, despite technical deficiencies, if those deficiencies do not materially impair the completion of the conflict of interest analysis.

Exception: A stricter level of technical scrutiny is required for a nominee to a position requiring Presidential appointment and Senate confirmation (PAS). Despite being confidential, these reports do have an audience outside the agency, namely the applicable Senate committees, and technical consistency ensures that these reports are readily understandable without recourse to supplemental reviewer notes.

Who Certifies

5 C.F.R. § 2634.605(a)

The financial disclosure rules require certification by the:

- designated agency ethics official (DAEO);
- alternate designated agency ethics official (ADAEO); or
- a delegate of the DAEO, such as a deputy ethics official, deputy ethics counselor, deputy standards of conduct counselor, or the equivalent.

Only the DAEO (or ADAEO in the DAEO's absence) may certify a report filed by a nominee to a position requiring Presidential appointment and Senate confirmation (PAS). The Director of the U.S. Office of Government Ethics, or the Director's delegate, conducts an additional review of reports filed by PAS nominees.

Where to Certify

A reviewer certifies the report by signing and dating the cover page of the OGE Form 450 in the field labeled “Signature and Title of Agency’s Final Reviewing Official.”

Intermediate Reviews

5 C.F.R. § 2634.605(b)(1)

There is no general requirement that a filer’s supervisor or any intermediate official examine or review the report. However, large or geographically diverse agencies may find such a stepped process necessary. For example, a supervisor may be asked to examine a report for a limited purpose of comparison to duty assignments, if desired, instead of a full review. Only ethics officials who certify the report must necessarily “review” the report in terms of the procedures outlined in this section of the guide. Signatures of intermediate reviewing officials should be made on the cover page of the OGE Form 450 in the field labeled “Signature and Title of Supervisor/Other Intermediate Reviewer.”

Review Timeframes

5 C.F.R. § 2634.605

Initial Review

An agency should review reports promptly and must perform a technical review and conflict of interest analysis within 60 days of receipt.

If No Additional Information or Remedy is Required

If no additional information or remedy is required, agencies must also certify the report before the 60-day period expires.

If Additional Information or Remedy is Required

If additional information or a remedy is required, agencies must contact the filer for the information or begin the process of implementing a remedy before the 60-day period expires. Requests for additional information must require a response within 30 days of the request, unless the agency grants a written extension.

Agencies must then make reasonable efforts to complete the review process as soon as practicable following the expiration of the 60-day period. Such efforts would include actively following up with filers and escalating instances of non-responsiveness as appropriate. In cases for which remedial action is required, such remedial action must be completed no later than 3 months from the date on which the filer receives notice that the action is required. Agencies may extend

this timeframe in unusual circumstances but such circumstances must be fully documented to the satisfaction of the final certifying official.

Filers who do not respond to requests for information in a timely manner may be subject to the provisions of 5 C.F.R. § 2634.701.

PAS Nominee Reports

Special expedited procedures apply to reports filed by nominees to positions requiring Presidential appointment and Senate confirmation (PAS). See 5 C.F.R. § 2634.605(c) for additional information regarding these procedures.

Tools of Review

A variety of resources exist that can help the review of confidential financial disclosure reports. Some of these resources include:

- the filer's previous report, if applicable;

Note: Reviewers need not perform a line-by-line comparison between the two reports; however, the prior report is a useful tool for familiarizing oneself with the filer, spotting significant inconsistencies, and gathering additional information about entries in the current report. Reviewer annotations to the prior report can prove especially helpful.

- the instructions accompanying the OGE Form 450;
- the filer's position description or other materials describing the filer's duties;
- federal ethics laws and regulations;
- the agency's prohibited holdings list (if applicable);
- a list of the agency's grantees, contractors, licensees, etc.;
- OGE legal and program management advisories; and
- financial reference materials and/or access to the internet to conduct research.

When to Obtain Additional Information

Standard of Scrutiny

There is no requirement to audit a report to determine whether disclosures are accurate, and reviewers may generally take disclosures at “face value” as correct. Moreover, as discussed under the “Certification Requirements” section, reviewers may choose not to pursue technical deficiencies that are not relevant for the conflict of interest analysis.

Nevertheless, reviewers should seek additional information in the following situations:

- An entry does not provide enough information to identify the particular interest, source, or organization. For example, the filer reports “Fidelity mutual fund” or “stock.”
- An entry (or the absence of an entry) is inconsistent with another entry in the report and the inconsistency may obscure information relevant for the conflict of interest analysis. For example, the filer reports a position with a law firm in Part III but does not report any related income or assets in Part I. Without more information, it is not clear whether the position is or was compensated.
- The report omits an entry for which the reviewer has independent knowledge that is relevant for the conflict of interest analysis. For example, the filer does not report non-federal income, but the reviewer knows that the filer recently worked in the private sector. By contrast, if the filer failed to include a non-conflicting defined benefit plan from a prior report, the reviewer may determine that there is no need to follow up as to whether the filer still participates in the plan.
- The reviewer otherwise needs more information for the conflict of interest analysis.

The decision whether to request additional information often involves the exercise of judgment. The reviewer should use more or less scrutiny, depending on the familiarity of the filer with the process, the technical accuracy of any previous report(s), and the potential for conflicts of interest.

Additional Considerations

New Entrant and Nominee Filers

With new entrant reports, reviewers should approach the report as if it were the story of that person’s finances. Look for obvious gaps in that story, such as long-term employment with no retirement plan reported or a new entrant with

significant stock holdings and no employment. If gaps appear, reviewers should help filers to understand the disclosure requirements better. In all cases, however, reviewers need to ensure that the filer has reported entries for each applicable Part (Parts I through IV) or affirmatively stated that there are no interests to report for that Part.

The highest level of scrutiny applies when reviewing a report filed by a nominee to a position requiring Presidential appointment and Senate confirmation (PAS). Therefore, reviewers should err on the side of seeking clarification or additional information from a PAS nominee if there is any doubt about the adequacy of a report. See OGE DAEOgram DO-08-002 (January 25, 2008).

Annual Filers

Reviewers are not required to perform a line-by-line comparison between a filer's current annual report and the filer's most recent prior report, and reviewers need not reconcile all of the differences that may exist. Reviewers, however, should familiarize themselves with the prior report and follow up on any apparent inconsistencies that raise reasonable concerns as to whether the filer understands the reporting requirements. Reviewers should also follow up on inconsistencies relevant to the reviewer's conflict of interest analysis. In all cases, reviewers need to ensure that the filer has reported entries for each applicable Part (Parts I through V) or affirmatively stated that there are no interests to report for that Part.

Over-Reporting

If the filer discloses interests that are not reportable or provides more detail than is required, reviewers should notify the filer. In many cases, no change to the report is necessary but the filer should understand that such information can be excluded from future reports.

Reviewer Notes and Annotations

5 C.F.R. § 2634.605(b)(4)

Annotations and Amendments

Reviewers should initial and date any corrections or additions to the OGE Form 450 that they make based on information obtained from the filer or other sources. Reviewers may record such information next to the entry itself or in the box for "Comments of Reviewing Officials."

Agencies may amend reports after certification in the same manner as they annotate reports prior to certification. However, it should be clear that the report, as amended, meets the criteria for certification.

Notes

Depending on the report and the procedures at the reviewer's agency, reviewers may also need to produce a more detailed set of notes that record additional background information, discuss technical reporting issues and the conflict of interest analysis, and document significant interactions with the filer. Such notes can be especially helpful when reviewing the filer's subsequent reports.

Section 4: Reviewing Specific Types of Entries

Section 3 described the general process for reviewing the OGE Form 450. This section provides more detailed guidance for reviewing specific types of entries. In using this section, please keep the following considerations in mind:

- Unless otherwise noted, the guidance provided for assets applies to the aggregate value of interests belonging to and the aggregate amount of income received by the filer, the filer's spouse, and the filer's dependent children. Given their rarity, employment-related assets for dependent children (e.g., a defined benefit plan interest or an incentive stock option held by a dependent child) generally are not addressed.
- The reporting requirements set forth what OGE deems a technically complete entry for a particular interest or affiliation. Nonetheless, as noted in Section 3, a reviewer may certify a report (other than a PAS nominee report), despite deviations from the reporting requirements included here, if the reviewer has sufficient information to complete the conflict of interest analysis. In addition, a reviewer may request information that goes beyond the reporting requirements if that information is needed for the conflict of interest analysis.
- Seek additional guidance as needed if the nature of the filer's interest differs from how that interest has been described in this guide.

401(k) Plan

Description

A 401(k) plan is a type of defined contribution plan. See the *Defined Contribution Plan* entry for more information.

403(b) Plan

Description

A 403(b) plan is a type of defined contribution plan for certain public educational institutions and tax-exempt organizations. See the *Defined Contribution Plan* entry for more information.

457 Plan

Description

A 457 plan is a type of defined contribution plan for state and local governments and certain non-governmental, tax-exempt organizations. See the *Defined Contribution Plan* entry for more information.

American Depositary Receipt (ADR)

Description

An American depositary receipt (ADR) is a certificate representing shares of a foreign security. It is a form of indirect ownership of foreign securities that are not traded directly on a national exchange in the United States. Financial institutions purchase the underlying securities on foreign exchanges through their foreign branches, and these foreign branches remain the custodians of the securities. Through these foreign branches, the financial institutions hold legal title to the underlying stock.

Many ADRs are registered with the U.S. Securities and Exchange Commission and traded on national exchanges; however, some ADRs are not registered and traded on national exchanges. Investors purchase these non-registered ADRs directly from their issuers or through other private trades (i.e., “over the counter”).

An “American depositary share” corresponds to a single share of the underlying security. An ADR may confer ownership rights to a specified number of American depositary shares, representing the investor’s indirect interest in the underlying foreign security that the issuing institution holds in its foreign branch.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report an ADR if the value of the ADR was more than \$1,000 at the end of the reporting period. Annual filers must also report an ADR from which they received more than \$1,000 in income during the reporting period.

Filers must provide the full name of the ADR. Filers should provide a description of the issuer’s trade or business and indicate that the security is an ADR if the security is not publicly traded in the United States, unless this information is otherwise readily available to the reviewer. Ticker symbols for publicly traded ADRs are helpful but not required.

1	Xylophone Technologies Corporation (XYZ)
2	Halley Research (pharmaceuticals), ADR

Annuity (fixed)

Description

A fixed annuity is a contract with an insurance company offering a guaranteed, specified rate of return.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a fixed annuity if the value of the annuity was more than \$1,000 at the end of the reporting period. Annual filers must also report an annuity from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reported when the annuity begins making payments.

Filers must provide the name of the insurance company and identify the asset as a fixed annuity.

1	Mutual of Aurora, fixed annuity
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Annuity (variable)

Description

A variable annuity is a contract with an insurance company in which the rate of return is based on the performance of investment options chosen by the investor. The investment options are typically mutual funds. Some variable annuities, however, also provide a fixed account option that pays a set rate of interest.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a variable annuity contract if the value of the annuity was more than \$1,000 at the end of the reporting period. Annual filers must also report an annuity from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reported when the annuity begins making payments.

Filers must provide the name of the insurance company and identify the asset as a variable annuity.

Unless a reporting exception applies, the filer must also report each underlying asset that individually was worth more than \$1,000 at the end of the reporting period. Most investment options, however, will qualify for the diversified mutual fund reporting exception.

1	Long Life, Inc., variable annuity (invested in Long Life Fixed Account and diversified mutual funds)
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Award or Prize

Reporting Requirements (Filer)

Part I: Filers must report the source of an award or prize that exceeded \$1,000 during the reporting period.

The filer must provide the name of the source and describe the type of income.

1	Alliance for Excellence in Achievement, award
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Part V (annual filers only): Filers must report any gifts or travel reimbursements that exceeded the reporting threshold (e.g., travel to the awards dinner).

Reporting Requirements (Spouse and Dependent Children)

Part I: Filers do not need to report an award or prize received by a spouse or dependent child.

Bond (corporate)

Description

Corporations issue bonds to raise money. Bonds constitute a debt owed by the corporate issuer to the bondholder, usually with the promise to pay a specified rate of interest over a fixed period of time. Alternatively, bonds may be issued at a discount, with interest income being the difference between the discount (purchase) price and redemption value. Some bonds are secured by collateral, while others, such as debentures, are backed only by the company's good faith and credit standing.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a bond if the value of the bond was more than \$1,000 at the end of the reporting period. Annual filers must also report a bond from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the issuer and identify the asset as a bond.

1	Xylophone Technologies Corporation, bonds
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Bond (municipal)

Description

Municipal bonds, often called munis, are debt obligations of states, cities, counties, or other political subdivisions of states in the United States. The two primary types of municipal bonds are general obligation and revenue.

- A general obligation bond is used for general expenditures and is backed by the issuer's full faith and credit (taxing and borrowing power).
- A revenue bond is used to finance a specific public service project and is backed by the cash flow from that project. Examples are bonds to finance bridges, turnpikes, tunnels, water and sewer systems, schools, power plants, prisons, transportation systems, hospitals, sports complexes, and airports.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a municipal bond if the value of the bond was more than \$1,000 at the end of the reporting period. Annual filers must also report a bond from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the issuing government authority and identify the asset as a bond.

