

Frequently asked questions about Statements of Financial Interest

1. What are Statements of Financial Interest?

Also called Financial Disclosures, Statements of Financial Interest (SFIs) are forms that must be completed by certain City officers and employees to make public disclosures about their sources of income and other financial interests. City officials may need to file one or both of the following SFIs:

- City of Philadelphia Statement of Financial Interests (City Form)
- Commonwealth of Pennsylvania Statement of Financial Interests (State Form)

2. What is the deadline for filing SFIs?

In general, Financial Disclosure forms must be filed on or before **May 1** of each year. If May 1 is not a business day, forms must be filed on or before the next day the City is open for business. Paper forms must be filed at the Records Department, City Hall Room 156, by 5 p.m. on the day of the deadline. Additional details for each of the Financial Disclosure forms are below:

(1) City Form Filers: If this is your first year holding City office and you took office from January 1 through April 2 in the calendar year, the filing deadline remains May 1. If, however, you took office after April 2 in the calendar year, you must file the City Form within 30 days of taking office. The City Form must be filed each year you hold office and in the year after your City service ends.

(2) State Form Filers: If this is your first year holding City office and you took office for the first time after May 1, you have until May 1 of the next calendar year to file. The State Form must be filed each year you hold office and in the year after your City service ends.

3. Is my completed SFI available to the public?

Yes. Filed Financial Disclosure forms are available for public inspection and copying in the Records Department. All City Forms are posted online on the Department of Records' website. Some data, including information about minor children and some filers' home addresses, will be redacted before a form is made public. For more information, please contact the Department of Records at 215-686-2260.

If you are concerned that disclosure of information submitted would be reasonably likely to pose a specific threat to your personal security or the personal security of an individual named on your form, please submit specific details regarding your concern to:

financialdisclosureprivacy@phila.gov.

4. Who has jurisdiction over the SFIs?

The Board of Ethics coordinates the Financial Disclosure process for the City but only has jurisdiction over the City Form as required by the City Ethics Code. The State Ethics Commission has jurisdiction over the State Form.

5. Can the government really require me to disclose my financial interests?

Yes. In Pennsylvania, courts have repeatedly recognized that financial disclosures are a reasonable way for government to encourage integrity and honesty of public officers and employees and that financial disclosure may enhance the public's perception of government workers' integrity.

6. Do I need to file an SFI?

Whether you need to file depends on the City position(s) you hold. Most City officers and employees only have to file the State Form, while others have to file both the State and City Forms. Many City employees do not have to file an SFI at all.

The instructions for the City Form include a list of the positions that must file the City Form. The State Ethics Act requirement for filing the State Form is based on position description and duties. If you are a City employee, your departmental HR managers can help you get information about whether your job duties meet the standards for filing the State Form.

The Board of Ethics provides a "Who Files What" document to help you determine whether you must file. It is the individual responsibility of each City officer or employee to comply with financial disclosure filing requirements.

7. Why do I need to file the State Form if I work for the City? What if I didn't receive notification regarding the form last year?

The State Ethics Act generally requires any individual who meets the definition of "public employee" or "public official" to file the State Form. Your job description and official duties determine if you are a "public employee" for purposes of the State Form, and many City employees have duties that bring them within the requirements for filing. You may be receiving notification regarding this form for the first time if there has been a change in your job duties.

Departmental HR managers can help you identify the forms you must file, and you can consult your HR manager if you have questions or think your filing status should be changed.

The State Ethics Commission has jurisdiction over the State Form, and you can contact the Commission for a definitive ruling on whether you must file the State Form.

8. I left City service already. Do I need to file?

The City and State Forms must still be filed in the year after a filer's City service ends.

9. I am a City department head and also serve on a City board. Should I file a separate City Form for each position I hold?

No. You should include both positions you hold on any Financial Disclosure forms you file.

10. How do I file SFIs?

Electronic Filing

You are strongly encouraged to use the City's online Financial Disclosure System. The online system allows you to file the City and State form simultaneously.

Paper Filing

Paper forms are available on the Board of Ethics website as downloadable PDFs. Paper forms must be filed with the Records Department, City Hall Room 156, by 5 p.m. on the day of the deadline.

11. How do I access the City's online Financial Disclosure System?

Visit financial-disclosure.phila.gov to log in.

If you have a phila.gov network login, you can now use the same email and password for the filing system, even if this is your first time filing. Be sure to click **Login with your @phila.gov email address** underneath the login button!

If you do not have a phila.gov network account, your user name should be the email address where you received financial disclosure notifications. If you forgot your password, or if you are a first-time filer, follow these steps to **reset your password**:

- Click "Reset Password" and enter your City email address
- Check your email for a confirmation message and follow the instructions in the email to complete the reset

Need login help? Email FinancialDisclosures@phila.gov.

