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Ethics News Corner

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Office of Management Analysis & Review (OMAR)
Ethics Service Center
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Message from OMAR Director, Genia Bohrer

INSIDE THIS ISSUE

- 1 Message from OMAR Director
- 1 Public Financial Disclosure Report (SF- 278)
- 1 SF-278 Frequently Asked Questions (FAQs)
- 3 Common SF-278 Reporting Errors
- 3 NEES – HHS 520 Module
- 4 Omar Ethics Service Center - *at a glance*
- 4 Upcoming Events

Welcome to the first Ethics News Corner newsletter. The Ethics Service Center (ESC), located in the ORS Office of Management Analysis and Review (OMAR) is one of the first points of contact for ethics services for CIT, NCRR, NIA, NIBIB, ORF and ORS.

This monthly newsletter will provide useful information to you as a Federal employee on various aspects of the Standards of Ethical Conduct. The OMAR Ethics Service Center is always available to assist you in providing advice, guidance, and training on all aspects of the Standards of Ethical Conduct.

We hope you enjoy our newsletter!

Public Financial Disclosure Report (SF-278)

Individuals in certain pay plans or positions are required by the Ethics in Government Act (EIGA), as amended, to file a Public Financial Disclosure Report (SF-278) within 30 days of entering the covered position, annually thereafter, and within 30 days of terminating from a covered position. There are some exceptions and occasions when one report fulfills both requirements. Individuals required to file this report include the following:

- Officers and employees (including special Government employees, as defined in 18 U.S.C.202) whose positions are classified above GS-15 of the General Schedule, or the rate of basic pay for which is fixed, other than under the General Schedule, at a rate equal to or greater than 120% of the minimum rate of basic pay for GS-15 of the General Schedule;
- Members of the uniformed services in pay grades 0-7 or above;
- Officers or employees in any other positions determined by the Director of the Office of Government Ethics to be of equal classification to above GS-15 or special categories at 120% above the minimum.

SF-278 Frequently Asked Questions (FAQs)

We have provided answers to some frequently asked questions below. Additional questions and answers related to the SF-278 Form are found at: http://www.usoge.gov/pages/financial_disclosure/sf_278_faqs_pg1.html. If you still have questions, please contact your OMAR Ethics Specialist.

More information on the SF- 278 can be found at:

<http://ethics.od.nih.gov/topics/forms278.htm>

Continued - SF-278 FAQ's

The NIH Ethics program is administered to help ensure the decisions made by NIH employees are not, nor appear to be, tainted by any question of conflict of interest.

How is the information that I report used?

The purpose of this report is to assist employees and their agencies in avoiding conflicts between duties and private financial interests or affiliations. Your agency ethics official will use the information you provide to determine whether any potential conflicts exist. The form also will be made available if it is requested by a member of the public. Public requesters are prohibited, however, from using the information on your form for any unlawful or commercial purpose, or from using it as a basis to establish your credit rating or to solicit any money from you.

Do I need to report mutual funds?

Yes. You are required to report mutual funds in Schedule A that meet the reporting threshold. You should report the full name of the fund in Block A. In Block B check the appropriate category of value. In Block C, check "Excepted Investment Fund" (EIF) column and the appropriate category of amount of income. For information regarding the criteria for meeting the EIF standard, please click on the following link.

http://www.usoge.gov/pages/financial_disclosure/278guide_04_pg143.pdf

Am I required to report IRA accounts?

On Schedule A you are required to report each underlying asset in an IRA account if the asset meets the reporting threshold. Each asset should be reported as a separate line item on Schedule A. For example, your IRA account holds \$1500 in GE, \$2000 in Vanguard 500 Index, and \$10,000 in a SunTrust savings account. You should report each of those on separate lines.

How should I describe stocks, bonds and other securities?

Give the full name of the security (e.g., DEF Corporation, Class B). Including other identifying information such as the stock ticker may be helpful, but a complete description is all that is required.

How do I report a 401(k) plan and defined benefit plan with my former employer?