1	Philadelphia, PA, bonds
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Bonus (cash)

Reporting Requirements (Filer)

Part I: Filers must report the source of bonuses if the bonuses totaled more than \$1,000 during the reporting period. Filers also must report an anticipated bonus that ended the reporting period with a value greater than \$1,000.

Filers most often report bonuses in connection with employment. In these cases, filers may combine their salary, bonus, and other income onto a single line that simply indicates that the source is an employer, although specifying the types of income is helpful. However, if the filer has no other income to report other than a bonus or anticipated bonus (e.g., payments from a former employer), the filer should specify the type of income in order to avoid confusion. In addition, if the source is a privately held business, filers should provide the source's line of business, unless this information is otherwise readily available to the reviewer.

Bonus (and other income) as single line entry

1	Quasar Engineering, salary and bonus
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Anticipated bonus from a former employer

1	Widgets Unlimited, anticipated bonus
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Part III: Filers must report a position with the source paying the bonus. In rare cases, a filer may have an outstanding bonus even though the position terminated before the start of the reporting period.

Part IV: Filers must report an anticipated bonus as a continuing arrangement. Filers should describe the nature of the bonus (e.g., "annual year-end performance bonus") and the status of the arrangement (e.g., bonus is still pending, some bonus payments were received, or all bonus payments were received). In addition, if the payment will be (or was) made pursuant to an employment agreement or a standard company policy, the filer should state this fact in the description.

1	Widgets Unlimited	Pursuant to my employment agreement, I will receive a performance-based bonus for services
2		rendered in 2019 up to the date of my departure from the firm. This bonus will be paid within
3		6 months of my departure.

Reporting Requirements (Spouse)

Part I: Filers must report the source of a spouse’s bonus payments if the payments totaled more than \$1,000 during the reporting period. The information required for a reportable source is the same as for the filer’s bonus payments.

Parts III and IV: These Parts do not apply to spouses.

Brokerage Account

Description

A brokerage account (also called an “asset management account”) is an account through which individual investors can make investments. The account may hold cash, money market funds, mutual funds, stocks, and bonds. The individual who establishes the account owns the investments in that account.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report each underlying asset of a brokerage account that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period.

Filers report the underlying assets following the rules applicable to that type of asset. Filers may indicate that the assets are held within a brokerage account, but this information is not required.

1	Bar Harbor Canada Fund (BHRCX)
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or

1	Brokerage account #1: Bar Harbor Canada Fund (BHRCX)
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Carried Interest

Description

Carried interests are also known as “profit interests” and “incentive fees.” For purposes of financial disclosure, a carried interest is an arrangement that stipulates the right to future payments based on the performance of an investment fund or business. Carried interests are generally given to managers, advisors, and

consultants in private equity, real estate, venture capital, oil and gas, and small business.

Reporting Requirements (Filer)

Part I: As a matter of policy, OGE deems a carried interest to have a value that exceeds \$1,000. Therefore, carried interests must be reported. Also, if an annual filer no longer has a carried interest but received more than \$1,000 in income related to a carried interest during the reporting period, the filer needs to report the carried interest.

Filers must indicate that the asset is a carried interest and provide the name of the entity through which the filer has the carried interest. In the typical case, filers with a carried interest through an entity also have a direct equity interest in that entity, which is reported as a separate entry. If the filer does not otherwise report the entity through which the filer has a carried interest, the filer must report any reportable underlying assets within that entity as part of the carried interest entry.

1	Crocus Partners II, LP, carried interest
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Part IV: Filers must report an arrangement to receive carried interest. Filers should describe the arrangement, including whether the percentage interest has been fixed.

1	Crocus Partners II, LP	Pursuant to my contract, I retain carried interest in Crocus Partners II, LP, as compensation for
2		services provided in 2014-2016. The percentage was fixed in March 2014. Payment will be made if
3		and when the fund profits from its investments.

Reporting Requirements (Spouse)

Part I: As a matter of policy, OGE deems a carried interest to have a value that exceeds \$1,000. Therefore, carried interests must be reported. Also, if an annual filer’s spouse no longer has a carried interest but received more than \$1,000 in income related to a carried interest during the reporting period, the filer needs to report the carried interest. The information required for a reportable carried interest is the same as for the filer’s carried interest.

Part IV: This Part does not apply to spouses.

Cash Account

Description

For purposes of financial disclosure, the term “cash account” includes all deposit accounts in a bank, savings and loan association, credit union, or similar financial institution (e.g., checking accounts, savings accounts, certificates of deposit, and money market accounts), as well as sweep accounts. The term “cash account” does not include money market funds, which are different from money market accounts.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Cash accounts are not reportable in the OGE Form 450.

Cash Balance Pension Plan

Description

A cash balance pension plan is a type of defined benefit plan in which the employer makes contributions to the employee’s account and guarantees a specific rate of return, regardless of the profitability of the plan’s investments. The employer generally makes investment decisions concerning the holdings of the plan and bears the risks of investment. Each year, the employee receives a pay credit that is proportional to a percentage of the employee’s salary and an income credit that is a fixed rate of return. The employer defines this retirement benefit as an account balance, and a cash balance pension plan will often allow an employee to choose between an annuity and a lump-sum payment. See the *Defined Benefit Plan* entry for more information.

Collectible Item

Description

For purposes of financial disclosure, a “collectible” refers to personal property that is unique, limited in quantity, antique, or holds a special quality or financial value. Examples of such items include artwork, vintage automobiles, antique furniture, and rare stamps or coins.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a collectible if the item is held for investment purposes and had a value that was more than \$1,000 at the end of the reporting period.

Annual filers must also report a collectible item from which they received more than \$1,000 in income during the reporting period.

Filers must specify the type of collectible, such as “rare books” or “classic cars.”

1	Stamp collection
2	Artwork

Note: Periodic sales of items from a collection would indicate that the filer holds the items for investment purposes. Absent such sales or any income during the reporting period, reviewers may generally accept a filer’s claim that a collectible is not held for investment purposes.

College Savings Plan (529 plan)

Description

A college savings plan is a type of qualified tuition program (529 plan) in which an individual chooses among various investment options, often consisting of portfolios that invest in mutual funds. The amount available for future tuition depends on the amount that the individual contributes and the performance of the investments chosen.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a college savings plan if the value of the plan account was more than \$1,000 at the end of the reporting period. Annual filers must also report a college savings plan from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reported when funds are withdrawn.

Filers must provide the name of the sponsor and identify the interest as a college savings plan.

The filer must also report each underlying asset that individually was worth more than \$1,000 at the end of the reporting period. Most investment options within college savings plans are portfolios that qualify as excepted investment funds.

1	CA (ScholarShare) College Savings Plan: Age 0-5 Portfolio
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Common Trust Fund of a Bank

Description

A common trust fund of a bank is a trust that a bank manages on behalf of a group of participating customers in order to invest and reinvest their contributions to the trust collectively. A bank customer purchases units of the common trust fund. This arrangement allows the trustee to manage the customer's contributions in a pool of contributions from a number of customers. These customers are the beneficiaries of the common trust fund. Acting as a fiduciary, the bank commingles the contributions of participating customers in the common trust fund and invests in a variety of underlying holdings. Typically, a preprinted trust agreement will name the trustee, specify the investments, and establish other terms of participation.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a common trust fund if the value of the common trust fund was more than \$1,000 at the end of the reporting period. Annual filers must also report a common trust fund from which they received more than \$1,000 in income during the reporting period.

Filers must provide the names of the bank and the common trust fund. Filers also must provide the reportable underlying assets of the common trust fund if the fund does not qualify as an excepted investment fund. Common trust funds, however, usually qualify as excepted investment funds.

1	First District Bank, Long-Term Bond Common Trust Fund
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Contingency Fee

Description

The term “contingency fee” refers to a type of fee arrangement in a case in which an attorney or firm agrees that the payment of legal fees will be contingent upon the successful outcome of the case. Frequently, a contingency fee will be a portion of the proceeds obtained by the client due to the litigation or settlement, or it may be the amount of attorney fees accrued but not billed to the client until the successful conclusion of the case. The specific arrangements for a contingency fee case should be set forth in a fee agreement, which is a contract between the lawyer (or law firm) and the client that explains the terms and conditions of the representation.

Reporting Requirements (Filer)

Part I: Filers must report an interest in contingency fee cases if the value of the interest was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the law firm through which the interest was acquired and describe the interest (e.g., “contingency fee case” or “contingency fee cases”).

1	Faraday, Maxwell & Franklin, contingency fee cases
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Part III: Filers must report an attorney position held during the reporting period.

Part IV: Filers must report a contingency fee interest as a continuing arrangement. Filers should describe what will happen to this interest upon leaving the firm or terminating the practice. Specifically, the filer should report such details as whether the filer has an agreement with another lawyer or a firm, such as a buy-sell or partnership agreement, that covers what happens to the filer’s interest in a contingency fee case upon the filer’s departure from the firm. The filer should also indicate whether he or she will retain an interest in any recovery obtained in a contingency fee case.

1	Faraday, Maxwell & Franklin	Upon appointment, I will transfer to Faraday, Maxwell & Franklin several cases in which I have a
2		contingency fee interest. I will retain an interest in those fees, as stated in my agreement with that firm.

Deferred Compensation

Deferred compensation can take many forms, and the reporting requirements will vary based on the timing of the compensation and its form. The examples below are merely illustrative of the various forms that deferred compensation may take.

Reporting Requirements (Filer)

The guidance on deferred compensation is broken into the following sections:

Part I – Five examples

- Example 1: Cash Payments from a Deferred Compensation Plan
- Example 2: Future Cash Payment That is Fixed
- Example 3: Payments in the Form of Assets – Received or Anticipated

- Example 4: Deferred Compensation Plan with Underlying Assets
- Example 5: Deferred Compensation Plan Linked to an Index or Other Benchmark

Part IV – General instructions for all types

Part I:

- Example 1: Cash Payments from a Deferred Compensation Plan

Filers must report the source of a deferred compensation cash payment if the total amount derived from deferred, earned income exceeded \$1,000. In addition, annual filers must report the source of any payment (or payments) derived from investment income in excess of \$1,000 during the reporting period.

Filers must provide the name of the employer providing the payment and describe the payment (e.g., “deferred compensation: cash payment”). In addition, for a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Halley Engineering, deferred compensation: cash payment
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- Example 2: Future Cash Payment That is Fixed

An employer may owe deferred compensation in the future in the form of a cash payment. That payment may be a fixed, as opposed to variable, amount that has already been determined.

In such a case, filers must report the anticipated cash payment if the fixed amount owed is more than \$1,000. Filers must provide the name of the employer providing the payment and describe the payment (e.g., “deferred compensation: cash receivable”). In addition, for a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Halley Engineering, deferred compensation: cash receivable
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- Example 3: Payments in the Form of Assets – Received or Anticipated

Filers may have an arrangement for deferred compensation in the form of assets, rather than cash. If the filer has not yet received the deferred compensation, the filer must provide the name of the employer and explain the existence of a receivable (e.g., “deferred compensation receivable”). The

filer must then report the assets using the guidance appropriate for that type of asset (e.g., stock, stock options, restricted stock, stock appreciation rights, phantom stock, and restricted stock units).

- Example 4: Deferred Compensation Plan with Underlying Assets

Filers may have an arrangement for deferred compensation in the form of a plan that holds underlying assets.

In such a case, filers must report the deferred compensation plan and each underlying asset of the plan that individually was worth more than \$1,000 at the end of the reporting period.

Filers, however, need not report underlying assets that qualify as diversified investment funds of a bona fide employee benefit plan within the meaning of 5 C.F.R. §§ 2640.201(c)(1)(ii) or 2640.201(c)(1)(iii).

1	Halley Engineering, deferred compensation:
2	- Halley Engineering
3	- BMSL Propulsion

- Example 5: Deferred Compensation Plan Linked to an Index or Other Benchmark

The filer may have an interest in a deferred compensation plan under which the employer owes a future payment that depends on the performance of something tracked, such as an index, a mutual fund, or some other benchmark. However, the filer does not, through the deferred compensation plan, own the thing being tracked. For instance, the plan may track the performance of the S&P 500 or the performance of a mutual fund that mirrors the S&P 500, but the filer does not hold, through the deferred compensation plan, shares of the companies listed on the S&P 500 or shares of the mutual fund. Instead, the employer owes the filer a cash payment, and the employer may pay more money if the S&P 500 performs well or may pay less money if the S&P 500 performs poorly.

In such a case, filers must report their interest in the plan if the value of the interest was more than \$1,000 at the end of the reporting period.

Filers must provide the name of the employer, describe the interest as deferred compensation, and specify the index or other benchmark that the future payment tracks. In addition, for a privately held business, filers should

describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Halley Engineering, deferred compensation: tracks S&P 500
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Part IV: Filers must identify the plan as a deferred compensation plan and describe its terms in detail. Among other details, filers should state what they will receive and when they will receive it. The filer also needs to state any deviations from the normal terms of the plan that the employer will make. This includes any acceleration of payment, any waiving of vesting requirements, and any change in the form or timing of payment or eligibility.

Reporting Requirements (Spouse)

Part I: A spouse's deferred compensation is reportable according to the same rules applicable to a filer's deferred compensation.

