

INFORMATION AND INSTRUCTIONS

For Completing the “Two-Year Vendor Certification and Disclosure of Political Contributions” Form

Background Information

On September 22, 2004, then-Governor James E. McGreevey issued E.O. 134, the purpose of which was to insulate the negotiation and award of State contracts from political contributions that posed a risk of improper influence, purchase of access or the appearance thereof. To this end, E.O. 134 prohibited State departments, agencies and authorities from entering into contracts exceeding \$17,500 with individuals or entities that made certain political contributions. E.O. 134 was superseded by Public Law 2005, c. 51, signed into law on March 22, 2005 (“Chapter 51”).

On September 24, 2008, Governor Jon S. Corzine issued E.O. 117 which is designed to enhance New Jersey’s efforts to protect the integrity of procurement decisions and increase the public’s confidence in government. The Executive Order builds upon the provisions of Chapter 51.

Two-Year Certification Process

Upon approval by the State Chapter 51 Review Unit, the Certification and Disclosure of Political Contributions form is valid for a two (2) year period. Thus, if a vendor receives approval on January 1, 2014, the certification expiration date would be December 31, 2015. Any change in the vendor’s ownership status and/or political contributions during the two-year period will require the submission of new Chapter 51/Executive Order 117 forms to the State Review Unit. **Please note that it is the vendor’s responsibility to file new forms with the State should these changes occur.**

State Agency Instructions: Prior to the awarding of a contract, the State Agency should first send an e-mail to CD134@treas.nj.gov to verify the certification status of the vendor. If the response is that the vendor is NOT within an approved two-year period, then forms must be obtained from the vendor and forwarded for review. If the response is that the vendor is within an approved two-year period, then the response so stating should be placed with the bid/contract documentation for the subject project.

Instructions for Completing the Form

NOTE: Please refer to pages 3 and 4 “USEFUL DEFINITIONS for the purposes of Chapter 51 and Executive Order 117” for guidance when completing the form.

Part 1: BUSINESS ENTITY INFORMATION

Business Name – Enter the full legal name of the vendor, including trade name if applicable.

Address, City, State, Zip and Phone Number -- Enter the vendor's street address, city, state, zip code and telephone number.

Vendor Email – Enter the vendor’s primary email address.

Vendor FEIN – Please enter the vendor’s Federal Employment Identification Number.

Business Type - Check the appropriate box that represents the vendor's type of business formation.

Listing of officers, shareholders, partners or members - Based on the box checked for the business type, provide the corresponding information. (A complete list must be provided.)

Part 2: DISCLOSURE OF CONTRIBUTIONS

Read the three types of political contributions that require disclosure and, if applicable, provide the recipient's information. The definition of "Business Entity/Vendor" and "Contribution" can be found on pages 3 and 4 of this form.

Name of Recipient - Enter the full legal name of the recipient.

Address of Recipient - Enter the recipient's street address.

Date of Contribution - Indicate the date the contribution was given.

Amount of Contribution - Enter the dollar amount of the contribution.

Type of Contribution - Select the type of contribution from the examples given.

Contributor's Name - Enter the full name of the contributor.

Relationship of the Contributor to the Vendor - Indicate the relationship of the contributor to the vendor. (e.g. officer or shareholder of the company, partner, member, parent company of the vendor, subsidiary of the vendor, etc.)

NOTE: If form is being completed electronically, click "Add a Contribution" to enter additional contributions. Otherwise, please attach additional pages as necessary.

Check the box under the recipient information if no reportable contributions have been solicited or made by the business entity. **This box must be checked if there are no contributions to report.**

Part 3: CERTIFICATION

Check Box A if the representative completing the Certification and Disclosure form is doing so on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity.

(No additional Certification and Disclosure forms are required if BOX A is checked.)

Check Box B if the representative completing the Certification and Disclosure form is doing so on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity with the exception of those individuals and/or entities that submit their own separate form. For example, the representative is not signing on behalf of the vice president of a corporation, but all others. The vice president completes a separate Certification and Disclosure form. **(Additional Certification and Disclosure forms are required from those individuals and/or entities that the representative is not signing on behalf of and are included with the business entity's submittal.)**

Check Box C if the representative completing the Certification and Disclosure form is doing so on behalf of the business entity only. **(Additional Certification and Disclosure forms are required from all individuals and/or entities whose contributions are attributable to the business entity and must be included with the business entity submittal.)**

Check Box D when a sole proprietor is completing the Certification and Disclosure form or when an individual or entity whose contributions are attributable to the business entity is completing a separate Certification and Disclosure form.

Read the five statements of certification prior to signing.

The representative authorized to complete the Certification and Disclosure form must sign and print her/his name, title or position and enter the date.

Public Law 2005, Chapter 51 and Executive Order 117 (2008)

State Agency Procedure for Submitting Form(s)

The State Agency should submit the completed and signed Two-Year Vendor Certification and Disclosure forms either electronically to: cd134@treas.nj.gov or regular mail at: Chapter 51 Review Unit, P.O. Box 230, 33 West State Street, Trenton, NJ 08625-0230. Original forms should remain with the State Agency and copies should be sent to the Chapter 51 Review Unit.

Business Entity Procedure for Submitting Form(s)

The business entity should return this form to the contracting State Agency. The business entity can submit the Certification and Disclosure form directly to the Chapter 51 Review Unit only when:

- The business entity is approaching its two-year certification expiration date and is seeking certification renewal;
- The business entity had a change in its ownership structure; OR
- The business entity made any contributions during the period in which its last two-year certification was in effect, or during the term of a contract with a State Agency.

Questions & Information

Questions regarding the interpretation or application of Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13) or E.O. 117 (2008) may be submitted electronically through the Division of Purchase and Property website at: <https://www.state.nj.us/treas/purchase/eo134questions.shtml>

Reference materials and forms are posted on the Political Contributions Compliance website at: <http://www.state.nj.us/treasury/purchase/execorder134.shtml>

USEFUL DEFINITIONS for the purposes of Chapter 51 and Executive Order 117

- **“Business Entity/Vendor”** means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition also includes (i) if a business entity is a for-profit corporation, any officer of the corporation and any other person or business entity that owns or controls 10% or more of the stock of the corporation; (ii) if a business entity is a professional corporation, any shareholder or officer; (iii) if a business entity is a general partnership, limited partnership or limited liability partnership, any partner; (iv) if a business entity is a sole proprietorship, the proprietor; (v) if the business entity is any other form of entity organized under the laws of New Jersey or any other state or foreign jurisdiction, any principal, officer or partner thereof; (vi) any subsidiaries directly or indirectly controlled by the business entity; (vii) any political organization organized under 26 U.S.C.A. § 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (viii) with respect to an individual who is included within the definition of “business entity,” that individual’s civil union partner and any child residing with that person.¹
- **“Officer”** means a president, vice president with senior management responsibility, secretary, treasurer, chief executive officer or chief financial officer of a corporation or any person routinely performing such functions for a corporation. Please note that officers of non-profit entities are excluded from this definition.
- **“Partner”** means one of two or more natural persons or other entities, including a corporation, who or which are joint owners of and carry on a business for profit, and which business is organized under the laws of this State or any other state or foreign jurisdiction, as a general partnership, limited partnership, limited liability partnership, limited liability company, limited partnership association, or other such form of business organization.

¹Contributions made by a spouse, civil union partner or resident child to a candidate for whom the contributor is eligible to vote or to a political party committee within whose jurisdiction the contributor resides are permitted.