You should report the underlying assets in the 401(k) as separate line items on Schedule A. For funds held in the 401(k), you should determine whether they meet the definition of "excepted investment fund" so you can report them correctly. For information regarding the criteria for meeting the EIF standard, please click on the following link.

http://www.usoge.gov/pages/financial_disclosure/278guide_04_pg143.pdf

You should also report your defined benefit plan on Schedule A. You should list the name of the employer providing the plan and identify the asset as a "defined benefit plan" in Block A. In Block B, check the appropriate category of value. In Block C, check the appropriate type and category of amount of income. If you cannot ascertain the value of the plan, you may state the "value is not readily ascertainable" and provide the amount of benefit you will receive and the age you will begin receiving it.

In addition, you should report the 401(k) and defined benefit plan on Schedule C, Part II (Agreements and Arrangements). You should include the following information for the 401(k) plan and defined benefit plan on Schedule C, Part II: name of the employer; a statement that the plan is a 401(k) plan or defined benefit plan; and, the date you entered the plan.

Common SF-278 Reporting Errors

1. **Incorrect reporting of Individual Retirement Accounts (IRAs).** These accounts do not qualify as Excepted Investment Funds (EIFs); therefore, all underlying assets held within the IRA should be disclosed on the report.
2. **Incomplete reporting of college prepaid tuition savings plans (529).** For prepaid tuition plans report the name of the plan and sponsor, the value and income value (which will usually be none). For prepaid savings plans, report the underlying investment choice as separate items.
3. **Incomplete TIAA-CREF plan reporting.** Participants must report the underlying investment options. For TIAA, which consists of a real estate account and a traditional annuity, report either the real estate account or the traditional annuity or both. For CREF, which consists of mutual funds, report these underlying funds.
4. **Inadequate annuities reporting.** Report the name of the insurance company issuing the annuity, the type of annuity (fixed or variable) and any investment choices if in a variable account, such as Fidelity Magellan.
5. **Inadequate reporting of non-public limited partnership (LP) investments.** Filers must report the name of the LP, its location, and a brief description of its operation. If an investment partnership is not an EIF, the filer's interest in the underlying assets is also reportable.

NIH Enterprise Ethics System (NEES) - HHS 520 Module

EFFECTIVE APRIL 15, 2008, All HHS-520 Request for Approval of Outside Activity forms MUST be submitted and reviewed electronically, using the NEES.

Requirements will be the same as currently required using the paper form HHS-520.

NEES Training on the preparation, submission, and supervisory review of HHS-520 requests is encouraged for:

- All NIH employees who expect to engage in a new outside activity or intend to renew an existing outside activity request.
- All NIH employees who act as supervisors of employees requesting approval for outside activities.

If you have not attended a training session on using the HHS-520 NEES Module, please check for upcoming classes on the CIT training page at <http://training.cit.nih.gov/coursepicfull.asp?cnumber=705&term=08G>
Course # 705 Preparation, Submission, and Supervisory Review of HHS-520 Requests.

Note: If you wish to have an assistant enter the data for you, that assistant may also attend the training session.

If you are on a class waiting list or cannot attend a class in person, slides from the class and step-by-step instructions are also available in the NEES Community on the NIH Portal.

Please contact your OMAR Ethics Specialist if you have any questions!

The OMAR Ethics Service Center – *at a glance*

Our Mission

To deliver the oversight, education, policy and guidance to our community that is necessary to fulfill our mutual responsibility for ethics.

Our Vision

Protect the integrity of the NIH by extending the benefits of OMAR's best practices and methods to every member of the CIT, NIA, NIBIB, NCRR, ORF, and ORS workforce.

How We Set Standards for Excellence in Performance

Recognize that reliability, streamlined processes and consistent practices are the foundation for good customer service.

Upcoming Events

Please make note of these important dates:

Notice to File SF-278 **April 16**

NEES HHS 520 Module Mandatory **April 15**

SF-278 Due **May 15**

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Visit us on the web at <http://omar.ors.od.nih.gov/ethics.htm>