Part IV: This Part does not apply to spouses.

Defined Benefit Plan

Description

A defined benefit pension plan is a type of retirement plan that an employer establishes for its employees. Upon retirement, the employee receives a fixed annuity. The annuity typically makes biweekly or monthly payments to the employee for life. The annuity may also pay a survivor benefit to the employee's spouse after the employee's death. Under some plans (such as a cash balance pension plan), the employee can elect to cash out his or her interest in the plan and receive a lump-sum payment of the balance.

Reporting Requirements (Filer)

Part I: Filers must report a defined benefit plan if the value of the plan was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income from the plan during the reporting period.

Filers must identify the employer and specify the type of plan.

1	Regional Electric, defined benefit plan
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Part IV: Filers must identify the employer, the type of plan, and whether the filer will continue to participate.

1	Regional Electric	I will continue to participate in this defined benefit plan.
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Reporting Requirements (Spouse)

Part I: A spouse’s defined benefit plan is reportable according to the same rules applicable to a filer’s plan.

Part IV: This Part does not apply to spouses.

Defined Contribution Plan

Description

A defined contribution plan is a type of retirement plan that an employer establishes for its employees. In this plan, an employee selects among mutual funds or other investments and makes pre-tax contributions to those investments with deductions from the employee’s salary. Often the employer will make contributions to the employee’s investments, too. Examples of defined contribution plans include 401(k) plans, 403(b) plans, and 457 plans.

Reporting Requirements (Filer)

Part I: Filers must report each underlying asset that was worth more than \$1,000 at the end of the reporting period. Annual filers must also report distributed income from a defined contribution plan that exceeded \$1,000 during the reporting period.

Filers, however, need not report underlying assets that qualify as diversified mutual funds within the meaning of 5 C.F.R. § 2640.201(a) or underlying assets that qualify as diversified investment funds of a bona fide employee benefit plan within the meaning of 5 C.F.R. §§ 2640.201(c)(1)(ii) or 2640.201(c)(1)(iii).

Filers report the underlying assets following the rules applicable to that type of asset. Although this information is not required, it is helpful if filers identify the employer and the type of plan (e.g., “401(k)” or “defined contribution”).

1	Tyler Informatics, 401(k) plan:
2	- Tyler Informatics (TYIN)
3	- Harris NY Municipal Bond Fund (HNYCX)

or

1	Tyler Informatics (TYIN)
2	Harris NY Municipal Bond Fund (HNYCX)

Filers report distributed income from a defined contribution plan by identifying the plan sponsor, describing the type of plan, and noting the distributions.

1	Tyler Informatics, 401(k) plan: distributions
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Part IV: Filers do not need to report continued participation in a defined contribution plan maintained by a former employer, unless the former employer continues to make contributions. For a reportable plan, filers must specify the employer, the type of plan, and the terms of any post-separation contributions. If no holdings are reportable in Part I, filers can facilitate the review process by explaining this in Part IV; however, it is not required.

1	Tyler Informatics	I will continue to participate in this defined contribution plan. The plan sponsor will make
2		a final contribution to the plan within 6 months of my separation.

Reporting Requirements (Spouse)

Part I: A spouse's defined contribution plan is subject to the same reporting requirements as the filer's plan.

Part IV: This Part does not apply to spouses.

Director Fee

Reporting Requirements (Filer)

Part I: Filers must report the source of director fees if the fees totaled more than \$1,000 during the reporting period.

Filers must provide the name of the source and indicate the type of income. In addition, if the source is a privately held business, filers should provide the source's line of business, unless the information is otherwise readily available to the reviewer.

1	DSLK Financial Techniques, Inc., director fees
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Part III: Filers must report a position as a director.

* Other Considerations: Filers need to report any deferred fees using the guidance provide for deferred compensation plans. See the *Deferred Compensation* entry. Note also that filers who receive director fees often have other financial interests with the source company (e.g., stock, stock options, restricted stock, etc.).

Reporting Requirements (Spouse)

Part I: A spouse’s director fees are reportable according to the same rules applicable to a filer’s director fees.

Part III: This Part does not apply to spouses.

Employee Stock Ownership Plan

Description

An employee stock ownership plan (ESOP) is a type of defined contribution plan to which the employer contributes shares of company stock.

Employee stock ownership plans should not be confused with employee stock purchase plans. An employee stock purchase plan is an employer-sponsored incentive plan that allows employees to purchase company stock.

Reporting Requirements (Filer)

Part I: Filers must report an employee stock ownership plan account if the value of the account was more than \$1,000 at the end of the reporting period. Annual filers must also report an account from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the employer and write “ESOP account” or “employee stock ownership plan account.” In addition, for a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, ESOP account
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Part IV: Filers must disclose the employer, note that the agreement is an employee stock ownership plan, and indicate whether the filer’s participation in the plan will terminate. Filers do not need to report continued participation in an

employee stock ownership plan maintained by a former employer, unless the former employer continues to make contributions.

1	Widgets Unlimited	My participation in the employee stock ownership plan will cease upon my separation from the firm.
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Reporting Requirements (Spouse)

Part I: A spouse’s employee stock ownership plan is subject to the same reporting requirements as the filer’s plan.

Part IV: This Part does not apply to spouses.

Employee Stock Purchase Plan

Description

An employee stock purchase plan (ESPP) is an employer-sponsored incentive plan that allows employees to purchase company stock. Under such a plan, the employer offers its employees the option to purchase company stock at the end of an “offering period,” which typically ranges between 3 months and 27 months. When an employee exercises such an option, the employer withholds the cost of purchasing the stock from the employee’s pay in installments during the offering period. The employer holds this money in an account for the employee during the offering period. At the end of the offering period, the employee uses the money withheld to purchase company stock at the specified purchase price. Most employers offer the stock at discounts below fair market value.

Employee stock purchase plans should not be confused with employee stock ownership plans. An employee stock ownership plan is a type of defined contribution plan in which the employer contributes shares of company stock to the plan.

Reporting Requirements (Filer)

Part I: Filers must report an employee stock purchase plan account if the cash balance of the account was more than \$1,000 at the end of the reporting period. Annual filers must also report an account from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the employer and write “ESPP account” or “employee stock purchase plan account.” In addition, for a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, ESPP account
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Filers would report stock purchased through an employee stock purchase plan in the same way that they would report any other stock. See the *Stock* entry for more information.

Part IV: The filer must disclose the employer, note that the agreement is an employee stock purchase plan, and indicate whether the filer’s participation in the plan will terminate or (for annual filers) has terminated.

1	Widgets Unlimited	My participation in the employee stock purchase plan will cease upon my separation from the firm.
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Reporting Requirements (Spouse)

Part I: A spouse’s employee stock purchase plan is subject to the same reporting requirements as the filer’s plan.

Part IV: This Part does not apply to spouses.

Equity Index-Linked Note

Description

An equity index-linked note is a debt instrument that affords the owner interest payments based on the performance of an equity index and, sometimes, a guaranteed return.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report an equity index-linked note if the value of the note was more than \$1,000 at the end of the reporting period. Annual filers must also report a note from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the issuer and the name of the note, which should include the index to which the note is linked.

1	First District Bank Note Linked to S&P 500 Index
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Exchange-Traded Fund

Description

An exchange-traded fund (ETF) is a fund that pools investors' money in a variety of investments. Unlike traditional mutual funds, most investors buy and sell shares of ETFs from other investors on an exchange rather than directly from the issuer. In addition, ETFs cannot market themselves to consumers as "mutual funds" because they are not necessarily subject to all the requirements applicable to traditional mutual funds. Nevertheless, ETFs are usually registered with the U.S. Securities and Exchange Commission (SEC) under the same statutory authorities as traditional mutual funds and unit investment trusts.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: The reporting requirements depend on whether the ETF is registered with the SEC under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (1940 Act) as either a management company or a unit investment trust.

- Registered under 1940 Act: Filers would treat these ETFs as they would treat mutual funds. Filers must report a sector ETF if the value of the ETF was more than \$1,000 at the end of the reporting period. Annual filers must also report a sector ETF from which they received more than \$1,000 in income during the reporting period. Diversified ETFs are not reportable.

Filers must provide the full name of reportable ETFs. Providing the ticker symbol is helpful but not required.

1	iShares Dow Jones U.S. Energy Sector Index Fund (IYE)
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- Not Registered under 1940 Act: Regardless of whether the ETF focuses on a sector, filers must report an unregistered ETF that ended the reporting period with a value more than \$1,000. Annual filers must also report an unregistered ETF from which they received more than \$1,000 in income during the reporting period. Filers must report the full name of a reportable ETF.

Executor or Administrator Fee

Reporting Requirements (Filer)

Part I: Filers must report the source of executor or administrator fees totaling more than \$1,000 during the reporting period.

Filers must identify the source and indicate the type of income. If the estate is that of a relative, the filer may write “estate of a family member.” In other cases, the filer would identify the estate by the last name of the party (e.g., “Estate of Mr. Doe”).

1	Estate of a family member, executor fees
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Part III: Filers must report a position as an executor or administrator.

* Other Considerations: Reviewers should inquire as to whether the filer (or the filer’s spouse or dependent child) has a reportable interest in the estate.

Reporting Requirements (Spouse)

Part I: A spouse’s executor or administrator fees are reportable according to the same rules applicable to a filer’s executor or administrator fees.

Part III: This Part does not apply to spouses.

Farm (operated as a business)

Reporting Requirements (Filer)

Part I: Filers must report an interest in a farm they operate as a business if the value of the interest was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide (1) the name of the farm; (2) the location of the farm (either the city and state or the county and state); and (3) the business of the farm, such as crops or livestock. In addition, it is helpful if the filer specifies the type of interest in the farm, such as “sole proprietor” or “general partner.”

1	Highlands Farm, Papillion, NE, general partner (crops)
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Part II: Filers must report liabilities for which they are personally liable that exceeded \$10,000 at the end of the reporting period. Annual filers must also report personal liabilities that exceeded \$10,000 at any point during the reporting period. However, filers need not report liabilities from a financial institution or other business entity on terms that are generally available to the public. Filers also do not need to report any liabilities of the farm for which they are not personally liable (e.g., loan owed by a farm structured as a LLC).

Part III: Filers must report any position held, including that of sole proprietor.

Reporting Requirements (Spouse)

Parts I and II: A spouse's farm is reportable according to the same rules applicable to a filer's farm.

Part III: This Part does not apply to spouses.

Farm or Farmland (passive interest)

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- **Farm as a Passive Investment:** Filers must report a passive investment interest in a farm if the value of the farm was more than \$1,000 at the end of the reporting period. Annual filers must also report a passive investment interest from which they received more than \$1,000 in income during the reporting period.

If reportable, a passive investment interest would be reported in the same manner as a farm that the filer operates as a business.

- **Farmland Rented:** Filers must report farmland if the value of the farmland was more than \$1,000 at the end of the reporting period. Annual filers must also report rented farmland from which they received more than \$1,000 in income during the reporting period.

Filers must identify the interest as farmland and provide its location (either the city and state or the county and state). In addition, if applicable, filers must provide the name of the partnership or other entity used to hold the farmland and note any leasing arrangements.

1	Rented farmland (Zanesville, OH)
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- **Resource Extraction Leases:** See the *Oil, Gas, or Other Mineral Rights Lease* entry.

Part II: Filers must report liabilities, such as a mortgage on farmland, for which they are personally liable if the liability exceeded \$10,000 at the end of the reporting period. Annual filers must also report personal liabilities that exceeded \$10,000 at any point during the reporting period. However, filers need not report liabilities from a financial institution or other business entity on terms that are generally available to the public. Filers also do not need to report any liabilities

of a farm or farmland for which they are not personally liable (e.g., loan owed by a farm structured as a LLC).

Part III: Filers would not report a position as a passive limited partner, passive stockholder, or passive non-managing member. However, the filer would need to report a position as a general partner or managing member even if the filer does not actually provide services. Part III does not apply to positions held by a spouse or dependent child.

Foreign Exchange Position (“forex”)

Description

For purposes of financial disclosure, “foreign currency” is the official currency of a country other than the United States. It is possible to hold a foreign currency through a foreign exchange transaction.

A foreign exchange transaction results in the purchase of one currency for investment purposes and the simultaneous sale of another. This constitutes an open position that is later offset to terminate the position. Both the short and the long position must be offset to close out the holding. The increase or decrease in the exchange rate between the two currencies may result in a profit or loss.

A foreign exchange transaction always involves a currency pair of which the first listed is the “base currency” and second is the “quoted currency.” For example, in the U.S. Dollar-Japanese Yen pair, the U.S. Dollar is the base currency and the Yen is the quoted currency. The investor is always long one currency of the pair and short the other. This process happens through a foreign exchange broker, who bankrolls the entire transaction by supplying all the currencies in the exchange. So, for example, if the investor anticipated that the Dollar was going to appreciate versus the Yen, the investor could buy the Dollar and short the Yen. The investor borrows the Yen from the investor’s broker and then sells the borrowed Yen (creating the short position) and simultaneously buys the Dollar (creating the long position). In this example, the broker would charge the investor interest on the Yen that the broker lent, and the broker would pay interest on the Dollar, which the investor owns but which is held by the broker.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a foreign exchange position if the value of the position was more than \$1,000 at the end of the reporting period. Annual filers must also report a foreign exchange position from which they received more than \$1,000 in income during the reporting period.