USEFUL DEFINITIONS for the purposes of Chapter 51 and Executive Order 117

- **“Contribution”** is a contribution, including an in-kind contribution, in excess of \$300.00 in the aggregate per election made to or received by a candidate committee, joint candidates committee, or political committee; or per calendar year made to or received by a political party committee, legislative leadership committee, or continuing political committee or a currency contribution in any amount.
- **“In-kind Contribution”** means a contribution of goods or services received by a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, which contribution is paid for by a person or entity other than the recipient committee, but does not include services provided without compensation by an individual volunteering a part of or all of his or her time on behalf of a candidate or committee.
- **“Continuing Political Committee”** includes any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least \$4,300 to aid or promote the candidacy of an individual, or the candidacies of individuals, for elective public office, or the passage or defeat of a public questions, and which may be expected to make contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association or other organization has been determined by the Commission to be a continuing political committee in accordance with N.J.S.A. 19:44A-8(b).
- **“Candidate Committee”** means a committee established by a candidate pursuant to N.J.S.A. 19:44A-9(a), for the purpose of receiving contributions and making expenditures.
- **“State Political Party Committee”** means a committee organized pursuant to N.J.S.A. 19:5-4.
- **“County Political Party Committee”** means a committee organized pursuant to N.J.S.A. 19:5-3.
- **“Municipal Political Party Committee”** means a committee organized pursuant to N.J.S.A. 19:5-2.
- **“Legislative Leadership Committee”** means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly, or the Minority Leader of the General Assembly pursuant to N.J.S.A. 19:44A-10.1 for the purpose of receiving contributions and making expenditures.
- **“Political Party Committee”** means:
 1. The State committee of a political party, as organized pursuant to N.J.S.A. 19:5-4;
 2. Any county committee of a political party, as organized pursuant to N.J.S.A. 19:5-3; or
 3. Any municipal committee of a political party, as organized pursuant to N.J.S.A. 19:5-2



State of New Jersey
Department of the Treasury

Division of Purchase and Property

Two-Year Chapter 51/Executive Order 117 Vendor Certification and
Disclosure of Political Contributions

FOR STATE AGENCY USE ONLY

Solicitation, RFP, or Contract No. _____ Award Amount _____

Description of Services _____

State Agency Name _____ Contact Person _____

Phone Number _____ Contact Email _____

Check if the Contract / Agreement is Being Funded Using FHWA Funds

**Please check if requesting
recertification**

Part 1: Business Entity Information

Full Legal Business Name _____
(Including trade name if applicable)

Address _____

City _____ State _____ Zip _____ Phone _____

Vendor Email _____ Vendor FEIN (SS# if sole proprietor/natural person) _____

**Check off the business type and list below the required information for the type of business selected.
MUST BE COMPLETED IN FULL**

- Corporation: LIST ALL OFFICERS and any 10% and greater shareholder
- Professional Corporation: LIST ALL OFFICERS and ALL SHAREHOLDERS
- Partnership: LIST ALL PARTNERS with any equity interest
- Limited Liability Company: LIST ALL MEMBERS with any equity interest
- Sole Proprietor

Note: "Officers" means President, Vice President with senior management responsibility, Secretary, Treasurer, Chief Executive Officer or Chief Financial Officer of a corporation, or any person routinely performing such functions for a corporation.

All Officers of a Corporation or PC

**10% and greater shareholders of a corporation
or all shareholder of a PC**

All Equity partners of a Partnership

All Equity members of a LLC

If you need additional space for listing of Officers, Shareholders, Partners or Members, please attach separate page.

IMPORTANT NOTE: You must review the definition of "contribution" and "business entity" on the Information and Instructions form prior to completing Part 2 and Part 3. The Information and Instructions form is available at: <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>

Part 2: Disclosure of Contributions by the business entity or any person or entity whose contributions are attributable to the business entity.

1. Report below all contributions solicited or made during the 4 years immediately preceding the commencement of negotiations or submission of a proposal to any:

Political organization organized under Section 527 of the Internal Revenue Code and which also meets the definition of a continuing political committee as defined in N.J.S.A. (See Information and Instructions form.)

2. Report below all contributions solicited or made during the 5 ½ years immediately preceding the commencement of negotiations or submission of a proposal to any:

Candidate Committee for or Election Fund of any Governorial or Lieutenant Governorial candidate
State Political Party Committee
County Political Party Committee

3. Report below all contributions solicited or made during the 18 months immediately preceding the commencement of negotiations or submission of a proposal to any:

Municipal Political Party Committee
Legislative Leadership Committee

Full Legal Name of Recipient _____
Address of Recipient _____
Date of Contribution _____ Amount of Contribution _____
Type of Contribution (i.e. currency, check, loan, in-kind) _____
Contributor Name _____
Relationship of Contributor to the Vendor _____
If this form is not being completed electronically, please attach additional contributions on separate page. Click the "Add a Contribution" tab to enter additional contributions.
<input type="button" value="Remove Contribution"/>
<input type="button" value="Add a Contribution"/>

Check this box only if no political contributions have been solicited or made by the business entity or any person or entity whose contributions are attributable to the business entity.

Part 3: Certification

- (A) I am certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity as listed on Page 1 under **Part 1: Vendor Information**.
- (B) I am certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity as listed on Page 1 under **Part 1: Vendor Information**, except for the individuals and/or entities who are submitting separate Certification and Disclosure forms which are included with this submittal.
- (C) I am certifying on behalf of the business entity only; any remaining persons or entities whose contributions are attributable to the business entity (as listed on Page 1) have completed separate Certification and Disclosure forms which are included with this submittal.
- (D) I am certifying as an individual or entity whose contributions are attributable to the business entity.

I hereby certify as follows:

1. I have read the Information and Instructions accompanying this form prior to completing the certification on behalf of the business entity.
2. All reportable contributions made by or attributable to the business entity have been listed above.

3. The business entity has not knowingly solicited or made any contribution of money, pledge of contribution, including in-kind contributions, that would bar the award of a contract to the business entity unless otherwise disclosed above:

- a) Within the 18 months immediately preceding the commencement of negotiations or submission of a proposal for the contract or agreement to:
 - (i) A candidate committee or election fund of any candidate for the public office of Governor or Lieutenant Governor or to a campaign committee or election fund of holder of public office of Governor or Lieutenant Governor; OR
 - (ii) Any State, County or Municipal political party committee; OR
 - (iii) Any Legislative Leadership committee.
- b) During the term of office of the current Governor or Lieutenant Governor to:
 - (i) A candidate committee or election fund of a holder of the public office of Governor or Lieutenant Governor; OR
 - (ii) Any State or County political party committee of the political party that nominated the sitting Governor or Lieutenant Governor in the last gubernatorial election.
- c) Within the 18 months immediately preceding the last day of the sitting Governor or Lieutenant Governor's first term of office to:
 - (i) A candidate committee or election fund of the incumbent Governor or Lieutenant Governor; OR
 - (ii) Any State or County political party committee of the political party that nominated the sitting Governor or Lieutenant Governor in the last gubernatorial election.

4. During the term of the contract/agreement the business entity has a continuing responsibility to report, by submitting a new Certification and Disclosure form, any contribution it solicits or makes to:

- (a) Any candidate committee or election fund of any candidate or holder of the public office of Governor or Lieutenant Governor; OR
- (b) Any State, County or Municipal political party committee; OR
- (c) Any Legislative Leadership committee.

The business entity further acknowledges that contributions solicited or made during the term of the contract/agreement may be determined to be a material breach of the contract/agreement.

5. During the two-year certification period the business entity will report any changes in its ownership structure (including the appointment of an officer within a corporation) by submitting a new Certification and Disclosure form indicating the new owner(s) and reporting said owner(s) contributions.

I certify that the foregoing statements in Parts 1, 2 and 3 are true. I am aware that if any of the statements are willfully false, I may be subject to punishment.

Signed Name _____ Print Name _____

Title/Position _____ Date _____

Procedure for Submitting Form(s)

The contracting State Agency should submit this form to the Chapter 51 Review Unit when it has been required as part of a contracting process. The contracting State Agency should submit a copy of the completed and signed form(s), to the Chapter 51 Unit and retain the original for their records.

The business entity should return this form to the contracting State Agency. The business entity can submit this form directly to the Chapter 51 Review Unit only when it -

- Is approaching its two-year certification expiration date and wishes to renew certification;
- Had a change in its ownership structure; OR
- Made any contributions during the period in which its last two-year certification was in effect, or during the term of a contract with a State Agency.

Forms should be submitted either electronically to: cd134@treas.nj.gov , or regular mail at: Chapter 51 Review Unit, P.O. Box 230, 33 West State Street, Trenton, NJ 08625.

Chapter 51/Executive Order 117 Q & A
Updated 8/26/15

These questions and answers have been updated to reflect all developments concerning Chapter 51 and Executive Order 117.
Please do not refer to any prior versions.

1. How are EO 134, Chapter 51 and EO 117 related?

Answer: Chapter 51 superseded EO 134 in 2005. EO 117 was issued in 2008 and is applied along with Chapter 51 to vendor contributions.