12. What should I do if I am having technical difficulties with the online Financial Disclosure System?

First, make sure your browser is up to date. Please remember to use a modern browser such as Chrome, Edge, or Firefox. Do not use Internet Explorer, it will cause login/display issues. If you need to, copy and paste the link to the filing system into the modern browser. If you need further assistance, please email FinancialDisclosures@phila.gov.

13. What if I have questions about how to complete a particular line on a disclosure form?

First, review the instructions for the form you are completing. If you are in the online Financial Disclosure System, instructions are available at the top right of the screen, where it says "Form Instructions." Instructions are also available on the Board of Ethics website. If you have questions after reviewing the instructions, you can contact Board staff at FinancialDisclosures@phila.gov. Please note that depending on the form that you are required to file and the specific question, Board staff may refer you to another office.

14. If I have no information to report on a section of the form, should I just leave the space blank?

No. Whether you are using the online Financial Disclosure System or preparing your report on paper, be sure to check the box marked “none” if you have nothing to report in a particular section.

15. If information that I have already disclosed in one category on a form is responsive to a second category on the same form, do I also need to disclose the same information in the second category?

Yes. The same information may be required in more than one category of a form and must be disclosed in all applicable categories.

16. Do I need to disclose that I own a vacation home as a real estate interest?

Mere ownership of a vacation home is not reported on the City or State Forms. Generally, the City and State Forms require reporting only if a real estate interest was involved in a transaction with a government entity. Please see the form instructions for details. Note that rental income and gains received from a property in an amount over the applicable reporting thresholds is required to be reported under sources of income. Additionally, if you have a debt related to a vacation home, such as a mortgage or home equity loan, you must disclose the lender and interest rate on the City Form if the debt meets the reporting threshold.

17. When reporting creditor information, do I need to report the amount I owe?

No. On the City and State Forms, you must report the creditor’s name and address and interest rate, but not the amount of the debt. Information is required to be reported for debts in excess of \$5,000 on the City Form and for debts in excess of \$6,500 on the State Form.

18. Do I need to include the mortgage on my home as part of creditor information?

On the City Form, you do not have to report the mortgage on your principal residence. On the State Form, you do not have to report the mortgage on your home *or* secondary home.

19. Do I need to disclose loans from family members?

On the City Form, you do not have to report loans or credit between you and your “immediate family members.” On the State Form, you do not have to report loans or credit between “you and your spouse, child, parent, or sibling.”

20. Do I need to report my student loan debt as part of creditor information?

Yes, if your student debt is over the applicable thresholds. The City Form requires you to disclose the name and address of each creditor that you owed in excess of \$5,000 at any time during the previous calendar year and the interest rate of the loan. Such reporting would include any governmental or private entity with which you have a student loan in excess of \$5,000.

Similarly, the State Form requires you to disclose the name and address of each creditor that you owed in excess of \$6,500 at any time during the previous calendar year and the interest rate of the loan. On its website, the State Ethics Commission explains that “school loans ... must be listed on

the form if the balance owed was in excess of \$6,500.00 at any time during the [previous] calendar year.”

21. Do I need to disclose the City of Philadelphia as a source of income?

Yes, if you are a State Form filer, the City of Philadelphia needs to be disclosed as a source of income if the amount of income is \$1,300.00 or more. You are not required to list the City as a source of income on the City form but since that information is required for the State form, the filing system automatically includes it on the City form as well.

22. What needs to be disclosed as sources of income?

For purposes of the City Form, income is any money or thing of value received, or to be received as a claim on future services, whether in the form of a fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain or any other form of recompense or any combination thereof. Generally, the source of anything that is reportable as “gross income” on your federal income tax return should be disclosed as income on the City Form if it totals in the aggregate \$500 or more.

The State Ethics Commission on its website answers the question of what direct or indirect sources of income must be disclosed on the State Form as follows:

“Income” includes any money or thing of value received or to be received as a claim on future services or in recognition of services rendered in the past, whether in the form of a payment, fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, capital gain, reward, severance payment, proceeds from the sale of a financial interest in a corporation, professional corporation, partnership or other entity resulting from termination/withdrawal therefrom upon assumption of public office or employment or any other form of recompense or combination thereof.

The term refers to gross income; it includes prize winnings and tax-exempt income but does not include gifts, governmentally mandated payments or benefits, retirement, pension or annuity payments funded totally by contributions of the public official or employee, or miscellaneous, incidental income of minor dependent children.