Filers must identify the currency pair (e.g., “U.S. Dollar-Japanese Yen”) and indicate whether the position is open or closed.

1	Euro-U.S. Dollar (EUR/USD), open position
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Futures Contract (“future”)

Description

A futures contract (“future”) is an agreement to buy or sell an underlying commodity (such as an agricultural product) or financial instrument at a specified time, price, and quantity. A futures contract is identified by its underlying commodity/instrument and the month and year of its expiration date. Futures are used to speculate in or hedge against the future price of the underlying commodity/instrument.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a futures contract if the value of the future was more than \$1,000 at the end of the reporting period. Annual filers must also report a future from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the future and indicate whether the position is open or closed.

1	Crude oil futures, closed position
2	Pork belly futures, open position

Gambling Winnings

Description

For purposes of financial disclosure, the term “gambling winnings” includes, but is not limited to, winnings from lotteries, raffles, horse races, and casinos. It includes cash winnings and the fair market value of prizes such as cars and trips.

Reporting Requirements (Filer)

Part I: Filers must report the source of gambling winnings if the gross winnings totaled more than \$1,000 during the reporting period.

The filer must provide the name of the source and indicate the type of income.

1	Royal Pond Casino, gambling winnings
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Reporting Requirements (Spouse and Dependent Children)

Part I: Filers do not need to report the gambling winnings of a spouse or dependent child.

Government Agency or GSE Security

Description

Agency securities are debt obligations of United States Government agencies and United States Government-Sponsored Enterprises (GSEs). In addition to issuing debt obligations, GSEs may also sell equity shares.

Examples of United States Government agencies include:

- Government National Mortgage Association (GNMA or Ginnie Mae)
- Export-Import Bank of the United States (ExImBank)
- Tennessee Valley Authority (TVA)

Examples of GSEs include:

- Federal National Mortgage Association (FNMA or Fannie Mae)
- Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
- Federal Agricultural Mortgage Corporation (Farmer Mac)

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report securities of GSEs if the value of the security was more than \$1,000 at the end of the reporting period. Annual filers must also report a GSE security from which they received more than \$1,000 in income during the reporting period.

Filers must provide name of the issuer.

1	Fannie Mae
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Securities issued by United States Government agencies are not reportable in the OGE Form 450.

Government Benefit or Payment

Note

In this section, you will find general guidance as to which governmental benefits and payments are reportable and which are not. The exact reporting requirements will depend on the source and the type of benefits or payments.

Reporting Requirements (Filer)

Part I: Filers must report the following benefits or payments from governmental entities if the benefits or payments meet the value or income reporting threshold:

- Honoraria received from the United States Government.
- Consulting fees received as a contractor with the United States Government (but do not include income received as a special Government employee).
- Salary received from state, local, or foreign government employment.
- Honoraria or consulting fees received from state, local, or foreign government sources.
- Retirement benefits from a state, local, or foreign government, such as participation in a defined benefit plan or a defined contribution plan.
- Income from state, local, or foreign government benefits programs.

Filers do not need to report the following benefits or payments:

- Income received as an employee of the United States Government, including military Reserve pay and income received as a special Government employee.
- Retirement benefits received from the United States Government, including the Thrift Savings Plan and any other United States Government retirement system.

- Income from the United States Government’s Social Security, veterans’ benefits, and other similar United States Government benefits programs.

Reporting Requirements (Spouse)

Part I: A spouse’s governmental benefits and payments are reportable according to the same rules applicable to a filer’s benefits and payments with one exception. A filer need not report a spouse’s income from state, local, or foreign government benefits programs, unless related to the spouse’s government employment.

Reporting Requirements (Dependent Children)

Part I: Governmental benefits and payments to a dependent child are generally not reportable.

Honorarium

Description

An honorarium is a payment of money or anything of value for an appearance, speech, or article, excluding any actual and necessary travel expenses incurred by the recipient and one relative.

Reporting Requirements (Filer)

Part I: Filers must report the source of honoraria if the honoraria totaled more than \$1,000 during the reporting period. Filers must report an anticipated honorarium that ended the reporting period with a value more than \$1,000. Filers need to do this, however, only if they have provided the service for which the honorarium will be paid or have a contractual right to the honorarium after providing the service. Sources of honoraria donated to charity are still reportable.

Filers must provide the name of the source and identify the income as an honorarium. For an honorarium not yet received, the filer must provide the source and indicate that payment is still pending (e.g., “anticipated honorarium”).

1	Loomis County University, honorarium
2	Alliance for Excellence in Achievement, anticipated honorarium

Part V (annual filers only): Filers must report any gifts or travel reimbursements that they received that exceeded the reporting threshold.

Reporting Requirements (Spouse)

Part I: A spouse's honoraria are reportable according to the same rules applicable to a filer's honoraria.

Intellectual Property

Description

"Intellectual property" includes patents, inventions, novels, plays, movie scripts, other literary works, artistic works, musical works, films, symbols, names, images, designs, trademarks, copyrights, and similar interests.

Reporting Requirements (Filer)

Part I: Filers must report intellectual property if the value of the intellectual property was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 of earned income (such as an advance) from the intellectual property during the reporting period. Annual filers must also report the intellectual property if they received more than \$1,000 in royalties, capital gains, or other income during the reporting period.

Filers must describe the intellectual property with sufficient detail that one can identify the type of property and sources of potential conflicts. For a book, filers must provide the publisher and note any book advances. Listing the title of the book is preferred but not required. For a patent, filers must provide a brief description and should, preferably, list the patent number.

1	"Financial Disclosure," 4th edition, Zorn & Co.
2	"Circular frame and hub system for a conveyance," Patent # 202,482,924

Reporting Requirements (Spouse)

Part I: A spouse's intellectual property is subject to the same rules applicable to a filer's intellectual property.

Investment Fund (general)

Note

This guide provides specific instructions for a number of common investment funds, such as mutual funds, money market funds, exchange-traded funds, and

unit investment trusts. Use this entry for investment funds that do not fit into one of the other entries provided.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers need not report investment funds that qualify as diversified mutual funds within the meaning of 5 C.F.R. § 2640.201(a) or funds that qualify as diversified investment funds of a bona fide employee benefit plan within the meaning of 5 C.F.R. §§ 2640.201(c)(1)(ii) or 2640.201(c)(1)(iii).

Assuming that the investment fund does not qualify for a reporting exception, filers must report an equity interest in an investment fund if the value of the interest was more than \$1,000 at the end of the reporting period. Annual filers must also report an investment fund if they received more than \$1,000 in total income from the fund during the reporting period.

The proper way to report an investment fund varies based on whether the fund qualifies as an excepted investment fund.

- **Fund Qualifies as an Excepted Investment Fund:** Filers must provide the name of the investment fund and, unless clear from the name that it is a fund, describe the type of asset.

1	Positron Investments XI, LP
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- **Fund Does Not Qualify as an Excepted Investment Fund:** Filers must describe the fund as specified above and report each underlying asset of the fund that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period.

For purposes of valuing an underlying asset in a fund, filers may use the value of the proportionate interest that the filer, the filer's spouse, and the filer's dependent children have in the underlying asset. For purposes of measuring income from an underlying asset, filers may use the amount of income received from that underlying asset attributable to the filer, the filer's spouse, and the filer's dependent children. A filer would need to use the total value and income of the underlying assets if the filer is unable to determine whether the proportionate interest in value and income meets a reporting threshold.

1	Jones Capital Ventures, LLC:
2	- Hydroponics Unlimited, LLC (agricultural products)
3	- BMSL Propulsion, Inc. (rocket fuel research)

Part II: Filers must report any capital commitment that exceeded \$10,000 at the end of the reporting period. Annual filers must also report any capital commitments that exceeded \$10,000 at any point during the reporting period.

Employment with the Company That Manages the Investment Fund: Additional requirements may apply if the filer or the filer’s spouse has ever operated or worked for the company that manages the investment fund.

- The income from the fund potentially would be characterized, in whole or part, as earned income for purposes of the Part I reporting threshold.
- The filer must report in Part II any exercised line of credit or other liability for which the filer is personally liable if (1) the liability exceeded the reporting threshold and (2) the liability was not from a financial institution or other business entity on terms that are generally available to the public.
- The filer must report in Part III any position that the filer held during the reporting period. A spouse’s position is not reportable in Part III.
- The filer must report in Part IV any agreement or arrangement concerning the filer’s exit from the fund (e.g., buy-back agreement). A spouse’s agreements are not reportable in Part IV.
- If the filer or the filer’s spouse provides services to the investment fund (e.g., fund manager), there may be reportable compensation for those services. This compensation may take the form of salary, severance, bonus, deferred compensation, defined benefit plan, defined contribution plan, or other financial interest. Filers must report each such financial interest using the instructions appropriate for that type of asset or income.

IRA, Roth IRA, SEP IRA, or Keogh Plan

Description

Individual Retirement Account (IRA) – Traditional and Roth: An Individual Retirement Account (IRA) is typically a bank, brokerage, or mutual fund account that a person has designated as a tax-deferred retirement account. All IRAs are

“self-directed” because investors choose where to invest their retirement funds. Although investors may place these funds in bank accounts, they may also buy stocks and other securities. The main difference between a Traditional IRA and a Roth IRA is the tax treatment of contributions and withdrawals.

Simplified Employee Pension Individual Retirement Account (SEP IRA): Some small employers offer employees the opportunity to participate in a tax-deferred Simplified Employee Pension (SEP) plan. Under a SEP plan, the employer and employee make contributions to individual retirement accounts (called a SEP IRA) set up by or for each eligible employee. Employees own and control their accounts. For purposes of financial disclosure, SEP IRAs are treated like IRAs.

Keogh Plan: A Keogh plan (also called a “HR-10 plan”) is a tax-deferred pension account for self-employed persons and employees of unincorporated businesses. Like IRAs, an employee may put almost any available investment into a Keogh plan, and the investment earnings grow on a tax-deferred basis.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report each underlying asset of an IRA, Roth IRA, SEP IRA, or Keogh plan that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report distributed income from an individual retirement account that exceeded \$1,000 during the reporting period.

Filers report the underlying assets following the rules applicable to that type of asset. Although this information is not required, it is helpful if filers indicate that the assets are held within a retirement account.

1	IRA #1:
2	- Bar Harbor Canada Fund (BHRCX)

or

1	Bar Harbor Canada Fund (BHRCX)
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Filers report distributed income from an individual retirement account by describing the account and noting the receipt of distributions.

1	IRA #1: distributions
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Law Firm (partnership)

Reporting Requirements (Filer)

Part I: Filers must report a law firm partnership interest if its value was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the firm and indicate that the entity is a law firm, unless this information is readily apparent from the name or otherwise readily available to the reviewer. In addition, it is helpful if the filer specifies that the interest held is a partnership interest (as opposed to a limited liability company or professional corporation interest).

1	Faraday, Maxwell & Franklin (law firm), partner
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Part III: Filers must report any position held during the reporting period.

Part IV: Filers must report any agreement or arrangement concerning the refund of a capital account or the payment of an anticipated partnership share. Filers must provide the terms under which these payments will be paid. If the payments are being made pursuant to an established agreement or firm policy, filers should note that fact. In addition, if the filer's name will be removed from the name of the firm or partnership, the filer should disclose the change (e.g., "partnership name will be changed to 'Faraday & Maxwell' upon my withdrawal").

1	Faraday, Maxwell & Franklin	Pursuant to the partnership agreement, I will receive a lump-sum payment of my capital account
2		and a final partnership share distribution. These payments will be calculated as of the date of my
3		withdrawal from the firm.

* Other Considerations: Filers must identify any other assets that they have through their association with the firm, such as deferred compensation and retirement plans. Filers need not itemize the assets of the law firm itself. Disclosing the law firm is normally sufficient. As an exception to this rule, a filer would report any of the firm's assets that are unrelated to the operations of the firm. Filers must also report any liabilities for which they are personally liable that exceeded the reporting threshold, unless the liability was from a financial institution or other business entity on terms generally available to the public.

Reporting Requirements (Spouse)

Part I: A spouse’s law firm interest is reportable according to the same rules applicable to a filer’s law firm interest.

Parts III and IV: These Parts do not apply to spouses.

Legal Practice (solo practice)

Reporting Requirements (Filer)

Part I: Filers must report a solo legal practice if the value of the practice was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must indicate that they practice law as a solo practitioner. Filers may also include the name under which they do business; however, this information is not required.

1	Law Office of Betsy Jones, solo legal practice
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Part III: Filers must report a position as a sole proprietor.

Part IV: Filers must describe the status of the legal practice and how the filer will handle any remaining fees owed (e.g., “amounts of outstanding fees were fixed before entering government service”). In addition, filers must describe any arrangements with respect to referral fees and contingency fee cases.

1	Betsy Jones	My solo legal practice will be inactive during my appointment and all outstanding client fees will be
2		fixed before I enter government service.