2. Do employee contributions disqualify the vendor or contractor from receiving a state contract award?

Answer: Employee contributions do not disqualify the employer, so long as the employee is not considered part of the business entity. See definition of business entity in the Information and Instructions for Completing the Two-Year Vendor Certification and Disclosure of Political Contributions form.

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

3. Who can make a request for a public exigency exception to Chapter 51?

Answer: Only the State agency that is procuring or otherwise entering the contract with the business entity can make a request for a public exigency.

4. Does Chapter 51 apply to grants given by covered agencies? Does it matter if it's for a for-profit entity?

Answer: In general no, even if it is for a grant to a for-profit entity. However, if a procurement transaction is called a grant but will result in the acquisition of goods and services from a for-profit entity, then Chapter 51 does apply.

5. Does the law apply only to procurement of services?

Answer: No, the law applies to the procurement of goods, commodities, services, materials, supplies and equipment, and the acquisition, sale or lease of land or buildings.

6. In what format will departments be notified once the Chapter 51 Review Unit completes the review of a vendor's Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form?

Answer: The Chapter 51 Review Unit will notify State agencies by email of a business entity's Chapter 51/Executive Order 117 compliance or to request additional information

if necessary. It is the State agency's responsibility to communicate that response to the potential vendor.

7. Does the \$17,500 threshold in Chapter 51 apply per individual transaction, or is it cumulative Statewide or by department or by division within a department?

Answer: The threshold is applicable per transaction executed cumulatively by a division within a department. However, if the agency becomes aware of a vendor receiving more than \$17,500 in contracts during the same fiscal year, the agency should obtain a Two-Year Vendor Certification and Disclosure of Political Contributions form from the vendor. Contracts should not be divided by dollar amount or between agencies to avoid the \$17,500 threshold.

8. In cases where the public exigency requires the immediate purchase of goods or services, what will the Chapter 51 Review Unit require in terms of justification and/or supporting documentation?

Answer: Chapter 51 provides that the Treasurer may exempt compliance from Chapter 51 and EO 117 in the case of a public exigency. Please see below for Public Exigency guidelines. Accordingly, agencies need not request that the vendor execute the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form, but instead, should send a request to the Treasurer explaining why the Treasurer should exempt the procurement as a public exigency.

Public Exigency - must be an emergency that affects the public health, safety, or welfare or a critical agency mandate which requires the immediate delivery of goods or performance of services or involves a contract for specific goods or services that:

- a. Must be provided by a specific vendor; and,
- b. The timing of the procurement does not make compliance with Chapter 51 practical or possible; and
- c. The procurement is consistent with the intentions of pay-to-play laws.

An example of this would be a procurement where the goods or services are only available from a single source and the single source vendor's action prevents or stymies application of the law. In these cases, the public agency can request approval from the Treasurer.

9. With respect to Chapter 51, if an individual makes a contribution to a PAC and the PAC makes contributions, how does this affect the person's ability to enter into contracts with public agencies? Who receives credit for the contribution?

Answer: A "PAC" is not a legal term, but when people use it, they generally are referring to what is defined as a "continuing political committee" under New Jersey law. Assuming by "PAC" you are referring to a continuing political committee and not to a candidate committee or a political party committee, an individual's contribution to a PAC does not affect the individual's ability to contract with State agencies, unless (1) the individual directly or indirectly controls the PAC and the PAC itself makes a disqualifying

contribution, or (2) the Treasurer determines, under Section 6 of Chapter 51, that the individual's contribution to the PAC would constitute a breach of contract under Section 9 of the statute or would pose a conflict of interest.

10. Does Chapter 51 apply to DPA purchases of \$17,500 and less?

Answer: No, however it does apply to DPA purchases in excess of \$17,500.

11. Is there a contact person that I could speak to directly about compliance with Chapter 51 and Executive Order 117? We have a few questions that I need to discuss with someone, if possible.

Answer: No. Agencies and business entities are requested to submit all questions electronically to the following link:

<https://www.state.nj.us/treas/purchase/eo134questions.shtml>

This format eliminates responding to duplicate questions, provides the opportunity to share questions and answers with agencies, as well as the business community and expedites response.

12. What documentation is required to be submitted to the Chapter 51 Review Unit? Is it only the certification form or should the vendor quote also be included?

Agencies should submit the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form to the Chapter 51 Unit. The form is available online at:

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>.

If additional information is needed, the Chapter 51 Review Unit will send its request to the public agency to be forwarded to the business entity.

13. Can State Agencies submit the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form as a scanned attachment (.pdf) via email?

Answer: Yes. We encourage submissions be sent electronically for review to: CD134@treas.nj.gov.

14. Do Chapter 51 and Executive Order 117 affect subcontractors of a vendor that we would like to contract with?

Answer: No. The prime contractor only – not its subcontractors – is responsible to be in compliance with Chapter 51 and Executive Order 117.

15. Are contracts to procure goods and services for school districts previously referred to as “Abbott districts” within the scope of Chapter 51 and EO 117?

Answer: Yes. Procurements by State agencies on behalf of the school districts formerly referred to as “Abbott districts” are within the scope of Chapter 51. Purchases made directly by a school district are not covered by Chapter 51 or EO 117.

16. Do we have to provide compliance documents repeatedly for vendors once we establish approval by the Treasurer or will we have to do this every time we award, especially for a DPA purchase? Many of our DPA purchases are to the same vendors again and again.

Answer: No, the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is valid for a two year period effective the date of approval. State agencies should first verify a business entity's compliance status with the Chapter 51 Review Unit prior to requesting the completion of a form. If approval has already been obtained, a new form is not required to be submitted for that vendor. If there is a change in the vendor's ownership status or if the vendor makes a political contribution(s) during the two-year period, the vendor is required to submit a new Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form for approval to the Chapter 51 Review Unit.

17. Is my corporation required to submit a separate Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form for each 10% or greater owner and their spouses and children (living at home)? In our case, this would require completion of 10 copies of each form. What is to be done if children are not of legal age?

Answer: Where the business entity is a corporation, a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is required from the business entity itself, each 10% or greater owner, officers of the corporation and each controlled subsidiary or Section 527 Political Organization.

As a matter of convenience, a business entity may submit only one form if its authorized representative completing and signing the form is certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity. If the authorized representative completing the form is only certifying for the business entity itself, then separate forms must be completed and submitted along with the business entity's form from all other individuals and/or entities whose contributions are attributable to the business entity.

No form is required from children that are not of legal age or children that do not reside with an individual that falls under the definition of business entity. Additionally, it does not apply to a contribution made by a spouse, civil union partner, or child to a candidate for whom the contributor is entitled to vote or to a political party committee within whose jurisdiction the contributor resides.

18. We received in the mail a Vendor Certification and Disclosure of Political Contributions form (CH51.1 R1/21/2009). The form (Chapter 51 – Rev. 4/17/15) on the website also refers to Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. Both are two year forms. Can we use the form on the website in place of the one we received in the mail?

Answer: Yes. The form on our website is always the most current and correct. This is the only form that will be accepted for review and approval.

19. My company is owned by another company. I understand that my company, and the company that owns my company, must complete the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. The owner company has 3 shareholders. Are these shareholders also required to complete the compliance forms?

Answer: You are correct that certification and disclosure is required from the contracted company and the company that owns the contracted company. However, the shareholders of the owner company are not considered "principals" of your company and, therefore, are not required to submit compliance documentation. Keep in mind, the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form submitted is signed on behalf of the contracted company and any individuals and/or entities whose contributions are attributable to the contracted company. If the authorized representative completing the form is only certifying for the business entity itself, and not the parent company, which is the principle in your situation, a separate form must be completed and submitted along with the business entity's form from the parent company.

20. I am reviewing a contract between the Board of Public Utilities and a consulting company. The contractor will not be paid by BPU, but by the various utility companies that are involved in the project (for development of electronic data interchange processes). Would this be considered a "state contract" requiring compliance with Chapter 51?

Answer: Although the contractor will be paid by the various utility companies, the contract in place is between the Board of Public Utilities and the consulting company. If the expenses to be incurred by the various utility companies are expected to exceed \$17,500, Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions forms are required.

21. Is the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form required in the case of an assignment of an existing agreement, where the original vendor has been acquired by a third party and the assignee is the new corporate form of the original vendor? The term of the original agreement is not being extended, and the terms and conditions are unchanged, except for the assignment.