Some examples follow: 1) if you receive monthly pension payments of \$1,300.00 or more, where the employer has contributed in whole or in part to your pension, or if you own a 401K account that has generated dividends, distributions or capital gains totaling in the aggregate of \$1,300.00 or more, you must list it here; and 2) if you sell a property and you have capital gains from that property, and each source is \$1,300.00 or more, you must list it here.

Further, a State Ethics Commission Regulation on Financial Disclosure provides in relevant part:

- (a) The name and address of a direct or indirect source of income, including employers, in the aggregate of \$1,300 or more . . . shall be reported, unless the disclosure would require the divulgence of confidential information protected by statute or existing professional codes of ethics or common law privileges.

23. I own stocks and bonds. What do I need to disclose?

On the City Form, filers need to disclose stocks, bonds, and mutual funds as a source of income if they have generated \$500 or more of income, such as dividends, interest or capital gains. You only need to disclose specific amounts regarding such income if it exceeds \$5,000 and, further, you are not required to disclose the individual holdings of a mutual fund. As a general rule, sources of income that must be disclosed on the City Form include sources of anything reportable as “gross income” on your federal income tax return if it totals \$500 or more in the aggregate in the prior calendar year.

In addition to sources of income, a “financial interest in any business organized for profit” is a separate category required to be reported on the City Form. Ownership of stocks and bonds must be disclosed in this category if they involve a business organized for profit and if they are not held through mutual funds. Disclosure is required regardless of whether the business actually made any profit during the previous calendar year.

In terms of reporting investment income on the State Form, a State Ethics Commission Regulation on Financial Disclosure provides in relevant part as follows:

(b) Income from the securities of a particular business equaling or exceeding the [\$1,300] reporting threshold, capital gains and dividends equaling or exceeding the [\$1,300] reporting threshold shall be listed.

(c) If the income generated equals or exceeds the [\$1,300] reporting threshold, mutual funds and other financial plans for individuals may be reported as a single source if the individual has no authority to buy or sell particular assets in the fund.

(d) An individual or an individual and a spouse who has an investment portfolio, with a broker, other than a mutual fund, shall list individually the income from each asset to which subsection (b) applies if the asset may be bought and sold by the individual or by the individual and a spouse.

The State Ethics Commission website also states that if you own a 401(k) account that has generated dividends, distributions, or capital gains totaling in the aggregate of \$1,300.00 or more, you must list it as a source of income.

Further, a “financial interest in a legal entity engaged in business for profit” is a separate category required to be reported on the State Form. For purposes of the State Form, a financial interest means either more than 5% of the equity of the business or more than 5% of the assets of the economic interest in indebtedness.

24. I own a business. How do I disclose income from that business?

Under both the City Form and State Form, you have two separate options regarding how to disclose gross income generated from a business (assuming you exceed the income thresholds for both forms (\$500 City Form; \$1,300 State Form)).

Option 1 -- listing the particular business to which such income can be attributed and disclosing the gross amount received if more than \$5,000; OR

Option 2 -- listing the name of each individual client of the business that paid \$500 or more and disclosing the gross amount received from any individual client in excess of \$5,000.

Please note that, for the City Form, the filer must disclose all names under which the business operates. Further, if the type of business conducted is not evident from the business name, the filer shall include a brief description of the type of business conducted.

Below are some examples regarding these two options discussed above:

Example 1 -- Stella Luna practices law as the Law Office of Stella Luna, Esq. Her law practice had \$360,000 in gross receipts during the reporting year. On her disclosure form, Stella may list the Law Office of Stella Luna, Esq. and the full amount of income she received from the business (\$360,000). Alternatively, Stella may list each client from whom she received \$500 or more and include the amount received for any client from whom she received more than \$5,000.

Example 2 -- Jane Drain operates a modest plumbing business that grossed \$60,000 during the reporting year. During the reporting year, Jane's business had six clients. One client paid her \$400, one paid her \$4,000, and the other four each paid her more than \$5,000. On her disclosure form, Jane may disclose the business under her name if she adds a description such as "(plumbing business)" and also discloses that she received \$60,000 from the business. Alternatively, Jane may list each of the five clients who paid \$500 or more. For the clients who paid her more than \$5,000 she must also list the actual amount she received from each of them

25. I am a board member of a nonprofit organization. Do I need to disclose my board membership?

Yes. Both the City Form and the State Form require disclosure of "Office, Directorship or Employment in Any Business Entity." When providing your information regarding offices, directorships and employment in business entities, you should include such positions in nonprofit entities as well as for-profit entities. Similarly, the Mayor's Form requires listing all offices and directorships held in any business, association, or other entity, including nonprofits.