* Other Considerations: Filers must identify any other assets that they have through their practice, such as contingency fee interests. Filers need not itemize the assets of the practice itself. Disclosing the legal practice is normally sufficient. As an exception to this rule, a filer would report any assets of the practice that are unrelated to the operations of the practice. Filers must also report any liabilities for which they are personally liable that exceeded the reporting threshold, unless the liability was from a financial institution or other business entity on terms generally available to the public.

Reporting Requirements (Spouse)

Part I: A spouse's legal practice is reportable according to the same rules applicable to a filer's practice.

Parts III and IV: These Parts do not apply to spouses.

Life Insurance (term)

Description

Term life insurance pays beneficiaries a death benefit if the insured person dies during the term of the policy. No value remains when the policy expires. This type of insurance policy is pure insurance with no investment component.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Term life insurance is not reportable in the OGE Form 450.

Life Insurance (variable)

Description

A variable life insurance policy is part insurance and part investment. Part of the policyholder's premiums pay for expenses and the insurance part of the policy. The remainder goes into a tax-deferred cash reserve that is invested and builds the policy's cash value. Unlike whole life and universal life policies, variable life policies provide the policyholder a range of investment options, and the rate of return is based on the performance of the options chosen by the investor. The investment options are typically mutual funds. Some variable life policies, however, also provide a fixed account option that pays a set rate of interest.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a variable life insurance policy if the value of the policy was more than \$1,000 at the end of the reporting period. Annual filers must also report a policy from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reportable only if also reportable for tax purposes.

Filers must provide the name of the company issuing the policy and identify the interest as a variable life insurance policy.

Unless a reporting exception applies, the filer must also report each underlying asset that individually was worth more than \$1,000 at the end of the reporting period. Most investment options will qualify for the diversified mutual fund reporting exception.

1	Long Life, Inc., variable life insurance policy (invested in diversified mutual funds)
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Life Insurance (whole or universal)

Description

Whole life and universal life policies are part insurance and part investment. Part of the policyholder's premiums pay for expenses and the insurance part of the policy. The remainder goes into a tax-deferred cash reserve that is invested and builds the policy's cash value.

Whole life: The policyholder pays fixed premiums and has no control over investments, which is left to the insuring company.

Universal life: The policyholder can vary premiums by paying them with some of the accumulated cash value of the policy, and the policyholder normally receives a minimum guaranteed rate of return at money market rates. As with whole life, the universal life insurance policyholder generally does not have control over the investments. However, if the policy does permit the selection of specific investments, report the policy as a variable life insurance policy.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a whole life or universal life insurance policy if the value of the policy was more than \$1,000 at the end of the reporting period. Annual filers must also report a policy from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reportable only if also reportable for tax purposes.

Filers must provide the name of the company issuing the policy and identify the type of policy.

1	Home Life, Inc., whole life
2	Mutual of Akron, universal life

Loan Made to Another Party

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a loan made to another party if the value of the loan was more than \$1,000 at the end of the reporting period. Annual filers must also report a loan from which they received more than \$1,000 in income during the reporting period. The other party may be either a person or an entity. Filers, however, do not need to report a personal liability owed to the filer, spouse, or dependent child by a spouse, parent, sibling, or child.

Filers must identify the party who owes the liability and describe the interest as a loan or note. If the party is a relative, filers may identify the party as a “family member” (e.g., “personal loan to family member”). If the party is a natural person who is not related to the filer or spouse, filers should identify the party by last name (e.g., “personal loan to Mr. Doe”). If the party is an entity, filers should provide the entity’s name.

1	Personal loan to family member
2	Personal loan to Brain Imagery Consultations, LLC

Managed Account

Description

A managed account (also called “separately managed account” or “controlled account”) is an account that is owned by the investor but managed for a fee by a financial advisor. The investor gives the financial advisor the discretion to buy, sell, and trade investments on behalf of the investor. An investor usually chooses among predetermined portfolios, which financial institutions sometimes package in categories such as high yield, balanced, large cap, global small cap, strategic fixed income, and other similar descriptors. The investor can usually customize the portfolio to some extent, although this is not necessarily the case with all managed accounts.

A managed account is not an “excepted investment fund.” Even if the investor may select an established portfolio of investment choices, the managed account is not an excepted investment fund. In fact, the managed account is not an investment fund at all. The investor has not “pooled” the investor’s money with that of other investors. Although the account manager may have offered the option of selecting a predetermined “portfolio” of assets, the investor owns each of these assets individually and directly in the investor’s own name. For this reason, as well as other reasons, the investor must disclose each asset as a separate

line item in the financial disclosure report. In addition, although some managed accounts may appear similar to mutual funds, they are not mutual funds and do not qualify for the same treatment as mutual funds under the confidential financial disclosure regulation or the conflict of interest laws.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report each underlying asset of a managed account that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period.

Filers report the underlying assets following the rules applicable to that type of asset. Although this information is not required, it is helpful if filers provide the name of the managed account.

1	ANW Wealth Retention Strategy:
2	- Mimeograph Supply Co. (MIME)
3	- Xylophone Technologies Corporation (XYZ)

Margin Account

Description

A margin account is an account that an investor maintains with the investor's broker from which the investor can borrow funds to purchase securities.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report any securities purchased or positions opened using margin account funds using the guidance applicable to each type of security purchased or position opened.

Part II: Filers must report a margin account liability owed to a broker that was more than \$10,000 at the end of the reporting period if the liability did not have terms generally available to the public. Annual filers must also report margin account liabilities that exceeded \$10,000 at any point during the reporting period, unless the liability was on terms generally available to the public.

Filers must provide the name of the broker and identify the liability as a margin account.

1	Smith & Dell, Inc.	Margin account
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Money Market Fund

Description

A money market fund (or money market mutual fund) is a type of mutual fund that holds financial interests in certain low-risk investments (e.g., government securities, certificates of deposit, and high-quality bank or corporate obligations). Its rate of return is responsive to fluctuations in the market for these investments.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Money market funds are not reportable in the OGE Form 450.

Money Purchase Pension Plan

Description

A money purchase pension plan is a type of defined contribution plan in which an employer makes fixed contributions to a tax-deferred retirement account. Unlike profit-sharing plans in which employer contributions are discretionary, employer contributions to a money purchase pension plan are fixed in advance. Each year, the employer must make fixed contributions based on an employee's annual compensation. Like other defined contribution plans, money purchase pension plans contain underlying assets in which a filer has invested. See the *Defined Contribution Plan* entry for more information.

Mutual Fund

Description

A mutual fund is a company that is created and managed to hold a portfolio of securities as an investment company registered with the U.S. Securities and Exchange Commission (SEC) under the Investment Company Act of 1940, as amended. Investors purchase shares of the mutual fund, and the value of those shares typically rises and falls based on the performance of the mutual fund's underlying investments. The underlying investments of a mutual fund may include shares of companies in a variety of business sectors, bonds, cash equivalents, etc. The mutual fund uses the money it raises from selling its shares to fund its purchases of underlying investments. A mutual fund may pay dividends to its investors. It also charges management fees.

The ethics rules differentiate between “sector” and “diversified” mutual funds.

- **Sector Mutual Fund:** A fund that has a stated policy of concentrating its investments in any industry, business, single country other than the United States, or bonds of a single state within the United States.
- **Diversified Mutual Fund:** A mutual fund that does not have a stated policy of concentrating its investments in any industry, business, single country other than the United States, or bonds of a single state within the United States.

See OGE DAEOgram DO-00-030 (August 25, 2000) and OGE Legal Advisory LA-15-09 (June 30, 2015) for further assistance differentiating between diversified and sector mutual funds.

Caution: Filers may sometimes describe an investment as a “mutual fund” even though the investment does not qualify as a mutual fund for purposes of OGE’s exemptions. To qualify for the mutual fund exemptions in 5 C.F.R. § 2640.201, the fund must be registered with the SEC as a management company or unit investment trust under the Investment Company Act of 1940. You can find a fund’s registration status in a prospectus available on the issuer’s website or through the EDGAR website maintained by the SEC. Most funds traded on the open market as “mutual funds” will be registered. Certain funds held within deferred compensation plans, retirement accounts, and private investment funds may not be registered. In addition, managed accounts, brokerage accounts, and individual retirement accounts are not mutual funds, even though some of the holdings of those accounts may be mutual funds.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a sector mutual fund if the value of the fund was more than \$1,000 at the end of the reporting period. Annual filers must also report a sector mutual fund from which they received more than \$1,000 in income during the reporting period. Diversified mutual funds are not reportable.

Filers must provide the full name of reportable sector mutual funds. Providing the ticker symbol is helpful but not required.

1	ABC Healthcare Fund (ABCHX)
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Oil, Gas, or Other Mineral Rights Lease

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a lease for oil, gas, or other mineral rights if its value was more than \$1,000 at the end of the reporting period. Annual filers must also report a lease from which they received more than \$1,000 in income during the reporting period.

Filers must identify the asset as a lease and provide the following: (1) the location of the land (either city and state or county and state); (2) the resource being extracted under the terms of the lease; and (3) the name of the lessee (i.e., company extracting resources and paying royalties).

1	Oil Lease, Fargo, ND: Humble Oil & Refining Co.
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Option (incentive stock option plan)

Description

An incentive stock option is a type of compensation in the form of an agreement between an employer and an employee that allows the employee to purchase shares of the employer's stock at a specified price ("strike price"). A stock option typically has a vesting requirement, which means that the employee may exercise the stock option (i.e., purchase the employer's stock at the strike price) only after a specified period of time has passed. The employee typically forfeits the unvested stock option if the employee's employment terminates before the stock option has vested. After the stock option vests, the employee may exercise the stock option until the stock option expires. Once the stock option has expired, the employee no longer has the right to purchase the stock at the strike price.

An incentive stock option is a type of "call option" because it provides the right to purchase stock. Unlike some other types of call options, however, an incentive stock option is not traded on the open market.

Reporting Requirements (Filer)

Part I: Filers must report an option if the value of the option was more than \$1,000 at the end of the reporting period. Annual filers must also report an option from which they received more than \$1,000 in income during the reporting period. Keep in mind that the value of an option is not the same as the value of the stock for which it was issued. In addition, a stock option may have reportable value even if the option is currently "underwater" (i.e., the strike price is above the market price), depending on how much time remains to exercise the option.

The human resources office of the company that issued the options may be able to provide the filer with a valuation.

Filers must provide the name of the stock for which the option was issued and identify the interest as a stock option. In addition, it is helpful to indicate whether the option is vested. For a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, vested and unvested stock options
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Filers would report stock purchased by exercising an option in the same way that they would report any other stock. See the *Stock* entry for more information.

Part IV: Filers must identify the arrangement as a stock option plan and describe what will happen (or has happened) to the stock options (e.g., retention, exercise, forfeiture, accelerated vesting, etc.). If applicable, filers should specify the timeframe in which these actions will occur (e.g., “upon my separation”).

1	Widgets Unlimited	I will forfeit my unvested stock options upon separation. I will retain my vested stock options.
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Reporting Requirements (Spouse)

Part I: A spouse’s incentive stock options are subject to the same reporting requirements as the filer’s incentive stock options.

Part IV: This Part does not apply to spouses.

Option (put or call purchased)

Description

Put option: A put option is a contract that provides the buyer the right to sell a security.

Call Option: A call option is a contract that provides the buyer the right to purchase a security.

With regard to each of these types of contracts, the buyer has the right, but not the obligation, to exercise the option at a specified price (i.e., the “strike price”) until the contract’s expiration date. Some put and call options may be purchased on the open market. As an alternative to exercising put and call options, investors can resell these options on the open market before their expiration.

Caution: This entry applies to put and call options purchased on the market. It does not apply to:

- Call options acquired through an employment relationship, such as through an employee stock purchase plan or an incentive stock option plan. See the *Employee Stock Purchase Plan* or *Option (incentive stock option plan)* entries in this guide for additional information about these types of employment-related options.
- Put or call options that have been “written” rather than purchased. An option writer does not have the choice to buy or sell but rather must buy or sell if an investor exercises the option written. For this case, see the *Option (put or call written)* entry.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- **Unexercised Put or Call Option:** Filers must report a put or call option if the value of the option was more than \$1,000 at the end of the reporting period. Annual filers must also report an option from which they received more than \$1,000 in income during the reporting period. Options, however, normally do not produce income until they have been exercised or sold.

Filers must provide the name of the option, which would include the underlying security and the type of option.

1	Widgets Unlimited (WIG), put option
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- **Exercised Put Option:** If the filer fully exercised a put option, neither the option nor the underlying security will have any reportable value. Annual filers, however, must report the underlying security if they received more than \$1,000 in income from the security during the reporting period.

Filers must provide the name of the underlying security that was sold.

1	Widgets Unlimited (WIG)
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- **Exercised Call Option:** If the filer fully exercised a call option, the option will no longer have a value of its own, but the underlying security that was purchased may have reportable value or income. Filers must report the underlying security if the value of the security was more than \$1,000 at the end of the reporting period. Annual filers must also report the underlying

security if they received more than \$1,000 in income from the security during the reporting period.

Filers must provide the name of the underlying security purchased.

1	Widgets Unlimited (WIG)
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- Resold Put or Call Option: Annual filers must report an option that was resold if they received more than \$1,000 in income from the option during the reporting period. Filers must provide the name of the underlying security and specify the type of option.