Answer: No.

22. I represent a State agency preparing to enter into a contract with a municipality. Is a municipality required to fill out the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form prior to entering into a contract with the State? How about other State entities that are vendors, such as colleges and universities?

Answer: Municipalities and State entities are not required to comply with Chapter 51 and Executive Order 117 because they do not fall within the definition of a business entity. Additionally, colleges, universities and non-profit organizations are excluded from this definition and are, therefore, exempt from Chapter 51 and Executive Order 117 compliance.

23. Do Chapter 51 and Executive Order 117 apply to contracts with the Administrative Office of the Courts?

Answer: No.

24. Are extensions of contracts, subject to the terms of Chapter 51 and Executive Order 117?

Answer: Contract extensions are treated as exercises of existing contractual rights and are not subject to the requirements of Chapter 51 and Executive Order 117.

25. Are contract change orders subject to the terms of Chapter 51?

Answer: Contract change orders are treated as exercises of existing contractual rights and are not subject to the requirements of Chapter 51.

26. Is an amendment or change order to a contract that was originally below the \$17,500 threshold subject to the terms of Chapter 51 if the amendment brings the value of the agreement over \$17,500?

Answer: Yes.

27. Please define "any entity designated and organized as a "political organization" under 26 U.S.C.A. 527, that is also defined as "continuing political committee" under N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7." Is there a listing that can be provided for all "entities" that are organized under these criteria?

Answer: The simplest way to obtain information about the registration status of a political organization is to inquire of the organization itself. In addition, information regarding political organizations that are tax exempt under Section 527 of the Internal Revenue Code is available at the IRS website link:

<http://forms.irs.gov/politicalOrgsSearch/search/basicSearch.jsp?ck>

New Jersey Election Law Enforcement Commission (ELEC) maintains information regarding organizations which have registered as "continuing political committees" and is available at ELEC website link: <http://www.elec.state.nj.us/>

28. We request clarification of the language with respect to Chapter 51. The language states that each person or organization within the definition of business entity is required to provide certification and disclosure. We are a subsidiary of a publicly-held company listed on the NYSE. Our parent company has over 300 subsidiaries in the U.S. and it has a New Jersey PAC (continuing political committee). The definition of business entity would clearly include Bidder (our company) and its parent corporation.

The definition also includes any subsidiaries directly or indirectly controlled by the business entity. This seemingly includes all 300+ subsidiaries of our parent company, since parent is a business entity."

Would it be acceptable for our company to include with our bid proposal forms for our company and our parent company? Or would we need to include forms for all 300 subsidiaries of our parent company? Our parent company's PAC would certify, since it appears to fall under the definition of a business entity.

Answer: In your example, only the parent company and the PAC would be required to certify and disclose. However, if the authorized representative from your company can certify on behalf of the parent and the PAC as well, only one Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form must to be submitted. Please see the answers to Question 17 and 19.

29. Would an agreement signed between a New Jersey landlord and the NJ Department of Community Affairs (DCA) to receive federal Section 8 rental assistance funding constitute a "contract" as defined in Chapter 51?

Answer: No. The Section 8 program is, essentially, a grant program, and therefore, Chapter 51 does not apply.

30. With regard to property and real estate matters, do Chapter 51 and Executive Order 117 apply to the date of the real estate closing or when the real estate contract was executed by all parties?

Answer: The applicable date would be the date when negotiations commenced.

31. Under New Jersey law, partnerships cannot make political contributions to New Jersey candidates and political committees. See N.J.A.C. 19:25-11.10. However, partners can contribute and contributions can be made on partnership checks provided the contribution is allocated to a partner(s), i.e., comes from the partner's share of partnership funds, and such contribution is authorized in writing by the partner, and the written authorization accompanies the contribution when sent to a candidate or political committee. This being the case, is it correct

to assume reportable contributions (in excess of \$300.00) under Chapter 51 and Executive Order 117 are those made by equity partners in the partnership?

Answer: Yes.

32. I have been asked to act as placement agent for an agency's upcoming bond transaction. The placement is for the investment of the bond proceeds into guaranteed investment agreements. We have been asked to get each potential provider of an investment agreement to sign the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. The contract(s) will be signed with entities. These entities have or will shortly be submitting their forms under their corporate names. These entities, and others, have guarantors. I don't believe we need to have the guarantors also sign certification and disclosure forms. (They will never be the counterparty – just the backup credit in the event of a failure to perform by the signatory.) I want to confirm so that we don't have a problem at closing.

Answer: Since the guarantor does not have a contract with the State of New Jersey, it does not need to submit a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form.

33. I understand Chapter 51 contains a provision so that it does not apply to certain federally funded contracts. Does this provision apply only to the NJ Department of Transportation for highway projects, or does it apply to all FTA-funded (Federal Transportation Authority) transit projects?

Answer: The exception is in N.J.S.A. 19:44A-20.25. This exception does not apply to all federally funded contracts, only those where the federal government or a court has determined Chapter 51's application would violate federal law. At present, we are aware that the exception applies to DOT contracts funded by the FHWA and to any other contracts funded in whole or in part, by the FHWA.

34. New Jersey law, N.J.S.A. 19:34-45 in particular, prohibits certain corporations, including banks and insurance companies, from making contributions to political candidates or parties. Given that it would appear that these companies were forbidden under law from making contributions covered under Chapter 51, is it necessary for these companies to provide a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form?

Answer: Yes, the companies are required to file a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. The referenced statute does prohibit some contributions by certain corporations and their majority stockholders to or in support of political candidates and parties, but does not prohibit contributions by all of the individuals whose contributions are attributable to the business entity under Chapter 51 and may not prohibit contributions to all of the political committees within the scope of Chapter 51.

35. One of our vendor's owners died and the estate has not completed the probate process. Are we required to obtain a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form from the estate?

Answer: No. Estates are not included in the definition of business entity.

36. Our company is a State contract vendor. Would the owner (who has a greater than 10% equity interest) of the company be allowed to be on the host committee for a gubernatorial fundraising event?

Answer: No, as that would violate the prohibition in the statute against solicitation of contributions by vendors' principals. Further, if as the host, the owner also paid any costs of or made in-kind contributions to the fundraising event with a value in excess of \$300.00, it would violate the prohibitions of the statute.

37. Would our Medicaid “fee for service” providers, who bill our system for reimbursement, be subject to Chapter 51? These providers have contracts with the HMOs to which the State is not a party, but which do prescribe certain parameters that must be met in the HMO contract. The fee for service providers have a simple provider agreement which certifies that they will comply with all applicable federal and state law, provide information regarding claims and keep records. There is no countersignature by the State. There is no acceptance process for service providers; all who apply and agree to the program’s terms are accepted.

Answer: No, these providers are not subject to Chapter 51, as Medicaid has made no contract “award” to the fee for service providers.

38. Certain foreign entities – defined as “foreign nationals” – are prohibited by U.S. federal law from making political contributions in the United States. Based on this prohibition, are such businesses or foreign entities excused from compliance with Chapter 51?

Answer: No. The statute does not differentiate among business entities based on country of residence or origin, nor does the statute provide an exemption based upon compliance with other State or federal laws.

39. Our company is a state contract vendor. Our president is first vice-chair of a county political organization. As a state contract vendor, would our president be allowed to sign checks from the county political organization?

Answer: The signing of political organization checks does not alone disqualify a vendor under Chapter 51. However, as an executive with the county political organization, the company’s president should be aware of the restrictions set forth in Chapter 51 on soliciting contributions. Those restrictions apply to state vendors and their principals. This company’s president should also be aware of the possibility that services provided

to the county political organization may, if not voluntary personal services, be considered reportable “in-kind contributions” to the organization pursuant to N.J.S.A. 19:44A-3(f) and N.J.A.C. 19:25-1.7, which would have a potential Chapter 51 impact.

40. If a business entity responds that they have not contributed or solicited contributions, does the using agency have to submit the paperwork to the Chapter 51 Review Unit, or may they continue to process the contract without submission?

Answer: The paperwork must be submitted to the Chapter 51 Review Unit. We will confirm whether all of the required entities have submitted the required Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form, and will notify the using agency whether the business entity’s documentation complies with the requirements of the statute.

