



Community and Workplace Culture Committee

# Ethics Education: Financial Disclosure Requirements

Item 6a

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## Item 6a

### Subject

Ethics Education: Financial Disclosure Requirements

### Purpose

To briefly review directors' financial disclosure requirements.

# Financial Disclosure (Form 700)

## Form 700 is:

- A mandatory public form required by the state on which designated government officials report personal financial interests.
- A tool for government officials to help screen for and avoid potential conflicts of interest in agency matters.
- Intended to provide transparency to the public.

## Background

# Basics

- How/When to File Form 700
  - Electronically with the California Fair Political Practices Commission (FPPC)
  - Annually and when assuming and leaving your Metropolitan position
- Level of Disclosure
  - Broadest level of disclosure in the state (directors)
- Consequences for Not Filing
  - FPPC may investigate and impose monetary fines for failing to file, filing late, or filing incomplete/inaccurate forms.
  - Ethics Office may investigate and Board may take action for Form 700 violations under the Administrative Code.
  - Loss of Public Trust

# Basic Disclosure Requirements

*Directors generally must report:*

- **Gifts** (meals, event tickets, plaques \$250 or over, prizes, lodging, certain rebates/discounts, loan forgiveness, rounds of golf, etc.)
- **Investments** (stocks, non-government bonds, business entities, sole proprietorships, trusts, etc.)
- **Income, Loans, & Business Positions** (salary, travel payments paid by employer or other third party, commissions, rental income, personal loans, job titles, certain clients, etc.)
- **Real Property** (ownership, deed of trust, leasehold interest, etc.)
- **Travel Payments** (third party payments for lodging, airlines, travel reimbursements, etc.)

# Basic Disclosure Requirements

## Additional Notes:

- Directors are required to file complete, accurate, and timely Form 700s
- Remember to report interest of spouses, domestic partners, and dependent children

## New for 2026:

- ❖ *Report any arrangement for Prospective Employment (AB 1286). Use new Schedule P Attachment.*

# 10 Common Oversights

1. Not disclosing spouse's interests
2. Not reporting meals/gifts from third parties, including government agencies
3. Using company acronyms/misspelling company names
4. Not disclosing business clients
5. Not disclosing all business positions held
6. Not reporting acquired/disposed of dates for investments
7. Not reporting stocks held in account managed by investment firm
8. Reporting partial trading of an investment (only need to report once)
9. Reporting government bonds (exempt from disclosure)
10. Reporting diversified mutual funds (exempt from disclosure)

# Key Reminders and Takeaways

- Limited exceptions apply. Seek advice from the Ethics Office to determine whether an exception applies.
- Annual Form 700 reporting window is open.
- Annual Form 700 is due April 1.
- Disclose arrangements for prospective employment (new requirement).
- Disclose spousal interests.
- Disclose meals/gifts.
- Annual gift limit = \$630 per source (cumulative, per calendar year).
- Track gifts throughout the year on a blank Gift Schedule.
- Review FPPC FAQs and Reference Pamphlet.
- Review Ethics Office Fact Sheet.
- Contact the Ethics Office or FPPC for advice on specific interests. Laws are very nuanced.
- Director Form 700s are posted on Metropolitan website.



Questions?