1	Widgets Unlimited (WIG), put option
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Option (put or call written)

Description

Put option: A put option is a contract that provides the buyer the right to sell a security. The writer of a put option has an obligation to buy the security at a specified price (i.e., the “strike price”) from the buyer if the buyer exercises the option before the contract’s expiration date.

Call Option: A call option is a contract that provides the buyer the right to purchase a security. The writer of a call option has an obligation to sell the security at a specified price (i.e., the “strike price”) to the buyer if the buyer exercises the option before the contract’s expiration date.

Caution: This entry applies to put and call options written on the market. It does not apply to:

- Call options acquired through an employment relationship, such as through an employee stock purchase plan or an incentive stock option plan. See the *Employee Stock Purchase Plan* or *Option (incentive stock option plan)* entries in this guide for additional information about these types of employment-related options.
- Put or call options that have been purchased rather than written. An option buyer does not have an obligation to exercise an option but rather may choose to let the option expire, unexercised. For this case, see the *Option (put or call purchased)* entry.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- **Open Position:** Filers must report a written put or call option in an open position if the value of the shares on which the option was written was more than \$1,000 at the time the position was opened.

Filers must provide the name of the underlying security, the type of option, and an indication that the position is open.

1	Widgets Unlimited (WIG), open position for written put option
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- **Closed Position:** Annual filers must report a written put or call option in a closed position from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the underlying security, the type of option, and an indication that the position is closed.

1	Xylophone Technologies Corporation (XYZ), closed position for written put option
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Filers would report stock acquired through an exercised option in the same way that they would report any other stock. See the *Stock* entry for more information.

Phantom Stock

Description

Phantom stock is a contract between an employer and an employee that grants the employee the right to receive a payment based on the value of the employer's stock. When granting phantom stock, the employer does not grant the employee any shares of the employer's stock. Instead, the employer grants the employee a right that tracks the value of a specified number of shares of the stock.

The employee will have a right to receive a payout equivalent to the value of these tracked shares. Depending on the terms of the employer's phantom stock plan regarding the vesting of phantom stock, the payout may occur on a specified date or upon the occurrence of a certain event, such as retirement, disability, or death. If the employee's employment is terminated before the phantom stock vests, the employee normally forfeits the phantom stock.

The plan may provide for a single payment, or it may provide for installment payments over a period of time after the phantom stock vests. In some cases, the employer may let the employee elect to receive the payout in the form of an equivalent amount of stock. In addition to the final payout, under some phantom stock plans, the employee may receive payments equivalent to any dividends that the employer pays to stockholders.

It may help to understand some of the key similarities and differences between phantom stock and other types of financial interests in an employer. Phantom stock differs from an employer's stock in that phantom stock does not give the employee an ownership interest in the employer. Unlike stock, phantom stock also might not convey a right to payments based on dividends. Phantom stock differs from a stock appreciation right in that its payout is based on the full value of the stock, while the payout of a stock appreciation right is based only on any increase in the value of the stock over a specified period of time. Phantom stock differs from a stock option because the employee does not need to purchase anything.

Reporting Requirements (Filer)

Part I: Filers must report phantom stock if the value of the phantom stock was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the company and identify the interest as phantom stock. In addition, it is helpful to indicate whether the phantom stock is vested. For a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, unvested phantom stock
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Filers would report stock acquired through a phantom stock plan as a separate line entry, using the standard instructions for stock.

Part IV: Filers must identify the arrangement as a phantom stock plan and describe its terms in detail. Among other details, filers must state what they will receive and when they will receive it. In addition, filers must state any deviations from the normal terms of the plan that the employer will make. This includes any acceleration of payment, any waiving of vesting requirements, and any change in the form or timing of payment or eligibility.

1	Widgets Unlimited	Upon separation, I will receive a lump-sum cash payment equal to the value of my vested phantom
2		stock, calculated as of the date of my separation. I will forfeit any unvested phantom stock interests.

Reporting Requirements (Spouse)

Part I: A spouse's phantom stock is reportable according to the same rules applicable to a filer's phantom stock.

Part IV: This Part does not apply to spouses.

Precious Metal

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report precious metal if the metal was held for investment purposes and was valued at more than \$1,000 at the end of the reporting period. Annual filers must also report precious metal from which they received more than \$1,000 in income during the reporting period. If the filer does not own the precious metal directly but rather holds funds or futures concentrating in precious metals, use the guidance appropriate to that type of security.

Filers must describe the type of metal owned (e.g., gold) and the form in which the metal is held (e.g., ingots, jewelry, coins, or warehouse certificates).

1	Gold coins
2	Platinum bars

Prepaid Tuition Plan (529 plan)

Description

A prepaid tuition plan is a type of qualified tuition program (529 plan). It is a contract between an individual and the plan's sponsor that allows the individual to prepay future tuition expenses at current tuition rates. The sponsor can either be a state or the Tuition Plan Consortium, LLC, for private institutions (also known as the Private College 529 Plan).

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a prepaid tuition plan if the value of the plan was more than \$1,000 at the end of the reporting period. Annual filers must also report a prepaid tuition plan from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reported when payments are made.

Filers must provide the plan sponsor and the name of the plan.

1	Maryland Prepaid College Trust (MPCT), University Plan – 4 Years
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Real Estate

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Real estate is reportable if its value was more than \$1,000 at the end of the reporting period. Annual filers must also report real estate from which they received more than \$1,000 in income during the reporting period. Filers do not have to report a personal residence, unless it was rented out for any period of time during the reporting period.

Filers must describe the type of real estate (e.g., “residential,” “commercial,” “industrial,” or “undeveloped”) and provide the city and state in which it is located. Providing the county and state is also acceptable. Filers should not provide a street address.

1	Residential real estate, Des Moines, IA
2	Undeveloped land, Rapid City, SD

Other requirements apply if (1) the real estate is a farm; (2) the real estate is held by a trust; (3) the real estate is held by a limited liability company or other entity; or (4) the filer has leased mineral rights associated with the property. See the corresponding entries in this guide for more information about reporting farms, trusts, real estate holding companies, and leases.

Part II: Filers need not report mortgages or home equity lines of credit on personal residences nor must they report mortgages on rental properties that were obtained on terms generally available to the public. Most mortgages and lines of credit obtained through arms-length negotiations with a bank or other financial institution would qualify as being “on terms generally available to the public.” Also note that filers do not disclose personal liabilities owed to a spouse or to the parent, sibling, or child of the filer, spouse, or dependent child.

Part IV (filer only): In rare cases, filers may receive a housing subsidy or subsidized loan from an employer. Such an arrangement would be reportable in Part IV.

Real Estate Holding Company

A real estate holding company is a business that is principally engaged in owning, holding, selling, or leasing real estate. These companies derive most of their income from dividends, interest, royalties, and rent collection. Real estate holding companies may be organized as limited partnerships, limited liability companies, or as corporations. A real estate investment trust (REIT) is a specific type of real estate holding company that manages a portfolio of real estate and mortgages.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report an equity interest in a real estate holding company if the value of the interest was more than \$1,000 at the end of the reporting period. Annual filers must also report a real estate holding company if they received more than \$1,000 in total income during the reporting period.

The proper way to report a real estate holding company varies based on whether the entity qualifies as an excepted investment fund.

- **Entity Qualifies as an Excepted Investment Fund:** Filers must provide the name of the real estate holding company and, unless clear from the name that it is a real estate holding company, describe the type of asset.

1	Blackhawk Commercial Realty Portfolio
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- **Entity Does Not Qualify as an Excepted Investment Fund:** Filers must describe the real estate holding company as specified above and report each underlying asset of the real estate holding company that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period.

For purposes of valuing an underlying asset in a real estate holding company, filers may use the value of the proportionate interest that the filer, the filer's spouse, and the filer's dependent children have in the underlying asset. For purposes of measuring income from an underlying asset, filers may use the amount of income received from that underlying asset attributable to the filer, the filer's spouse, and the filer's dependent children. A filer would need to use the total value and income of the underlying assets if the filer is unable to determine whether the proportionate interest in value and income meets a reporting threshold.

1	Macon Real Estate V, LP:
2	- commercial real estate, Champaign, IL
3	- commercial real estate, Terre Haute, IN

Part II: Filers must report any capital commitment that exceeded \$10,000 at the end of the reporting period. Annual filers must also report any capital commitment that exceeded \$10,000 at any point during the reporting period.

Employment with the Company That Manages the Real Estate Holding Company: Additional requirements may apply if the filer or the filer’s spouse has ever operated or worked for the company that manages the real estate holding company.

- The income from the real estate holding company potentially would be characterized, in whole or part, as earned income for purposes of the Part I reporting threshold.
- The filer must report in Part II any mortgage or other liability for which the filer is personally liable if (1) the liability exceeded the reporting threshold and (2) the liability was not from a financial institution or other business entity on terms that are generally available to the public.
- The filer must report in Part III any position that the filer held during the reporting period. A spouse’s position is not reportable in Part III.
- The filer must report in Part IV any agreement or arrangement concerning the filer’s exit from the real estate holding company (e.g., buy-back agreement). A spouse’s agreements are not reportable in Part IV.
- If the filer or the filer’s spouse provides services to the real estate holding company (e.g., fund manager), there may be reportable compensation for those services. This compensation may take the form of salary, severance, bonus, deferred compensation, defined benefit plan, defined contribution plan, or other financial interest. Filers must report each such financial interest using the instructions appropriate for that type of asset or income.

Restricted Stock

Description

Restricted stock is a grant to an employee of company stock that has limitations on the employee's rights (usually, the right to sell the stock) until the shares vest. Specific terms, such as the vesting period and whether the employee will be paid dividends before vesting, are spelled out in an agreement between the employee and employer. Once the shares vest, the employee usually owns the stock without limitations and can sell it at any time. Generally, the employee forfeits restricted stock if the employee leaves the company before the restricted stock vests.

Reporting Requirements (Filer)

Part I: Filers must report restricted stock if the value of the restricted stock was more than \$1,000 at the end of the reporting period. Annual filers must also report restricted stock from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the company and identify the interest as restricted stock. In addition, it is helpful to indicate whether the restricted stock is vested. For a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, unvested restricted stock
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Filers would report stock that has vested and lacks any remaining restrictions as a separate line entry, using the standard instructions for stock.

Part IV: Filers must identify the arrangement as a restricted stock plan and describe what will happen (or has happened) to the restricted stock (e.g., retention, forfeiture of unvested restricted stock, acceleration of vesting prior to entering government service, etc.). If applicable, filers should specify the timeframe in which these actions will occur.

1	Widgets Unlimited	I will forfeit my unvested restricted stock upon my separation.
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Reporting Requirements (Spouse)

Part I: A spouse's restricted stock is subject to the same reporting requirements as the filer's restricted stock.

Part IV: This Part does not apply to spouses.

Restricted Stock Unit (RSU)

Description

A restricted stock unit (RSU) is a grant to an employee valued in terms of company stock. No actual stock is issued at the time of the grant. Instead, the grant of stock or its cash equivalent is deferred until the RSUs vest, which is based upon a set date or an occurrence described in a RSU plan or agreement. Once the vesting requirement is satisfied, the company ordinarily distributes the shares or their cash equivalent to the employee; however, the distribution may be deferred in some plans. Generally, the employee forfeits RSUs if the employee leaves the company before the RSUs vest.

Reporting Requirements (Filer)

Part I: Filers must report a restricted stock unit if the value of the restricted stock unit was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the company and identify the interest as a restricted stock unit. In addition, it is helpful to indicate whether the restricted stock unit is vested. For a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, unvested restricted stock units
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Filers would report stock acquired through a restricted stock unit plan as a separate line entry, using the standard instructions for stock.

Part IV: Filers must identify the arrangement as a restricted stock unit plan and describe what will happen (or has happened) to the restricted stock units (e.g., retention of RSUs, payout of vested RSUs, forfeiture of unvested RSUs, or accelerated payout of unvested RSUs prior to government appointment, etc.). If applicable, filers should specify the timeframe in which these actions will occur and the form that any payout will take (e.g., cash or stock).

1	Widgets Unlimited	Pursuant to the company's executive compensation plan, my unvested restricted stock units will vest
2		upon separation. At that time, I will receive a cash payout.

Reporting Requirements (Spouse)

Part I: A spouse's restricted stock units are subject to the same reporting requirements as the filer's restricted stock units.

Part IV: This Part does not apply to spouses.

Salary

Reporting Requirements (Filer)

Part I: Filers must report the source of a salary if the amount totaled more than \$1,000 during the reporting period.

Filers must provide the name of the source and identify the employment relationship. Filers may choose to specify the type of income as salary for clarity. In addition, if the employer is a privately held business, filers should provide the employer's line of business, unless the information is otherwise readily available to the reviewer.

1	Xylophone Technologies Corporation, salary
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Part III: Filers must report a position with the source paying the salary.

* Other Considerations: Filers receiving salary often have interests related to the source company (e.g., stock, stock options, deferred compensation, retirement plans, etc.), which should also be reported using the guidance applicable to that interest.

Reporting Requirements (Spouse)

Part I: A spouse's salary is reportable according to the same rules applicable to a filer's salary.