41. For a professional corporation, does the definition of business entity include only principals who own or control more than 10 percent of the stock, or does it also include principals who own or control more than 10 percent of the profits or assets of a business entity?

Answer: It applies to both. Please refer to the Information and Instructions for Completing the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form for the complete definition of business entity.

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

42. May two members of a corporation, neither of whom owns more than 10% of the stock of the corporation, but who in the aggregate own more than 10% of the stock of the corporation, make or solicit contributions subject to the statute.

Answer: Ownership in the corporation is not aggregated for purposes of determining the applicability of the statute.

43. Our agency utilizes New Jersey State contracts for a good portion of its procurement of goods and services. Please clarify whether our agency has to separately require that the vendors who have existing State Contracts comply with Chapter 51 before we can order?

Answer: Purchase Orders and other procurements against existing State contracts established by the Division of Purchase and Property, are not separately subject to the requirements of Chapter 51. Compliance with respect to such State contracts is the responsibility of the Division of Purchase and Property, Chapter 51 Unit.

44. Can a principal of a business entity give a power of attorney to another principal of the same business entity to sign as attorney-in-fact, the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form?

Answer: Yes, authorized representatives are allowed to sign the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form.

45. Is there any guidance as to how often and when our company should disclose any political contributions made after the award of a contract? Additionally, is there a special form to be filed to report these contributions?

Answer: A new Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is required to be submitted for approval upon the making of any political contribution(s) aside from those disclosed on the original form and also to report changes in the ownership structure (including the appointment of a new officer within a corporation).

46. How should sole source purchases be handled with respect to Chapter 51?

Answer: The Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is required even if it is a sole source contract. In the event that the sole source business entity has made a disqualifying contribution, the agency may request a public exigency from the State Treasurer.

Likewise, if you are inquiring whether or not your agency is entitled to receive an exemption from submitting documents because of the mere fact that you have received one bid or have one qualified bidder for services; the answer is No.

47. May a bidder safely use the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form found on the Treasury website instead of the particular form included in the bid solicitation of the State agency?

Answer: Yes, the form on the Department of the Treasury website is the correct form for any type of procurement, including a publicly advertised bid. The location of the form on the web is: <http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

48. A business is a publicly traded company, and is owned in part by one or more financial firms, each of which owns more than 10% of the shares of the business. Is the business required to obtain a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form from each financial firm?

Answer: Publicly traded companies are not required to obtain certification and disclosure forms from holders of 10% or more of their shares, where the holders of such shares are mutual funds, financial advisors, or other institutional investors that own the shares for the benefit of investors. However, financial firms or individuals that hold such shares for their own account are required to submit a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form.

49. If a public company is required to obtain a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form from a 10% shareholder where that shareholder is a mutual funds, financial advisor, or other institutional investor that owns the shares for its own account and such public company in good faith attempts to obtain the form, but is unable, does a public exigency exist to enable the state agency to still contract with the public company despite the lack of a certification and disclosure from the shareholder?

Answer: A public exigency is determined on a case by case basis by the State Treasurer. If the Treasurer determines that a public exigency requires the immediate delivery of goods or performance of services, the agency would not be precluded from contracting with the company.

50. Our company is currently under contract with the State of New Jersey. Is our company allowed under the provision of Chapter 51 and Executive Order 117 to contribute \$500.00 to a committee to re-elect a county Freeholder, or a State Assembly or State Senate candidate

Answer: Contributions to the election fund or committee of a county Freeholder, State Assembly or State Senate candidate are outside of the scope of Chapter 51 and Executive Order 117.

51. The Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form requires disclosure of contributions to "political organizations"; does this require a disclosure of groups and political organizations not covered by Chapter 51 and Executive Order 117?

Answer: The business entity is required to disclose any political contribution solicited or made in the preceding four years to any political organization organized under Section 527 of the Internal Revenue Code which also meets the definition of a continuing political committee, which is commonly referred to as a PAC (Refer to Question 27). Also, the form requires the disclosure of any contributions solicited or made during the preceding 5 ½ years to any:

Candidate committee/election fund for any Gubernatorial or Lieutenant Gubernatorial candidate,
State Political Party Committee,
County Political Party Committee; OR

Any contributions solicited or made during the preceding 18 months to any:

Municipal Political Party Committee,
Legislative Leadership Committee

52. Chapter 51 requires disclosure of contributions to the election fund of any candidate or current holder of public office of Governor or Lieutenant Governor

or State or county political party committee. EO 117 requires disclosure of contributions to municipal political party committees and legislative leadership committees Does this apply to a contribution to the election fund for a city/township mayoral candidate? Also, would payment for dinner tickets be considered a "contribution" to such township election fund events under Chapter 51?

Answer: Payment for dinner tickets would be considered a contribution. Contributions to candidates for municipal offices are not subject to Chapter 51 or EO 117.

53. An incorporated trade association intends to register in New Jersey as a continuing political committee. Its members include corporations and individuals. Can the association accept contributions to its CPC from members who have contracts with the State and/or local jurisdictions, whose contributions will be used to make contributions to New Jersey candidates and political party committees?

Answer: Contributions to a CPC (Continuing Political Committee) are required to be disclosed by the contributor as part of the compliance process. Disclosure of such contributions will trigger a conflict of interest analysis under Chapter 51.

54. Is a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form required for an annual dues assessment payment to a national association of which every state/territory government is a member? For example, NJ is a member of a national association which advocates for mental health issues. Each state/territory is represented by their respective Commissioner or Division Director for Mental Health. This organization advocates for mental health issues and legislation at the national level.

Answer: The described group is, effectively, a consortium of governmental entities that would not constitute a business entity for purposes of Chapter 51 or Executive Order 117. As such, the group would be exempted from the form requirement.

55. As a State agency, are we required to obtain a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form if we purchase land from an estate?

Answer: No. An estate is not included in the definition of business entity under Chapter 51 and Executive Order 117.

56. Do Chapter 51 and EO 117 apply to a political contribution by a business entity to a particular county political party for purposes of funding the legislative election campaigns of that party's candidates, and where the contribution is not related to any gubernatorial campaign?

Answer: Contributions to a county political party committee are disqualifying contributions under Chapter 51 and EO 117. Contributions to separately established single or joint candidate committees are not subject to Chapter 51 and EO 117.

57. Do Chapter 51 and Executive Order 117 apply to a business entity's contribution to a gubernatorial campaign fund if that particular candidate was NOT elected?

Answer: Yes. The success of the candidate does not affect the application of Chapter 51 or Executive Order 117, but it does potentially affect the length of disqualification.

58. If a disqualifying contribution was made without awareness of the Chapter 51 implications and the candidate committee fails to return the contribution within the required 30 days, can a vendor be awarded State contracts?

Answer: No, Chapter 51 requires inadvertent contributions be refunded within 30 days after the date on which the contribution was made. There is no exception in the law for a contributor's delay in requesting or the committee's failure to timely refund a contribution.

59. Is a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form required for non-profit corporations organized under the New Jersey Nonprofit Corporation Act (N.J.S.A. 15A:1-1 et. seq.), and refers to commercial entities.

Answer: Non-profit entities are not considered business entities and, therefore, exempt from Chapter 51 and Executive Order 117 compliance.

60. I am the executive director of a business with State contracts. If I bought a ticket to a birthday party for a Freeholder (\$150) and an assembly person (\$100) in one year, is that a reportable contribution required to be reported on the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form?

Answer: Contributions to County Freeholders or members of the State Assembly are outside the scope of Chapter 51 and Executive Order 117.

61. As a business entity organized as a Limited Liability Partnership, we are prohibited from making or soliciting certain political contributions under the provisions of Chapter 51. Our partnership has partners with 10% and greater and partners with less than 10% equity interest. May these partners utilize certain facilities of the partnership such as fax machines, telephones, Xerox machines, personal computers, etc., to solicit political contributions for a campaign if the value of such administrative cost is less than the \$300 amount of a reportable contribution in the aggregate?

Answer: Yes, in your example, the value of the in-kind contributions does not exceed the \$300 reportable amount and will not disqualify the LLP from contracting with a State agency.

62. May a business entity established as a partnership make a political contribution to a county political party using a partnership check so long as the contribution is accompanied by an appropriate letter allocating the contribution to individual partners and so long as the allocation for each partner is \$300 or less?

