

Illinois Governmental Ethics Act – Key Definitions Sheet

Definitions of “Asset,” “Debt,” and “Income” for Purposes of Completion of the Statement of Economic Interests

| DEFINED TERM ¹ | INCLUDES | EXCLUDES |
|---------------------------|--|---|
| “Asset” ² | Any item that is owned and has monetary value, including, but not limited to: <ol style="list-style-type: none"> stocks, bonds, sector mutual funds, sector exchange traded funds, commodity futures, investment real estate, and beneficial interests in trusts, business interests, and partnership interests | <ol style="list-style-type: none"> personal residences; personal vehicles; savings or checking accounts; bonds, notes, or securities issued by any branch of federal, state, or local government; Medicare benefits; inheritances or bequests, <i>other than</i> beneficial interests in trusts; diversified funds; annuities; pensions (including government pensions); retirement accounts; college savings plans that are qualified tuition plans; qualified tax-advantaged savings programs that allow individuals to save for disability-related expenses; or tangible personal property. |

Commented [A3]: "Personal residence" means, for the purposes of Sections 4A-102 and 4A-103, a filer's primary home residence and any residential real property held by the filer and used by the filer for residential rather than commercial or income generating purposes.

Commented [A1]: "Sector funds" means mutual funds or exchange traded funds invested in a particular industry or business.

Commented [A2]: "Investment real estate" means any real property, other than a filer's personal residences, purchased to produce a profit, whether from income or resale. Investment real estate may be described by the city and state where the real estate is located.

Commented [A4]: "Diversified funds" means investment products, such as mutual funds, exchange traded funds, or unit investment trusts, that invest in a wide variety of securities across multiple sectors or asset classes. "Diversified funds" does not include sector funds.

¹ The full text of the Illinois Government Ethics Act is located at [5 ILCS 420/](#). All definitions in this Definitions Sheet are taken from [Article 1](#) of the Act. This Definitions Sheet contains only selected definitions to assist in completing selected questions on the Statement of Economic Interests required by the Act. Additional definitions to assist in completing the rest of the Statement are contained in [Article 1](#). A summary of the information to be reported as well as the exact text of the Statement is contained in [Article 4A](#) of the Act. (Links are current as of the date of this Definitions Sheet)

² The Act and the Instructions at the top of the Statement of Economic Interests state that filers do NOT need to disclose specific amounts or values.

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| DEFINED TERM | INCLUDES | EXCLUDES |
|----------------------------------|---|---|
| <p>“Debt”³</p> | <p>Any money or monetary obligation owed at any time during the preceding calendar year to an individual, company, or other organization, including, but not limited to:</p> <ol style="list-style-type: none"> 1. personal loans from friends or business associates, 2. business loans made outside the lender’s regular course of business, and 3. loans made at below market rates | <ol style="list-style-type: none"> 1. a loan that is from a financial institution, government agency, or business entity and that is granted on terms made available to the general public; 2. debts to or from financial institutions or government entities, such as: <ul style="list-style-type: none"> • mortgages, • student loans, • credit card debts, or • loans secured by automobiles, household furniture, or appliances, as long as those loans were made on terms available to the general public and do not exceed the purchase price of the items securing them; 3. debts to or from a political committee registered with the Illinois State Board of Elections or political committees, principal campaign committees, or authorized committees registered with the Federal Election Commission; or 4. a loan from a member of the filer’s family not known by the filer to be registered to lobby under the Lobbyist Registration Act. |

Commented [A5]: “Person” or “entity” means an individual, proprietorship, partnership, association, trust, estate, business trust, group, or corporation, whether or not operated for profit, or a governmental agency, unit, or subdivision.

Commented [A6]: “Family” means, for the purposes of Sections 4A-102 and 4A-103, a filer’s spouse, children, step-children, parents, step-parents, siblings, step-siblings, half-siblings, sons-in-law, daughters-in-law, grandparents, and grandchildren, as well as the parents and grandparents of the filer’s spouse, and any person living with the filer.

“Spouse” means a party to a marriage, a party to a civil union, or a registered domestic partner.

Commented [A7]: “Lobbyist” means an individual who is required to be registered to engage in lobbying activities pursuant to the Lobbyist Registration Act.

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| DEFINED TERM | INCLUDES | EXCLUDES |
|-----------------------|---|---|
| “Income” ⁴ | Pension income and any income from whatever source derived, required to be reported on the filer’s federal income tax return, including, but not limited to: <ol style="list-style-type: none"> 1. compensation received for services rendered or to be rendered (as required to be reported on any Internal Revenue Service forms, including, but not limited to, Forms W-2, 1099, or K-1), 2. earnings or capital gains from the sale of assets, 3. profit, 4. interest or dividend income from all assets, 5. revenue from leases and rentals, royalties, prizes, awards, or barter, 6. forgiveness of debt, and 7. earnings derived from annuities or trusts <i>other than</i> testamentary trusts | <ol style="list-style-type: none"> 1. compensation earned for service in the position that necessitates the filing of the statement of economic interests, or 2. investment or interest returns on items excluded from the definition of “asset”, or 3. income from the sale of a personal residence or personal vehicle |

Commented [A10]: “Compensation” means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another.

Commented [A8]: “Compensation” means any money, thing of value, or economic benefit conferred on, or received by, any person in return for services rendered, or to be rendered, by himself or another.

Commented [A9]: See definition of asset above on this Sheet.

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STATEMENT OF ECONOMIC INTERESTS DISCLOSURE

Additional Resources

- Illinois Association of School Boards *Information for Candidates*
<https://www.iasb.com/memberships-and-divisions/school-board-elections/information-for-candidates/>
- Illinois Secretary of State [Statement of Economic Interests Guidance](#)
- *Illinois Governmental Ethics Act* [5 ILCS 420/1-101 et seq.](#)
- Hodges Loizzi [SEI Key Definitions Informational Resource](#)