Part III: This Part does not apply to spouses.

Self-Funded Defined Benefit Plan

Description

Self-funded defined benefit plans are funded by individuals instead of employers. The individual invests money to meet a certain benefit amount in the future. The returns on the investments will fund the future benefits to be paid to the individual. If the investments do not perform as well as expected, the required contribution amounts will increase. At retirement, participants often roll their balances into IRAs or purchase annuities; however, continued participation in the plan is possible as well.

Reporting Requirements (Filer)

Part I: Filers must report a self-funded defined benefit plan if the value of the plan was more than \$1,000 at the end of the reporting period. Annual filers must also report a self-funded defined benefit plan from which they received more than \$1,000 in income during the reporting period. Income is ordinarily reported when distributions are received.

Filers must identify the plan as their own self-funded defined benefit plan and include the financial institution through which the plan is held. Unless a reporting exception applies, the filer must also report each underlying asset that individually was worth more than \$1,000 at the end of the reporting period.

1	Betsy Jones, self-funded defined benefit plan (DSLK Financial Techniques, Inc.):
2	- Tyler Informatics (TYIN)
3	- Harris NY Municipal Bond Fund (HNYCX)

Reporting Requirements (Spouse)

Part I: A spouse's self-funded defined benefit plan is subject to the same reporting requirements as the filer's plan; however, the filer should write "spouse" rather than providing the spouse's name.

Severance Payment (cash)

Description

A severance payment is a payment for past services that is paid upon the departure of an employee. Severance payments may be pursuant to the employer's standard policy or pursuant to an employment agreement with a specific employee.

Reporting Requirements (Filer)

Part I: Filers must report the source of severance payments if the payments totaled more than \$1,000 during the reporting period. Filers also need to report an anticipated severance payment that ended the reporting period with a value more than \$1,000.

Filers most often report severance in connection with employment. In these cases, filers may combine their salary, bonus, severance, and other income onto a single line, although specifying the types of income can be helpful. However, if

the filer has no other income to report other than a severance payment or anticipated severance payment, the filer should specify the type of income in order to avoid confusion. In addition, if the source is a privately held business, filers should provide the source’s line of business, unless this information is otherwise readily available to the reviewer.

Severance payment (and other income) as a single line entry

1	Xylophone Technologies Corporation, salary and severance
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Anticipated severance from a former employer

1	SendNow Co., anticipated severance
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Part III: Filers must report any position held with the source during the reporting period.

Part IV: Filers must report an anticipated severance payment as a continuing arrangement. Filers should describe the terms under which the severance will be (or was) paid (e.g., “quarterly payments over two years” or “lump sum before entering government service”). If the severance is being (or was) paid pursuant to an established agreement or company policy, filers should also note that fact in the description.

1	SendNow Co.	Pursuant to my employment agreement, I will receive a lump-sum severance payment within
2		90 days of my separation from the firm.

Reporting Requirements (Spouse)

Part I: A spouse’s severance payments are reportable according to the same rules applicable to a filer’s severance payments.

Parts III and IV: These Parts do not apply to spouses.

Short Sale

Description

A short sale is the sale of securities that an investor has borrowed from a broker. The investor, who does not actually own the securities, must eventually purchase an equal number of the same securities and return them to the broker.

- **Open Position:** The investor has acquired and subsequently sold the borrowed securities from the broker but has not yet purchased the replacement securities.
- **Closed Position:** The investor has purchased the replacement securities and returned them to the broker.

Generally, the investor’s goal is to purchase replacement securities at a price lower than the price at which the investor initially sold them. The investor will realize a profit as a result of this price discrepancy if the value of the securities decreases. However, the investor will lose money if the value of the securities increases before the investor purchases them. In either case, the investor pays interest on the loan.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- **Open Position:** Filers must report a short sale in an open position if the value of the shorted security was more than \$1,000 at the time the position was opened.

Filers must provide the name of the security shorted and indicate that the short position is open.

1	Widgets Unlimited (WIG), open short position
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- **Closed Position:** Annual filers must report a short sale in a closed position from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the security shorted and indicate that the short position is closed.

1	Xylophone Technologies Corporation (XYZ), closed short position
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Small Business (operated as a business)

Reporting Requirements (Filer)

Part I: Filers must report a small business that they operate if the value of the business was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the business and the type of business, unless the type is otherwise readily available to the reviewer. In the absence of a specific business name, filers must describe the trade practiced. If the legal name of the business differs from the name under which the business operates, it is helpful if the filer provides both names for clarity.

In addition, reported business interests are generally assumed to be structured as C-corporations. Consequently, if the business is otherwise structured, it is helpful if the filer describes the type of business structure, such as “LLC” or “sole proprietorship.”

1	Advanced Systems, LLC (software)
2	ABC Holdings, Inc., S-Corp, d/b/a Jones Management Solutions (HR consulting)
3	Accountant, sole proprietor
4	Piano teacher, sole proprietor

Part II: Filers must report liabilities for which they are personally liable that exceeded \$10,000 at the end of the reporting period. Annual filers must also report personal liabilities that exceeded \$10,000 at any point during the reporting period. However, filers need not report liabilities from a financial institution or other business entity on terms that are generally available to the public. Filers also do not need to report any liabilities of the business for which they are not personally liable (e.g., loan owed by a business structured as a LLC).

Part III: Filers must report any position held with the business during the reporting period.

Part IV: Reportable agreements sometimes associated with actively managed businesses include the anticipated return of a capital account, a 401(k) and/or defined benefit plan, a deferred compensation plan, anticipated bonus or severance, and continued participation in a health insurance or other benefit plan.

* Other Considerations: Filers must identify any other assets that they may have through their association with the business, such as deferred compensation and retirement plans. Filers need not itemize the assets of the business itself. Disclosing the business is normally sufficient. As an exception to this rule, a filer would report any assets that are unrelated to the operations of the business.

Reporting Requirements (Spouse)

Parts I and II: A spouse’s business is reportable according to the same rules applicable to a filer’s business.

Parts III and IV: These Parts do not apply to spouses.

Small Business (passive interest)

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a passive investment interest in a small business if the value of the business was more than \$1,000 at the end of the reporting period. Annual filers must also report a passive investment interest from which they received more than \$1,000 in income during the reporting period.

If reportable, a passive investment interest would be reported in the same manner as a business operated by the filer.

Part II: Filers must report liabilities for which they are personally liable that exceeded \$10,000 at the end of the reporting period. Annual filers must also report personal liabilities that exceeded \$10,000 at any point during the reporting period. However, filers need not report liabilities from a financial institution or other business entity on terms that are generally available to the public. Filers also do not need to report any liabilities of the business for which they are not personally liable (e.g., loan owed by a business structured as a LLC).

Part III: Filers would not report a position as a passive limited partner, passive stockholder, or passive non-managing member. However, the filer would need to report a position as a general partner or managing member even if the filer does not actually provide services. Part III does not apply to positions held by a spouse or dependent child.

Stable Value Fund

Description

A stable value fund is an investment vehicle that is generally offered as an investment option within an employee benefit or retirement plan. Stable value funds typically invest in bonds and interest-bearing contracts. Some stable value funds are mutual funds that are registered with the U.S. Securities and Exchange Commission, but not all stable value funds are registered mutual funds.

Reporting Requirements (Filer)

Part I: Filers must report a stable value fund if the value of the fund was more than \$1,000 at the end of the reporting period. Annual filers must also report a stable value fund from which they received more than \$1,000 in income during the reporting period. Note, however, that OGE does not treat tax-deferred income

accruing within a retirement plan or account as having been received because of the limitations on withdrawal and other regulatory requirements governing such plans and accounts. Therefore, if the stable value fund is held within a retirement plan or account, the income will be reportable at the level of the plan or account once distributions begin.

Filers must provide the name of the stable value fund and the institution that manages the fund (e.g., Fidelity, Vanguard, T. Rowe Price, etc.), unless the institution is part of the fund name. In addition, although not required, the filer may indicate the type of account or plan in which the fund is held (e.g., defined contribution plan, 401(k), 403(b), 457, etc.).

1	ING Stable Value Fund
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Part IV: If the stable value fund is held through an employer-sponsored plan, a filer may need to report the plan in Part IV. See, for example, the *Defined Contribution Plan* entry.

Reporting Requirements (Spouse)

Part I: A spouse's stable value fund is subject to the same reporting requirements as the filer's stable value fund.

Part IV: This Part does not apply to spouses.

Stock

Description

Stock shares represent an equity (ownership) interest in a corporation and entitle the holder to a claim on corporate assets and earnings.

Corporations issue two basic types of stock: common and preferred. Differences between the two types involve shareholder voting rights, dividend variability, price sensitivity, and the priority for payment of dividends and liquidation claims. These differences are ordinarily not significant for purposes of financial disclosure, and filers need not specify the type of stock.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report stock if the value of the stock was more than \$1,000 at the end of the reporting period. Annual filers must also report a stock from which they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the stock (e.g., “Xylophone Technologies Corporation”). For stock of a privately held company, filers should provide a description of the issuer’s trade or business (e.g., grain distributor, supermarket, financial advisory, etc.), unless that information is otherwise readily available to the reviewer. Ticker symbols for publicly traded securities are helpful but not required.

1	Xylophone Technologies Corporation (XYZ)
2	BMSL Propulsion, Inc. (rocket fuel research)

Stock Appreciation Right

Description

A stock appreciation right is a contract between an employer and an employee that grants the employee the right to receive a payment tied to any increase in the value of the employer’s stock. When granting a stock appreciation right, the employer does not grant the employee any shares of the employer’s stock. Instead, the employer grants the employee a right that tracks the value of a specified number of shares over a specified period of time. The employer designates a “grant price,” and the employee will have a right in the future to receive a payout equivalent to the difference between the market price of the stock and the grant price.

If the value of the shares increases, the employee can exercise the stock appreciation right by requesting a payment equivalent to the increase in value of the shares. For example, if the employee has a stock appreciation right tied to 100 shares and the value of the shares increases by 50 cents per share, the employee may request a payment of \$50. In some cases, the employer may let the employee elect to receive the payment in the form of \$50 worth of the employer’s stock at current market value.

Like stock options, a stock appreciation right typically has a vesting requirement and an expiration date. The employee may not exercise the stock appreciation right before it vests or after it expires. The employee normally forfeits a stock appreciation right if the employee terminates from the company before the stock appreciation right vests.

Reporting Requirements (Filer)

Part I: Filers must report a stock appreciation right if the value of the stock appreciation right was more than \$1,000 at the end of the reporting period or if they received more than \$1,000 in income during the reporting period.

Filers must provide the name of the company and identify the interest as a stock appreciation right. In addition, it is helpful to indicate whether the stock appreciation right is vested. For a privately held business, filers should describe the line of business, unless the information is otherwise readily available to the reviewer.

1	Widgets Unlimited, unvested stock appreciation rights
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Filers would report stock acquired through a stock appreciation right plan as a separate line entry, using the standard instructions for stock.

Part IV: Filers must identify the arrangement as a stock appreciation right plan and describe what will happen (or has happened) to the stock appreciation rights (e.g., retention of stock appreciation rights, exercise of vested rights, forfeiture of unvested rights, or accelerated payout of unvested rights). If applicable, the filer should specify the timeframe in which these actions will occur and the form that any payout will take (e.g., cash or stock).

1	Widgets Unlimited	All unvested stock appreciation rights will be forfeited upon my separation. I will exercise or
2		forfeit my vested rights. Payment of any exercised rights will be in the form of a cash lump sum.

Reporting Requirements (Spouse)

Part I: A spouse’s stock appreciation rights are reportable according to the same rules applicable to a filer’s stock appreciation rights.

Part IV: This Part does not apply to spouses.

Third-Party Escrow Agreement

Description

For purposes of financial disclosure, “third-party escrow agreement” refers to an escrow agreement that is designed to make funds available for the purchaser of a business that the filer has sold. The purpose of such an agreement would be to protect the purchaser against unforeseen liabilities or expenses that arise after the sale but stem from matters predating the sale. At the end of a specified period of time, any unused funds will be returned to the seller. The agreement is a purely negotiated (i.e., non-standard) item in connection with the sale of a business and, as such, will vary from case to case.

Reporting Requirements (Filer)

Part I: Filers must report an interest in an escrow agreement if the value of the escrow property was more than \$1,000 at the end of the reporting period. Annual filers must also report an interest in an escrow agreement from which they received more than \$1,000 in income during the reporting period.

Filers must identify the third-party escrow holder with whom the escrow property is held in trust and write a short description of the nature of the underlying transaction (e.g., “due to sale of WQX Systems, LLC, to Widgets Unlimited”).

1	Third-party escrow account with Tristate Bank (due to sale of WQX Systems, LLC, to Widgets Unlimited)
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Part IV: With respect to the parties, filers must provide the names of the grantee, grantor, and escrow agent (or depository). In describing the escrow agreement, filers should provide such details as the purpose of the escrow agreement, including the name of the escrow holder or agent; the nature of the underlying business or real estate transaction; and the timeframe needed to execute the transaction. In addition, filers should report any anticipated conditions affecting the transaction’s completion.