Answer: Yes. Consistent with the Election Law Enforcement Commission (ELEC) regulations and procedures, use of the partnership check is not determinative, provided that the contribution check is accompanied by a clear allocation to individual partners, as is required by ELEC.

63. May a partner of a Limited Partnership contribute under the reportable amount?

Answer: Yes, individual partners can each contribute \$300 or less, and such contributions are not attributed to the partnership provided the contribution was not given in cash. For cash contributions, any amount is considered reportable.

64. May a spouse of a LLP partner contribute more than the reportable amount?

Answer: Spouses residing with an officer of a corporation, partner of a LLP, LP or general partnership, member of a LLC and shareholder or officer of a PC, are also precluded from contributing more than \$300 to a political committee or election fund. However, Executive Order 117 does not apply to the spouse, civil union partner or child when contributions are made to a candidate for whom the contributor is entitled to vote or to a political party committee within the jurisdiction the contributor resides.

65. If a company has a current State contract can they contribute to a county political party?

Answer: Pursuant to N.J.S.A. 19:44A-20.21, it is a breach of contract to make a reportable contribution (meaning a contribution in excess of \$300 or a contribution in cash) to county political party committees during the term of the contract.

66. Are employees employed by the company allowed to contribute to a county political party while the company has a current State contract?

Answer: An employee may contribute to a county political party provided that the employee is not an officer of the company and does not have a 10% or greater ownership interest if the business entity is a corporation or does not have any equity interest if the business entity is a LLP, LP, LLC, GP or PC. However, pursuant to N.J.S.A. 19:44A-20.21, if an employer makes or solicits contributions directly or indirectly through its employees or reimburses an employee in order to circumvent the

effects of the statute by concealing the source of a contribution it is a breach of the contract

67. Our political action committee (PAC) has contributed to a State political party committee and one of the PAC member's has a contract with the State. Would Chapter 51 apply to the member with the State contract? What if the member contributes to our PAC, and in turn our PAC makes a contribution?

Answer: There are several ways in which your committee's members could be impacted by Chapter 51:

If the PAC is determined to be controlled by one or more members that have State contract(s), then the PAC's contributions would be attributed to the member(s) as part of the member's business entity under Chapter 51.

In addition, assuming the PAC is a "Continuing Political Committee" under NJ law, contributions to the PAC by your members would be required to be disclosed in accordance with Chapter 51. The disclosure would trigger a "conflict of interest" review, in which we would take into consideration: whether the contributions were given to the PAC as a means of circumventing the restrictions of Chapter 51, which would be a violation of the statute; and whether there are other factual indications that would raise "conflict of interest" concerns with respect to the contribution from the member to the PAC, and subsequent contributions from the PAC to political committees.

68. Chapter 51 includes a section on eminent domain. It specifically states that the provisions of the statute shall not prevent agencies "from complying with all of the requirements, conditions and obligations of the "Eminent Domain Act of 1971..." What is the process that our agency has to follow with respect to the requirements of the statute? Can we negotiate the purchase of property without the filing of a complaint under the Eminent Domain Act?

Answer: The exemption in Chapter 51 of acquisitions accomplished in compliance with the Eminent Domain Act was intended to allow agencies to conduct the bona fide negotiations required by the Act. As such, the positive results of any negotiations conducted in compliance with the mandates of the Act are outside the purview Chapter 51.

69. The owner of our company held a fundraising dinner for one of the Republican candidates for Governor and personally contributed an amount over the \$300 reportable threshold. If this candidate withdraws from the race or fails to secure the party nomination to run for Governor, do Chapter 51 and Executive Order 117 restrictions apply?

Answer: Yes, both apply. Chapter 51 is interpreted consistent with Election Law Enforcement Commission (ELEC) laws in that a candidate who has sought election for a primary or general election is a candidate regardless of his/her success or failure in that election. Moreover, an individual seeking election in this instance would also be

considered a candidate for purposes of reporting under ELEC laws when that candidate has received funds or other benefits (i.e. contributions from a fundraising dinner) in order to make a decision on whether to run for a primary or general election.

70. If a vendor has a contract with the State of New Jersey and the vendor intends to make contributions to continuing political committees (CPC's), to whom must the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form be addressed for review and approval?

Answer: If the vendor already has a current Chapter 51/EO 117 Two-Year Certification form on file and has made a contribution to a CPC, the vendor is required to complete a new form and send it to the Chapter 51 Review Unit for review. The vendor can also send a new form directly to the Chapter 51 Review Unit if it is approaching the end of their two year certification and wishes to renew for another two years. All other submittals must be sent directly to the State Agency which you are seeking a contract and addressed to the contact person for that agency.

71. Is the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form required to be notarized?

Answer: No, however the form calls for the authorized representative to certify the responses, which means that the authorized representative is certifying that the statements on the form are true and that if any statement is willfully false, the representative may be subject to punishment.

72. We are the concessionaire at certain venues within the State of New Jersey. Many of our contracts with the owner/operators of such venues provide that we are to be the exclusive food and beverage provider at such venues. Since there is no bid process, and the State agency is required to use our company for its food and beverage needs should it decide to schedule an event at such venue, it would appear that the rationale behind Chapter 51 wouldn't be implicated (i.e., that the fair bidding process shouldn't be compromised through the use of political donations). In other words, there is no bid process, there are no alternative suppliers, and accordingly, there is no opportunity for a vendor to gain favor through contributions. In such an "exclusive rights" circumstance, must we as the service provider still comply with Chapter 51?

Answer: Under the circumstances described, it appears that the relevant contracts for Chapter 51 purposes would be the agreements between your company and the public agencies or authorities that are the owners/operators of the venues, if applicable, not a State agency which may schedule events at the venues.

73. The New Jersey Sports Authority has collective bargaining agreements with 13 different unions. Are the unions subject to the provisions of Chapter 51 and Executive Order 117?

Answer: No. Collective bargaining agreements are not transactions subject to Chapter 51 or EO 117.

74. For purposes of determining the principals of a limited liability company (LLC) that holds a state contract valued over \$17,500, would a corporation which owns 1% of the LLC be considered a principal subject to the restrictions and reporting requirements of Chapter 51?

Answer: A limited liability company is a for profit company and any equity member is subject to the restrictions and reporting requirements of Chapter 51.

75. I represent a limited liability partnership that has a lease agreement with a State agency with a value in excess of \$17,500. This lease is still in effect. Can owners of this partnership contribute to current gubernatorial campaigns, and state or county political parties?

Answer: Unless the lease agreement was signed prior to October 15, 2004, partnership principals are prohibited from making such contributions prior to the completion of the contract or agreement.

76. I represent several entities which are limited liability companies and limited liability partnerships that have contracts with a value above \$17,500 with the State. Members and partners of these entities are subject to the restrictions and reporting requirements in Chapter 51 and Executive Order 117. Because business entity is defined to include a natural person, and because, "if a business entity is a natural person, that person's spouse or child, residing therewith, are also included in this definition," are the spouses and at-home children of equity members and partners in limited liability companies and limited liability partnerships subject to Chapter 51 and Executive Order 117?

Answer: Effective November 15, 2008, Executive Order 117 revised the definition of business entity to include the spouse, civil union partner or child residing with an individual who is included within the definition of business entity. However, the Executive Order does not apply to the spouse, civil union partner or child when contributions are made to a candidate for whom the contributor is entitled to vote or to a political party committee within the jurisdiction the contributor resides.

77. Does Chapter 51 apply to Federal Social Services Block Grant funding received through DYFS?

Answer: If this funding is a true grant, this grant is not subject to Chapter 51.

This funding could be construed differently, however, if the procurement transaction designated as a 'grant' is, in fact, a contract for goods or services or if the State has a substantial role in the funded activity. In that instance, the restrictions of Chapter 51 would apply.

78. Our agency receives electricity and natural gas from a BPU regulated utility company. Billings for these services are based on tariffs established by the BPU. Is it necessary to have these utility companies complete the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form?

Answer: Utility companies that are providing a BPU-regulated service (e.g. electricity, natural gas, cable) are outside the scope of Chapter 51.

79. Our firm will be merging to form a new firm with two additional principals. Since December 2007 our firm has been a vendor, under a contract with a State agency. Our contract will end at the end of this month. My question is, if one of our firm's new partners has made a contribution to a state party committee, county party committee, candidate for Governor or Lieutenant Governor, legislative leadership committee or municipal political party committee in the past year, would the new firm be eligible to receive a State contract?

Answer: In order to be awarded a State contract, the new firm will have to submit a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. As such, each equity partner's contributions would be attributable to the partnership and must be disclosed. If one or more of the firm's partners, as a result of the merger, has made a reportable contribution, your firm would not be eligible for any new contract awards until the period of disqualification expired. However, if the reportable contribution was made before the merger by someone who was a partner only as a result of the merger, it would not be considered a breach of the contract pursuant to N.J.S.A. 19:44A-20.21.

80. Under federal law, pharmaceutical manufacturers are required to enter into an agreement with the Center for Medicare and Medicaid (CMS) to provide rebates for their drug products paid for by Medicaid. Manufacturers that do not sign an agreement with CMS are not eligible for Medicaid Coverage of their product(s). Since the State Medicaid rebate agreements are required under federal law, is it correct to assume that the pharmaceutical manufacturers that execute Medicaid rebate agreements are not prohibited from making political contributions under Chapter 51 and Executive Order 117?

Answer: The State Medicaid rebate agreement does not constitute contract awards, and therefore are not subject to and do not trigger the restrictions of Chapter 51 and Executive Order 117.

81. The State has a similar form agreement to the Medicaid rebate agreement concerning the PAAD and Senior Gold programs. Signature of the New Jersey drug rebate agreement is mandated in order for the drugs produced by a manufacturer to be eligible for State funding when dispensed to PAAD or Senior Gold beneficiaries. The provision of drugs in these two programs is not subject to the public bidding provisions. Is it correct to assume that the pharmaceutical manufacturers that enter into rebate agreements with the Department of Health

and Senior Services are not prohibited from making political contributions under Chapter 51 and Executive Order 117?

Answer: The State rebate agreements under the referenced programs do not constitute contract awards, and therefore are not subject to and do not trigger the restrictions of Chapter 51 and Executive Order 117.

82. If a manufacturer is prohibited from making certain political contributions under Chapter 51 and Executive Order 117, does the prohibition apply to a PAC or continuing political committee formed by a pharmaceutical manufacturer?

Answer: A continuing political committee formed by and under the control of a manufacturer would be considered part of the business entity of the manufacturer. Accordingly, the restrictions applicable to the manufacturer would be applicable to the committee, and contributions by the committee would be attributable to and required to be reported by the manufacturer.

83. May an individual, corporation, limited liability corporation or limited partnership that has a contract with the State of New Jersey exceeding \$17,500 make a contribution to the following committees: 1. Senate Democratic Majority; 2. Senate Republican Majority; 3. Democratic Assembly Campaign Committee; 4. Assembly Republican Victory?

Answer: The four committees listed are all legislative leadership committees and are restricted under EO117. A business entity with a State contract which was entered into after November 15, 2008, the effective date of EO117, will be prohibited from making a reportable contribution to any of the four committees.

84. State, county and municipal agencies and authorities will often advertise, obtain membership, sponsor and or attend a specific trade association's events or publications. The fees paid for these advertisements, memberships, sponsorships, and attendance fees often exceed \$17,500. We recognize that the Department has previously responded that Chapter 51 "applies to the purchase of services, materials, supplies and equipment, and the acquisition, sale or lease of land or buildings." Are the fees paid for advertisements, memberships, sponsorships and attendance fees of the trade association equivalent to entering into an "agreement or contract" or considered a "transaction" for the purposes of Chapter 51?

Answer: Fees paid to a trade association for memberships and/or sponsorships are not considered contracts to procure goods or services. In addition, fees paid to place advertising in a trade circulation or in the general media would not be considered contracts to procure goods or services and would not trigger Chapter 51 or Executive Order 117. However, fees paid to a business entity (such as an advertisement/marketing company) to secure the placement of ads on behalf of the State Agency, are within the scope of the law and a Two-Year Chapter 51/Executive

Order 117 Vendor Certification and Disclosure of Political Contributions form would be required.

85. If fees paid to a trade association for advertisements, memberships, and/or sponsorships are outside the scope of Chapter 51, is it correct to assume that the trade association would not be precluded from making political contributions to gubernatorial candidates or county or State political party committees or legislative leadership committees?

Answer: Although fees paid to a trade association for advertisements, memberships, and/or sponsorships are outside the scope of Chapter 51, a trade association's contributions to gubernatorial candidates or county or State political party committees or legislative leadership committees would affect its eligibility for contract awards.

86. I have read newspaper accounts that indicate giving to a State political party is not a Chapter 51 violation if the contribution is directed specifically to the federal account; is this accurate?

Answer: The New Jersey Election Law Enforcement Commission (ELEC) issued an Advisory Opinion (No. 03-2006) stating that contributions to the federal account of a New Jersey State political party committee are outside of the jurisdiction of ELEC, so long as the funds in the "federal account" are used exclusively for federal election purposes and are not spent on State candidates or elections. See the ELEC Advisory Opinion at: <http://www.elec.state.nj.us/legalresources/advisory.htm>

Thus, if the contribution to the federal account of a State political party is handled in accordance with those limits, the answer is yes.

87. If a vendor has made an inadvertent contribution and it was refunded beyond the 30 day limit that reverses disqualification, what is the exact time the vendor is not eligible for State contract awards?

Answer: Your question raises two separate issues.

First, Chapter 51 states that an inadvertent contribution may be returned to the contributor, and eligibility for State contract award restored, if the refund is obtained within thirty days of the contribution. A refund obtained more than thirty days after the date of the contribution will not restore the eligibility of the vendor. Contributions made within 60 days of a gubernatorial primary or general election are not considered inadvertent, and a refund obtained within the 30 day timeframe would not restore eligibility.

Second, the period of ineligibility depends upon the timing of the contribution, and the committee to which the contribution was made. As a general rule, there is an eighteen (18) month period during which the contributor is not eligible for State contract award when contributions are to the following political entities:

Candidate Committee/Election Fund for candidate for Governor or Lieutenant Governor
County Political Party Committee
State Political Party Committee
Municipal Political Party Committee
Legislative Leadership Committee

There are longer periods of disqualification for contributions to some of these entities, in the following circumstances. Where the contribution is made to a candidate committee or election fund of a sitting Governor or Lieutenant Governor, or to the State or county political party committee of the party which nominated the sitting Governor and Lieutenant Governor, and the contribution is made during the Governor's term of office, the contributor is ineligible for State contract award for the remainder of the Governor's term of office or 18 months whichever is longer.

Finally, where the contribution is made to a candidate committee or election fund of a sitting Governor or Lieutenant Governor, or to the State or county political party committee of the party which nominated the sitting Governor and Lieutenant Governor, and the contribution is made during the last eighteen months of the Governor's term of office, the period of ineligibility could extend through the next gubernatorial term if the sitting Governor is elected to a second term of office.

88. For State term contracts issued by the Division of Purchase and Property, does the \$17,500 transaction threshold amount established by the statute pertain to each individual purchase made by each term contract user or to the aggregate purchases made by all term contract users combined?

Answer: The \$17,500 transaction threshold applies to the aggregate purchases made, or expected to be made, by all users of the individual State contract. When the Division of Purchase and Property prepares to award a term contract to a vendor, that agency obtains a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form from the intended awardees. For this reason, using agencies need not obtain certification and disclosure forms for purchases from contracts already awarded by the Division of Purchase and Property.

89. Do all potential vendors have to send in the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form with their bids?

Answer: If you are responding to an RFP, RFQ or other contract solicitation, you should follow the specific directions provided. When the Division of Purchase and Property conducts a procurement, it only requires the form from the intended awardee(s).

90. Does EO 117 extend restrictions only to “equity partners” (the actual “owners” of partnerships and like entities) or do they affect non-equity partners, their spouses and resident children?

Answer: EO 117 applies to any partner with an ownership interest and by extension their spouse or civil union partner and resident children. EO 117 does not apply to people who hold the title of “partner” but do not actually have an ownership interest in the business entity. This is consistent with the Election Law Enforcement Commission (ELEC), which defines partner as one of two or more natural persons or other entities, including a corporation, who or which are joint owners of and carry on a business for profit, and which business is organized under the laws of this State or of any other state or foreign jurisdiction, as a general partnership, limited partnership, limited liability partnership, limited liability company, limited partnership association, or other such form of business organization. N.J.A.C. 19:25-26.1.