1	Tristate Bank	Escrow account with Tristate Bank is from the sale of WQX Systems, LLC. Under the provisions of
2	Widgets Unlimited	the purchase plan with Widgets Unlimited, funds are being held in escrow for unforeseen costs
3	WQX Systems, LLC	and liabilities for matters predating the sale. The remainder will be distributed to me in December
4		2019. There have been no such costs or liabilities reported thus far.

Reporting Requirements (Spouse)

Part I: A spouse’s interest in an escrow agreement is subject to the same reporting requirements as the filer’s interest.

Part IV: This Part does not apply to spouses.

TIAA

Description

TIAA (formerly TIAA-CREF) is a non-profit entity that provides a variety of financial services, including retirement plans. TIAA holdings may consist of annuities, various forms of insurance, cash accounts, and mutual funds.

Reporting Requirements (Filer)

The specific reporting requirements will depend on the type of TIAA product that the filer holds. For example, see *Mutual Fund* for guidance on TIAA mutual funds; see *Life Insurance (variable)* if the filer holds a variable life policy; and see *Annuity (fixed)* or *Annuity (variable)* if the filer holds TIAA personal annuities. See below for specific instructions on reporting the TIAA Traditional Annuity, TIAA Real Estate, and CREF accounts.

Part I:

- TIAA Traditional: Filers must report TIAA Traditional if its value was more than \$1,000 at the end of the reporting period. Annual filers must also report TIAA Traditional if they received more than \$1,000 in annuity payments during the reporting period.

Writing “TIAA Traditional” is sufficient.

1	TIAA Traditional
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- TIAA Real Estate and CREF Accounts: Filers need not report TIAA Real Estate or a CREF account, unless the CREF account option has a stated policy of concentrating its investments in any industry, business, single country other than the United States, or bonds of a single state within the United States.

Part IV: TIAA accounts are usually held through an employer-sponsored retirement plan. Filers do not need to report continued participation in a defined contribution maintained by a former employer, unless the former employer continues to make contributions. For a reportable plan, filers must specify the employer, the type of plan, and the terms of any post-separation contributions. If no holdings are reportable in Part I, filers can facilitate the review process by explaining this in Part IV; however, it is not required.

1	East State University	I will continue to participate in this defined contribution plan. The plan sponsor will make
2		a final contribution to the plan within 6 months of my separation.

Reporting Requirements (Spouse)

Part I: A spouse's TIAA product is reported in Part I according to the same rules applicable to the filer.

Part IV: This Part does not apply to spouses.

Treasury Security

Description

Treasury securities are debt obligations issued by the United States Government and secured by the full faith and credit (the power to tax and borrow) of the United States. Examples include Treasury bills (T-bills), Treasury notes, Treasury bonds, and U.S. savings bonds.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Treasury securities are not reportable in the OGE Form 450.

Trust (irrevocable)

Note

There are many types of trusts, and trusts are established and interpreted under state law. Reporting requirements and conflicts considerations will vary based on the type of trust, the interests involved, and the filer's relationship to the trust.

This entry discusses the basic reporting requirements for irrevocable trusts. It does not address interests in or income from revocable living trusts.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- Reporting a Trust: Filers must report a trust in the following cases.
 - Income Received: Annual filers must report a trust if they received more than \$1,000 in income during the reporting period. Trust income is treated as "received" if (1) the income is actually distributed to the filer, the filer's spouse, or the filer's dependent child or (2) the income is recognized by the filer, the filer's spouse, or the filer's dependent child for tax purposes.

- Reportable Current Interest: New entrant and annual filers must report an interest in a trust if (1) the filer, the filer’s spouse, or the filer’s dependent child is currently entitled to receive income from the trust or is entitled to access the principal of the trust and (2) the value of the interest was more than \$1,000 at the end of the reporting period.

Note that a beneficiary currently eligible to receive income or to access the principal will be “entitled” to payments within the meaning of the disclosure rules, unless the trust does not provide **any** standard for an enforceable right to payment. In OGE’s experience, many trusts provide the trustee with some discretion over certain matters, for example, the timing, amount, or source (principal or income) of payment. However, such discretion, by itself, does not mean that the filer lacks an enforceable right to payment. In addition, many trusts permit payments only for specific purposes, for example, health care or education. Such a limitation, by itself, does not mean that the filer lacks an enforceable right to payment. Finally, even if there is no enforceable right to payment, a beneficiary’s current interest would be reportable if the beneficiary is also the trustee, co-trustee, or the settlor. See OGE DAEOgram DO-08-024 (August 6, 2008) and OGE Legal Advisory LA-13-04 (April 9, 2013).

- Reportable Future Interest: New entrant and annual filers must report an interest in a trust if (1) the filer, the filer’s spouse, or the filer’s dependent child has a future interest in principal or income that is vested under controlling state law and (2) the value of the interest was more than \$1,000 at the end of the reporting period.

If a trust is reportable, filers should identify the trust using initials (“J.S. 2003 Trust”) or a general description (“Family trust #1”) in lieu of a full name.

- Reporting the Underlying Holdings of a Trust: Filers with a reportable current or future interest in a trust must also report the underlying holdings of a trust in the following cases.
 - Assets Held at the End of the Reporting Period: New entrant and annual filers must report each underlying asset of the trust that was worth more than \$1,000 at the end of the reporting period. For purposes of this calculation, filers may use the proportionate interest that the filer, the filer’s spouse, and the filer’s dependent children have in the asset.
 - Income from Assets Held during the Reporting Period: Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period. Income from an underlying trust asset is treated as received if (1) it is clear it contributed more than \$1,000 to a trust distribution or (2) the income is recognized for tax purposes by the filer, the filer’s spouse, or the filer’s dependent child. If

the filer cannot ascertain the amount of income contributed, the filer would use the total amount of income of the underlying asset.

1	Family trust #1:
2	- Xylophone Technologies Corporation (XYZ)
3	- Philadelphia, PA, bonds

- **Special Rule for the Underlying Holdings of Excepted Trusts:** Notwithstanding the guidance above, filers need not report the underlying assets of a trust if the trust qualifies as an excepted trust; however, the filer should specify that the trust is an excepted trust. If the filer is reporting such an interest for the first time, reviewers should follow up with the filer to confirm that the filer understands the criteria for qualifying as an excepted trust. See 5 C.F.R. § 2634.907(i) for more information.

1	Family trust #1, excepted trust
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* Other Considerations: In addition, reviewers should inquire as to whether the filer holds a compensated or uncompensated trustee position and whether the filer’s spouse receives any trustee fees.

Trust (revocable living)

Description

In a typical revocable living trust (sometimes called a “revocable inter vivos trust” or a “living trust”), the person who created the trust – often called the grantor, settler, or donor – transfers ownership of assets into a trust, which is managed by the trustee for the benefit of the trust’s beneficiaries. The grantor, who often serves as trustee, can revoke the trust and make other changes, such as substituting beneficiaries or taking assets out of the trust, at any time. The trust becomes irrevocable upon the grantor’s death. A revocable living trust is widely recognized as a will substitute. See OGE DAEOgram DO-02-015 (June 11, 2002) for a detailed discussion of revocable living trusts.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- **Grantor:** If the filer, the filer’s spouse, or a dependent child is the grantor of a

revocable living trust, the filer needs to report each underlying asset of the trust that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period. Income has been received even if not distributed out of the trust. The filer need not specify that the assets are held through a revocable living trust.

1	Xylophone Technologies Corporation (XYZ)
2	ABC Telecommunications Fund (ABCTX)

- **Mandatory Distributions:** Filers must report the trust and any underlying assets that meet a reporting threshold if the trust instrument expressly directs the trustee to make present, mandatory distributions of trust income or principal to the filer (or the filer’s spouse or dependent child). In such situations, even though the grantor retains the power to revoke the trust or change beneficiaries, the fact remains that the trust instrument gives the beneficiary a right to present enjoyment of trust assets and this present enjoyment cannot be interrupted except by an affirmative act of the grantor to alter the trust.

Part V (annual filers only): A discretionary distribution received from a revocable living trust will qualify as a gift from a relative if the grantor is a “relative” within the meaning of 5 C.F.R. § 2634.105(o).

* Other Considerations: In addition, reviewers should inquire as to whether the filer holds a compensated or uncompensated trustee position and whether the filer’s spouse receives trustee fees.

Trustee Fee

Reporting Requirements (Filer)

Part I: Filers must report the source of trustee fees totaling more \$1,000 during the reporting period.

Filers must identify the source and indicate the type of income. For a family trust, the filer may simply refer to the entity as a family trust (e.g., “Family trust #1”). For other trusts, filers should provide the name of the trust.

1	Family trust #1, trustee fees
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Part III: Filers must report a trustee position in Part III.

* Other Considerations: In addition, reviewers should inquire as to whether the filer (or the filer's spouse or dependent children) (1) is the grantor; (2) has a beneficial interest in the trust; or (3) has received distributions from the trust. If so, see the other *Trust* entries in this guide for further information.

Reporting Requirements (Spouse)

Part I: A spouse's trustee fees are reportable according to the same rules applicable to a filer's trustee fees.

Part III: This Part does not apply to spouses.

* Other Considerations: In addition, reviewers should inquire as to whether the filer (or the filer's spouse or dependent children) (1) is the grantor; (2) has a beneficial interest in the trust; or (3) has received distributions from the trust. If so, see the other *Trust* entries in this guide for further information.

UGMA or UTMA Account

Description

A Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) account is an account into which property is set aside for a minor's benefit. Whether a UGMA or UTMA account is used depends on the state in which the account is established.

Transfers made to a UGMA or UTMA account are irrevocable and belong to the child in whose name the account is registered; however, the account is controlled by the custodian until the child reaches a certain age, which varies by state (usually 18 or 21).

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report each underlying asset of a UGMA or UTMA account belonging to their dependent children that individually was worth more than \$1,000 at the end of the reporting period. Annual filers must also report each underlying asset from which they received more than \$1,000 in income during the reporting period.

Filers report the underlying assets following the rules applicable to that type of asset. Filers may indicate that the assets are held within a UGMA or UTMA account, but this information is not required.

1	Bar Harbor Canada Fund (BHRCX)
2	Xylophone Technologies Corporation (XYZ)

Unit Investment Trust

Description

A unit investment trust (UIT) is a type of investment company regulated under the Investment Company Act of 1940. A UIT buys a relatively fixed portfolio of securities and holds them with little or no change until the UIT's termination date. The ethics rules differentiate between "sector" and "diversified" UITs.

- Sector UIT: A UIT that has a stated policy of concentrating its investments in any industry, business, single country other than the United States, or bonds of a single state within the United States.
- Diversified UIT: A UIT that does not have a stated policy of concentrating its investments in any industry, business, single country other than the United States, or bonds of a single state within the United States.

OGE DAEOgram DO-00-030 (August 25, 2000) and OGE Legal Advisory LA-15-09 (June 30, 2015) provide guidance on differentiating between diversified and sector mutual funds. That discussion is also applicable to UITs.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report a sector UIT if the value of the UIT was more than \$1,000 at the end of the reporting period. Annual filers must also report a sector UIT from which they received more than \$1,000 in income during the reporting period. Diversified UITs are not reportable.

Filers must provide the full name of reportable sector UITs. Providing the ticker symbol is helpful but not required.

1	First Trust Utilities Select, Series 32 (FEAGBX)
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Virtual Currency

Description

For purposes of financial disclosure, “virtual currency” describes a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value that has an equivalent value in real currency or that acts as a substitute for real currency (i.e., a “convertible virtual currency” within the meaning of IRS Notice 2014-21). Examples of virtual currencies include Bitcoin, Bitcoin Cash, and Litecoin.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I: Filers must report virtual currency if the value of the virtual currency was more than \$1,000 at the end of the reporting period. Annual filers must also report a virtual currency from which they received more than \$1,000 in income during the reporting period.

Filers must provide the full name of the virtual currency and, if held through a platform or exchange, indicate the name of the platform or exchange.

1	Bitcoin (Coinbase account)
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Will or Estate

Note

Wills are established and interpreted under state law. The guidance provided here addresses the most common situations. Note that the guidance on wills and estates discussed in this section does not cover trusts. Consult the *Trust* entries if the will or estate involves a trust.

Reporting Requirements (Filer, Spouse, and Dependent Children)

Part I:

- Assets Distributed from an Estate: Filers report distributed assets the same way that they would report any other assets that they hold.

1	Bar Harbor Canada Fund (BHRCX)
2	Xylophone Technologies Corporation (XYZ)

- **Beneficial Interest in an Estate That Has Not Been Distributed:** Filers must report a beneficial interest if the interest was worth more than \$1,000 at the end of the reporting period. Annual filers must also report a beneficial interest from which more than \$1,000 in income was received during the reporting period. For purposes of this calculation, filers would exclude any payments that are excluded from taxation as inheritance.

Filers must identify the interest as one in an estate. If the estate is that of a relative, the filer may write “estate of a family member.” In other cases, the filer should identify the estate by the last name of the party (e.g., “Estate of Mr. Doe”).

1	Estate of a family member
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- **Wills of Living Persons:** Filers do not need to report any interest in the will of a living person.

* Other Considerations: Reviewers should inquire as to whether the filer holds a position as the executor or administrator of an estate and whether the filer or the filer’s spouse received any fees for services as an executor or administrator.