91. May partners with an ownership interest solicit multiple contributions of \$300 or less?

Answer: Yes. Chapter 51 prohibits the State from contracting with business entities that have solicited or made any “contribution” of money to certain candidates or committees. A “contribution” means a contribution reportable by the recipient under the New Jersey Campaign Contributions and Expenditures Reporting Act (CCERA). Reportable contributions under the CCERA are currently those in excess of \$300 from a single source in the aggregate per election for a candidate committee and per calendar year for a continuing political committee.

92. I wanted to clarify the contribution restrictions under Chapter 51 for companies that do business with the State. How is the \$300 reportable contribution threshold applied regarding a limited liability company? Is the \$300 limit applied only to the limited liability company (LLC) or can each member (10% owner) also contribute \$300?

Answer: A limited liability company (LLC) organized pursuant to N.J.S.A. 42:2B-1, et seq., with a State contract is not permitted to make contributions as an entity but instead, its contributions may be attributed to its members. N.J.A.C. 19:25-10.15, N.J.A.C. 19:25-11.10. For Chapter 51 purposes, a reportable contribution is any contribution made by check in excess of \$300 in the aggregate made by any member of the LLC, or a contribution of any amount made in cash, including those members with less than 10% ownership interest. Each member of the LLC may make a contribution by check of \$300.

93. If a corporation makes a reportable contribution to a non-incumbent candidate for Governor, how long is it disqualified from bidding on public contracts?

Answer: Contributions to a successful candidate for Governor made prior to the candidate’s inauguration, disqualify a business entity for 18 months from the date of the contribution. Contributions made to the holder of the public office of Governor, disqualify the business entity for the remainder of the term of the governor. If the contribution is made during the last 18 months of the Governor’s current term, the period of ineligibility would extend through the next term if the Governor is reelected for

a second term. Contributions to an unsuccessful candidate will disqualify a business entity for 18 months from the date of contribution.

94. Can each member of a limited liability company with a State contract make a \$300 contribution to a gubernatorial candidate, or are the contributions aggregated for purposes of the \$300 limit towards the company? In other words, is the \$300 limit attributable to the company or to each partner/member?

Answer: Each member of the LLC is allowed to make a \$300 contribution to a gubernatorial candidate except if the contribution is given in cash. Any contribution over \$300 from any equity member would be a breach of contract. A limited liability company organized pursuant to N.J.S.A. 42:2B-1, et seq., is not permitted to make contributions as an entity. N.J.A.C. 19:25-10.15. For more detailed information, please refer to New Jersey Administrative Code N.J.A.C. 19:25-1.1, et seq.

95. Is there any limit on the spouse of an officer of a company with a State contract contributing to a gubernatorial candidate?

Answer: Spouses or civil union partners and any child over 18 residing with the officer are allowed to contribute to a candidate for whom they are entitled to vote or to a political party committee within whose jurisdiction the contributor resides. This would include a gubernatorial candidate.

96. I have filled out the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form and I need to know where I can email this form or if I can't email it to whom and where do I mail it.

Answer: Vendor Certification and Disclosure of Political Contributions forms are to be submitted to the contracting State Agency. The contracting State Agency is required to email the forms to: CD134@treas.nj.gov

Forms submitted by mail from the State agency should be sent to:

**Dept. of the Treasury
Chapter 51 Review Unit
PO Box 230
Trenton, NJ 08625**

The Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form is available at:

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

97. We are a State agency planning on contracting with a company that has an individual stock owner who owns more than 10% of the company's stock but this individual is not an active principal of the company. Must we require a Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form from this individual? Accordingly, if we have an ownership

disclosure form which lists four individuals as having equal stock ownership, if two of those individuals are "active" principals and the other two are "inactive", do we require forms for the two inactive stockholders? Thus, are the two inactive stockholders considered "principals"?

Answer: Chapter 51 and Executive Order 117 do not make a distinction between active or inactive principals within a business entity. Therefore, both the active and inactive principals are subject to the requirements.

98. Do we have to supply a separate Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form for each member of an LLC; even our members with less than 10% equity interest?

Answer: The Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form can be signed by one authorized representative on behalf of the business entity and any individual or business entity whose contributions would be attributed to the business entity. In your particular case, the representative can sign on behalf of the LLC and all equity members of the LLC, including those with less than 10% equity interest. If the representative does not wish to authorize this type of certification, separate forms must be obtained from those individuals/entities that certification is not being provided for.

99. May a state contractor subject to pay-to-play restrictions freely make contributions to the newly formed Republican Governors Public Policy Committee (RGPPC), 1747 Penn. Ave., Suite 250, Washington, D.C. 20006? It purports to be a 501(c)(4) organization under Internal Revenue Code and advises that it does not contribute to candidates or engage in elections on the local, state or national level. Is any contribution to RGPPC even required to be disclosed by a State contractor at time of competitive bids or in its annual report?

Answer: The Republican Governors Public Policy Committee, an affiliate of the Republican Governors Association, is not within the scope of Chapter 51 or Executive Order 117 and contributions to it would not be prohibited or required to be disclosed.

100. We are a corporation that provides professional services to the State. I believe we fall into the business type category of a "corporation". There is also a "Professional Corporation" category. Can you please confirm that the professional corporation category does not apply to a corporation that supplies professional services?

Answer: On the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form under "Part 1: Business Entity Information," there are 5 business types listed. If your business is a legally formed corporation, you should check the Corporation box. Only vendors that are legally formed as a P.C. (professional corporation) should check the Professional Corporation box.

101. Regarding the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form, “Part 2: Disclosure of Contributions,” we have already filed an Annual Statement with ELEC (Election Law Enforcement Commission). Should we just list those contributions made since the filing of our annual statement? Otherwise, what is the starting date for listing contributions?

Answer: The Business Entity Annual Disclosure Statement is required to be filed with ELEC and is not used in the review process of the Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions form. Please refer to the Information and Instructions form for a complete list of all contributions required to be disclosed.

102. We are a corporation with our president having 100% ownership. On the Vendor Certification and Disclosure for Political Contributions form, specifically page 2, it references certifying on behalf of the business entity and all individuals and/or entities whose contributions are attributable to the business entity. Who all does this cover and is our VP able to sign?

Answer: Where the business entity is a corporation, it covers each 10% or greater shareholder, all officers of the corporation, each controlled subsidiary or Section 527 Political Organization and spouses and children of legal age (18 years and older) residing with a shareholder or officer. An authorized representative may complete only one form on behalf of all of these people and entities if the authorized representative has the requisite authority. Please see Question #98 for more information.

103. Would a contribution given to a political committee restricted under Chapter 51 or EO 117 be considered disqualifying if the total amount was \$300 or less, but given in cash?

Answer: Yes, a contribution reportable by the recipient shall mean a currency contribution in any amount or a contribution or contributions in excess of \$300 in the aggregate per election made to or received by a candidate committee or joint candidates committee or per calendar year made to or received by a political party committee or legislative leadership committee.

104. I represent a business that was previously majority owned by a large financial company (its former parent company). The business was spun-off and is now an independent publicly traded company. The former parent company no longer owns any shares of the business in its own accounts, so as of today it would not be considered a 10% owner for purposes of the NJ campaign contribution disclosure requirements. However, as of a year ago the former parent company would have fallen within the 10% owner definition. Are the former parent and its officers subject to the contribution disclosure requirements?

Answer: In respect to corporations, Chapter 51 and Executive Order 117 apply to the corporation itself, all officers of the corporation, any 10% or greater shareholders of the corporation and the spouses or civil union partners and any children who reside with the officers. Assuming negotiations started after the business was spun off, the former parent company would not be included in the definition of business entity.

105. Would it be appropriate under Chapter 51 and EO 117 for one of our managing directors to host and/or attend an event for a presidential candidate that currently is the holder of the public office of Governor? Also, would it be appropriate for him to make a contribution to a federal Super PAC supporting the Governor's candidacy for president?

Answer: Chapter 51 and EO 117 do not apply to a federal candidate election fund, regardless of the State office the candidate currently holds. Additionally, contributions to a federal Super PAC, also known as an "independent expenditure-only committee," are also not restricted under Chapter 51 and EO 117.